

STATE PAPER
ON
POLICY ON UTILISING THE
FOREST RESOURCES

STATE PAPERS

ON

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POWER HOUSES

INTRODUCTION

The forests of Guyana contain numerous species of timbers, the properties of which vary considerably. The timber from these forests is, therefore, suitable for a wide range of end uses. Some of these end uses are logs for piling and marine purposes, baulks for marine and industrial construction; lumber, scantlings and beams for house construction, and wood as a source of charcoal manufacture. In addition to the uses to which the timber of these forests can be put, the extractives derived from some species have the potential of being a base for a chemical industry. Depending upon the type and scale of production, wood using industries can vary from the relatively simple sawmill or veneer plant to the more complex and sophisticated industries such as plywood, particle board, fibreboard, pulp and paper. It is the view of the Government that the forests of Guyana need to be utilised in a manner which will lead to the development of integrated forest industries and which will result in a significant contribution of the forestry sector to the national economy.

2. Up to the present time only a small proportion of our species has been exploited. The most important timber felled and extracted has been Greenheart (*Ocotea rodiaei*) and although its volume, in relation to the other species being cut has been decreasing over the years, it nonetheless still represents approximately 50% of the total volume of removals from the forest.

3. The rights to obtain forest produce from the State Forests have been obtained in two ways, namely, by granting a State Forest Permission or a State Forest Lease. Permissions are usually given to the small logger to enable him to cut and remove a quantity of logs (50 - 100) over a given period of time (3 - 6 months).

4. The grant of a lease, however, confers upon the holder the exclusive rights to all the forest produce over a specified area within the State Forests for a period of time. The extent of leases have varied from 3,000 acres to over 700,000 acres and their duration from 3 to 21 years.

5. Government has been considering the present system of granting leases and feels that it does not constitute the best way of achieving the objectives of present day Forest Management. This Paper examines the objectives of Forest Management and the present leasing system, and makes recommendations for changes in order to ensure better utilisation of the forest resources in Guyana.

GENERAL AIMS OF FOREST MANAGEMENT POLICY

6. In considering the aims of a Forest Management policy the forest itself should be looked at in relation to the national requirement. Forests can be created or exploited to meet the demands for certain goods and services by mankind. Throughout the world forests perform many valuable and important roles. Some of these are:

- (i) they are a renewable resource which can be maintained in perpetuity;
- (ii) they yield a wide range of valuable commodities which differ in their properties and the uses to which they may be put;
- (iii) they provide raw materials for industries which can be very simple or complex and therefore demand various kinds of skills and different intensities of capital and labour;
- (iv) they provide more employment opportunities for each unit of capital employed when compared with many other sectors of an economy;
- (v) they help to regulate and maintain water supply and quality;
- (vi) they provide food and shelter for wildlife;
- (vii) they protect crops and animals from the harmful effects of wind;
- (viii) they stabilise the soil and reduce erosion in surrounding areas;
- (ix) they ameliorate soil conditions;
- (x) they provide recreational facilities;

- (x) they help to stabilise rural communities and help to prevent the drift of population from rural to urban areas;
- (xi) the forest ecosystem absorbs noise and heat. It also acts as a climatic buffer in many areas of the world and generates oxygen essential to life itself.

AIMS OF FOREST MANAGEMENT IN GUYANA

7. In Guyana the aims of Forest Management should be as follows:-

- (i) to determine those areas which need a protective cover of forests in order to prevent erosion or the destruction of agricultural crops;
- (ii) to select areas of forests now which are of scenic value and are suitable for recreational purposes. It is to be noted that the population of Guyana might more than double itself by the year 2000. As industrialisation proceeds apace, the demand for recreational forests will increase. Government's desire to make Guyanese aware of their environment, especially those areas away from the coast, will be fulfilled. In addition there will be a saving in foreign exchange if travel to foreign lands for the purposes of holiday were to be reduced and persons were encouraged to spend part of their leisure time in forest areas or national parks;
- (iii) to provide access to forest areas. This will involve the establishment of a national forest road system of primary forest roads;
- (iv) to identify areas of natural forests which should be reserved and within which exploitation and removal of forest produce should be prohibited. Such forests are to be left for scientific enquiry and are to be used as a means of comparison with other areas in which conversion to other types of forests has taken place;

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- (v) to provide a suitable habitat in which wildlife can exist;
- (vi) to provide the goods, from the forest areas set aside for production, which the community needs;
- (vii) to regulate the supply of wood raw material in order to sustain forest industries, to meet the demands of society on a continuing basis and to maintain stability of employment for forest workers. Satisfying the needs of the community for forest products will lead to import savings and foreign exchange earnings;
- (viii) to utilise as many species as possible and thus increase the yield per acre of wood removed from the forest.

8. When the areas for recreation, amenity, preservation of wildlife protection have been identified then the remaining areas within the forest estate are those in which commercial exploitation will take place. There will be need to forecast the future demand for different types of forest products, to assess the ability of the forest to provide the raw materials that are required, to safeguard future supplies and to ensure that exploitation does not impair the site and thus render it incapable of producing agricultural or forest crops economically. When these factors are known then the decisions can be taken on what volumes should be removed, from what areas and the manner in which they should be removed. A well-thought out land use policy should identify those areas suitable for agriculture and those to be permanently dedicated to forestry. The allocation and the exploitation of the resource can then be prescribed.

9. The disadvantages of the present lease system are as follows:-

- (i) forests have been creamed of the most valuable species leaving other less valuable though useful species behind;
- (ii) the pattern of exploitation has been erratic and has been carried out at the discretion of loggers and lessees;

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- (iii) the grant of large tracts of land under woodcutting leases combined with the practice of selective felling prohibits the complete utilisation of the resources. For example, from 1954 onwards investors in considering suitable areas for a pulp mill or an integrated wood utilisation complex excluded from their consideration timber lands in the Bartica triangle since these were already encumbered;
- (iv) the 'land share' system has been practised whereby payment has been made by a logger to a lessee for the right to obtain timber from the lease even though the lessee might not have been exploiting that particular species or even working the lease;
- (v) lands within a lease, suitable for agriculture, cannot be effectively utilised without undergoing the laborious process of having such lands excised and in some cases subject to the opposition of the lessee;
- (vi) suitable plant sites required by other industrialists but within a lease area, are not readily acquired even when such sites are not beneficially occupied;
- (vii) in some cases only the best logs of the most valuable species have been extracted and areas of marketable timbers have been left between and within leases and usable timber has been left standing in the form of partly defective trees. Such timber becomes uneconomic to extract subsequently because of the high costs of extraction in its more isolated location;
- (viii) the most important decisions in Forest Management, namely what coupes are to be logged, what species are to be logged and what volumes are to be removed are left to the lessees who, not unexpectedly, practise the method of exploitation which is the most profitable to themselves.

10. Since the forests should be available for the inhabitants to enjoy if they so desire, and since the resources should be exploited in

in as rational a manner as possible, there appears to be no advantage in granting exclusive rights to persons to obtain forest produce within the State Forests if the existing methods of exploitation continue. What is required in the present state of development is flexibility so that all those capable of utilising the resource over a given area will be allowed to do so under certain conditions. Further, with the advance of technology, it is reasonable to expect that with increased utilisation smaller areas of forest will yield greater volumes of wood than obtains at the moment. The grant of a fixed area over a period of time does not take into account technological changes and presumes that the pattern of exploitation remains unaltered. The lease system has, therefore, outlived its usefulness.

RECOMMENDATIONS

11. It is proposed, therefore, that the system of granting leases should be abolished, and should be replaced with a Timber Sales Agreement between seller and purchaser setting out the terms and conditions governing such a sale. The following points should be embodied in the Agreement:-

- (i) an investor in the forest industry must have available supplies of wood for his operation at reasonable prices and for a period of time in order for him to amortize his investment and to obtain a reasonable return therefrom;
- (ii) a quota should be established for the withdrawal of forest produce by timber operators over a reasonable period of time and the volume of wood to be removed annually should be determined. If this quota is not met, then it should be reduced subsequently;
- (iii) for each person an area should be set aside from which a supply of logs will be obtained;
- (iv) the size of area and period of supply will depend on scale of investment, quantity and capacity of equipment and machinery and the nature of the forest, that is, the stocking, sizes of trees, quality of logs, volumes and distribution of merchantable trees; type of terrain and accessibility;

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- (v) the State should have the right to permit other parties to obtain forest produce within the same general area provided they do not interfere with each other's operations or damage each other's installations etc. For example, a pulpwood operator should be allowed to remove pulpwood in advance of or subsequent to a saw-log operator or a logger should be allowed to cut and remove species not being utilised by the present operator;
- (vi) if industrial sites are required within the State Forests, then a rental should be paid therefor;
- (vii) "stumpage" rates for the raw material should be established and provision should be made for review of such rates.

STUMPAGE

12. Stumpage is the price at which the forest owner sells the raw material to the buyer. It is important that stumpage rates should be realistic in that the owner should receive a fair reward for his produce, and that there should be no disincentive to investment to forest industry development.

13. Moreover, it is proposed that the State shall establish and maintain an adequate national forest road system. If, however, roads are built by one party then any other person should be allowed to use such road under certain terms and conditions laid down by the State. Whether primary forest roads are built by timber operators or by contractors, such roads should be located on the ground and they should be built in accordance with minimum standards and specifications laid down by the State. If a forest road is built by the State, then a timber operator will pay a fee for the use of that part of the road which is situated within the area he exploits. Such a fee will cover part of the construction and maintenance costs. If, however, a forest road is constructed and maintained by a timber operator, then reasonable costs therefor will be taken into consideration in the determination of stumpage for that particular operator.

14. The fee for the use of a primary forest road will be determined according to:- (a) the quantity of wood that it is estimated will be transported over such road and (b) the cost of construction and maintenance of such road amortized over a reasonable period of time.

CONCLUSION

15, The new policy on utilising the Forest resources, as outlined above, in order to ensure greater development and make a more significant contribution to the national economy is based on the following:-

- 1) General aims of Forest Management Policy;
- ii) Aims of Forest Management in Guyana;
- iii) Establishment of a Timber Sales Agreement between Seller and Purchaser setting out terms and conditions of sale; and
- iv) Establishment of a national forest road system and a fee for use of roads on clearly defined terms and conditions.