



The Iwokrama International Centre wishes to send warmest thanks to all its partners and donors for their most generous advice, assistance and support during the past twelve months. Without such contributions, Iwokrama would not have made such strong and encouraging progress.

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His Royal Highness The Prince of Wales, Iwokrama's Patron, and President Bharrat Jagdeo at Clarence House (2008)*

"We in Guyana applaud the progress the Iwokrama International Centre has made over the past twelve months"

The President's Statement

We in Guyana applaud the progress the Iwokrama International Centre has made over the past twelve months.

Its new financial stability, its new science programme - with its emphasis on climate change impacts - and its evaluation of the contribution of eco-system services to the Iwokrama forest and the well-being of local and communities have all given the Centre a new direction and profile of great relevance and assistance to my Government's initiative for the creation of a low carbon economy.

We look forward to the IIC's continuing work in 2009.

H. E. Bharrat Jagdeo President of Guyana

^{*}Image by Paul Burns Photography Limited



Edward Glover Chairman of the Iwokrama Trustees

"Our work shows our determination to contribute significantly to the international climate change agenda"

A Successful Twelve Months

In a world riven by financial worries which distract from the more fundamental problem of climate change, Iwokrama's performance in 2008 shows how responsible economic development and the needs of sustainability can be combined.

There were three notable areas of success in Iwokrama's strong performance during the last 12 months:

- The healthiest cash flow surplus of the decade;
- The first ever agreement driving international private investment to the forest canopy; and
- The start of three significant international projects, defining Iwokrama's new role - along with others - in showing how a rainforest can be used for real sustainability, real climate change protection and real community benefit

The Results

These achievements have given the Iwokrama Centre a new profile and confidence and underline how Iwokrama is unique and business based.

2009

The year ahead will be challenging, as for all institutions in the present global economic and financial crisis. But we intend to remain focused on what we have to do by:

- Increasing our business income through greater efficiency and offering added value;
- Implementing a new integrated research programme, led by a strong team on the ground and guided by a new international science committee; and
- Exploring further and urgently the quantification of the economic potential of the eco-system services that a natural intact rainforest supplies from the local to the global scale

Our work shows our continuing determination to contribute significantly to the international climate change agenda.

The Centre's progress is due to very hard work by its staff, led admirably by CEO Dane Gobin, and the special contribution of the local communities, who co-manage Iwokrama with us. All have my admiration and gratitude.

I also wish to thank President Jagdeo for his continuing commitment to Iwokrama as an example of his vision for Guyana as a whole; the Commonwealth Secretariat for their past resource support and now their welcome participation in the Centre's new research programme; the international community who supported us; our commercial and other partners; and my fellow trustees for their valued contribution to a breathtaking year.

Edward Glover Chairman Iwokrama Trustees



Dane Gobin Chief Executive Officer

"Sustainable use of rainforests in the face of climate change"

The Centre made real progress in 2008 towards financial self-sufficiency and strengthening its international role in new research into the sustainable use of rainforests in the face of climate change.

Financial Performance

- The cash flow surplus at the end of the year was the healthiest for many years. Unaudited financial performance reveals total revenue was U\$\$2,423,250; total expenditure was U\$\$1,602,683;
- Commercial activities earned US\$682,242 in 2008, compared to US\$549,698 the year before; an increase of 24%;
- Our timber joint venture partners, Tigerwood Guyana Inc (TGI), continued their selective harvesting to strict FSC standards, aiming to reach the permitted maximum level of 20,000cm in 2010;
- As a result of investment in three extra high quality cabins, tourism continued its steady growth with income up by 26% over the previous year and 85% since 2005;
- Training income derived from German development finance provided more rangers, guides and protected area managers for Guyana's protected areas, as well as programmes in bird tourism, for which Guyana and Iwokrama have become popular; and

 In March 2008, the Centre signed an innovative contract with Canopy Capital of the UK to explore the opportunity for longer term investment in the eco-system services of the Iwokrama Forest, in order to demonstrate that standing forests are worth more alive than dead

The Local Communities

The communities - our partners - played a key role in Iwokrama's success in 2008.

We reinforced our commitment with a new collaborative management agreement (CMA) in June, while the North Rupununi District Development Board (NRDDB) and the village of Fairview, inside the Iwokrama forest continued to work intensively with us as co-managers of the forest. The Inter-American Development Bank provided funding for more capacity building exercises for communities in business development. This important ongoing work will help them to diversify their revenue sources, so enabling them to adapt to climate change which is already affecting their traditional sources of income from fishing and farming.

A robust conservation and monitoring programme assessed the environmental and social impacts of our various programmes.

"The next 12 months carry great promise as the Centre's develops its four core businesses: selective timber harvesting, eco-tourism, forest management training and services"

Forest Stewardship Council (FSC)

The acquisition of FSC certification was a major achievement for the Iwokrama forest - a testament to the Centre's high social, environmental and economic forest management standards.

A New Generation of Research

There have been several months of intensive preparation towards the creation soon of an international science committee and the development of a new research programme. These plans underline Iwokrama's unique mix of science and business development, reflecting the Centre's philosophy of business informing science and science informing business.

Higher International Profile

Iwokrama gained international prominence from the BBC's three part series "Lost Land of the Jaguar" and the subsequent BBC Panorama programme. We will work hard to capitalize further on this increased publicity for Guyana and President Jagdeo's international low carbon initiative.

The next 12 months carry great promise as the Centre's develops its four core businesses – selective timber harvesting, eco-tourism, forest management training and services – in accordance with its commitment to develop new models of rainforest management and use.

Support

The Centre received strong support from the Government of Guyana, the European Union (EU), the British and German Governments, the Commonwealth Secretariat, the Inter-American Development Bank (IADB), the Darwin Initiative, Environmental Resources Management (ERM) of the UK, IIED, the World Wildlife Fund (WWF), International Tropical Timber Organization (ITTO), KPMG International, Shell International and more recently, the Gordon and Betty Moore Foundation (GBMF).

Cash contributions from donors amounted to US\$1,616,426 for the year. The Centre also continued to receive valuable in-kind contributions from Stephenson Harwood LLP, Eversheds LLP, Hill & Knowlton, Caribbean Airlines and Josephine Whitehead's legal services in Georgetown.

Dane Gobin
Chief Executive Officer



Sydney Allicock Chairman North Rupununi District Development Board and Iwokrama Trustee

"At the global level, we stand ready and committed as stewards of the rain forest, supporting Iwokrama's efforts in the good fight against the negative impacts of climate change which threatens all of our Earth"

In June, the North Rupununi District Development Board and Iwokrama renewed their partnership and joint commitment to balance the preservation, conservation and wise utilisation of Iwokrama Forest resources by co-signing a revised Collaborative Management Agreement.

NRDDB will work with Iwokrama to support the development of conservation-based businesses, models for eco-system services, research and protection of fragile resources and the promotion and affirmation of our traditional knowledge and cultural heritage. The KfW –EPA sponsored Collaborative Management Training for Protected Areas using the Iwokrama-NRDDB partnership as a working model was successfully delivered by Iwokrama's Training Services, benefiting the North Rupununi and several other Regions and communities throughout Guyana.

Our Junior Wildlife Clubs continue to thrive and groom the next generation for leadership. Our Friendship Treaty with the Ktunaxa Nation Council of Canada marks a milestone for Indigenous Peoples' intercontinental cooperation. For the future: at the local level the NRDDB looks forward to Iwokrama's assistance in developing a strategic plan and policy for the management and conservation of our precious North Rupununi Wetlands. At the global level, we stand ready and committed – as stewards of the rain forest, supporting Iwokrama's efforts in the good fight against the negative impacts of climate change which threatens all of our Earth.

Sydney Allicock Chairman North Rupununi District Development Board and Iwokrama Trustee



Bradford Allicock
Toshao of Fairview
Village (centre)
together with
members of the
Village Council

"Fair View is Iwokrama's closest community partner and we stand ready to continue to support the Iwokrama Centre".

Fair View's working partnership with Iwokrama has matured and strengthened over the past year, since Fair View gained village status in 2007.

This year the FSC renewed Iwokrama's certified timber business which provides earnings and employment for Fair View residents and sister communities through our shareholding agreement with Iwokrama Timber Inc on whose board sits a community director. Tourism activities also provide income to the village through fees for village tours, while the Iwokrama airstrip located in Fair View continues to be managed by the village.

Fair View is Iwokrama's closest community partner and we stand ready to continue to support the Iwokrama Centre and Fair View's own interests in developing models of sustainable forest management, conservation of natural resources and benefit-sharing for the present and future well-being of our people. In this way, Fair View and Iwokrama maintain relations as good neighbours and keen partners who share a common goal for the greater good of Guyana and the world as a whole.

Bradford Allicock Toshao Fair View Village





FSC certified lwokrama wood destined for the export market



The chain of custody allows consumers to trace products back to the exact location harvested

The Iwokrama Forest achieved Stewardship Council (FSC) certification on 11 January 2008

Sustainable Forest Management

Through its co-owned company with the local communities, the Iwokrama forest achieved Forest Stewardship Council (FSC) certification on 11 January 2008. A significant milestone in Iwokrama's history, it is testament to the high international environmental, social, cultural and economic standards to which the Centre adheres.

The business earned US\$114,695 in 2008. Its private sector partners, Tigerwood Guyana Inc, (TGI) continue to target the sale of non-traditional species. Fourteen people received reduced impact logging training.



Whether it's tranquility or an adventure you're seeking, lwokrama is the perfect escape!

Sustainable Tourism

Iwokrama welcomed 705 visitors to the river lodge during 2008, earning revenue of US\$309,669. This highest ever income reflected investment from the international consultancy, Environmental Resources Management, in three new high quality cabins, bringing the total to 8; plus significant improvement in our other tourism products, including new forest trails, river tours and services to bird tours. The canopy walkway near the forest's boundary remained an important attraction.

USAID's Guyana Trade and Investment Services programme identified Iwokrama as one of the best sites for birding in Guyana.

"Iwokrama is one of the most, if not the single most important site for birding and nature tourism in Guyana".

Independent, USAID Report

"My wife and I spent 10 glorious days here on our Honeymoon. It's difficult to pinpoint any particular event during our stay as being "the Best" because everything and everyone were wonderful!! Thank you for showing us around your beautiful forest and treating us like family!!"

Aaron & Elissa Ballman, Riverside CA,USA "This was really a refreshing experience with excellent eco-friendly accommodation and superb staff who were very attentive! Of course we came for the birds and in two days saw over 2005 species including some awesome antpittas and cotingas .Thanks again for the great stay and look forward to next time."

David Shakelford & Pat Moynaham. Rockjumper Birding Tour.



Jaguars as well as many endangered species are found in healthy populations in the Iwokrama forest



Iwokrama has been cited as one of the premier birding destinations in the world.



Our luxury cabins are comfortable and offer amenities such as wireless internet access and cozy hammocks on the patios.





Graduates of the KFW sponsored training courses with President Bharrat Jagdeo



First Batch of GHARP trainees at the summit of Turtle Mountain

Training & Consultancy Services

Training services had more robust growth in 2008, earning US\$290,316.

The 3 year training project, financed by the German Government's development agency, ended in September with 111 trainees graduating in ranger training, tour guiding and collaborative resource management.

Sixteen intermediate-level birding guides took part the first EU funded Guyana Birding Guide Tourism Training Programme.

The Guyana HIV/AIDS Reduction and Prevention Programme (GHARP) and Cicatelli Associates Inc asked Iwokrama to conduct two Eco-Tour Guide Training Programmes for 16 people. Iwokrama's HIV/AIDS Healthy Lifestyles Project provided an awareness and prevention programme to inform, educate, and communicate on responsible behavior including HIV/AIDS Awareness and Prevention.

Eleven overseas researchers visited Iwokrama during the year to do research in areas such as biodiversity conservation, carbon, climate change measurement, sustainable forestry and socioeconomic evaluations. Thirteen volunteers worked at Iwokrama in monitoring, tourism, administration, community outreach, business research and training services.





Merchandising

Iwokrama earned US\$30,375 from the sale of Iwokrama branded and community merchandise, such as clothing, water bottles, paper weights, honey and crab wood oil amongst other products.

This year the Centre will be capitalizing on its visitation rates to increase its sales in this area and already new products are being developed. The merchandising unit was formally restructured as a revenue centre and development work such as displays and catalogues have been developed.

Communications

The Iwokrama Centre received highly professional media support from Hill & Knowlton, one of the leading international communications companies. This invaluable assistance is continuing to help the Centre to raise its international profile in the international climate change agenda.

The IIC spoke at a side event on sustainable tourism at the international climate change conference in January 2008 in Bonn and the CEO participated later in the year at a UNECOSOC forum in New York. He focused on Iwokrama's innovative approach to ecosystem services.

Iwokrama continued to conduct school presentations and participated in several exhibitions dealing with climate change and sustainable development.

The Centre greatly benefited from the extensive publicity surrounding the BBC Television Channel One three part series "Lost land of the Jaguar" August last year and the BBC's Panorama programme the following month "Can Money Grow on Trees?" in September.

Community Relations

The Centre and the local communities continued their close co-operation in community integration and development.

Community business development efforts continued with the construction of a butterfly house in Fair View village. The Centre continued to support 15 local wildlife clubs, under the theme Environment is Life. Let's Live It!

Iwokrama worked with Fair View, the only community within the forest's boundary, to develop the village's draft management plan, to be finalized this year. Apart from training and capacity building activities for local community members focused on protective area collaborative management, the Inter-American Development Bank provided funds for business development training and various courses related to sustainable forest management.

The communities continued to be represented on the board of Iwokrama Timber Inc (ITI).

"It is rare to find an institution whose structure demands success in both the profit and non-profit sector; [it is] absolutely unique for such an institution [in its location] to focus on lasting ecological, economic and social benefits to the people of Guyana and the world in general"

Moore Foundation

Research & Development

Work continued on the 4 EU funded projects at Iwokrama.

The Forest Research Network (FORENET) project received research proposals from Surinamese and Guyanese scientists and institutions. The Chainsaw Milling Project - about developing alternatives for illegal chainsaw lumbering through multi-stakeholder dialogue in Ghana and Guyana - continued to be implemented in partnership with Tropenbos International, Netherlands.

The Guiana Shield Initiative aims to promote the sustainable development of the Guiana Shield through an integrated eco-regional (policy, institutional and financial) management framework, designed to enable the six countries of the region and their local communities to benefit from their natural resources.

ITTO funded a volume and decay study and forestry nursery, seeking to improve the precision of volume estimates and to quantify the effect of decay on utilization and merchantable wood volumes. A nursery was developed and two species crab wood and Brazilian cedar underwent species trials.

IIED's Forest Connect project is an international alliance dedicated to reducing poverty by better linking Small and Medium Forest Enterprises (SMEFs) to each other, to markets, to service providers and to policy processes such as national forest programmes (nfps).

The WWF's Fresh Water Turtle Monitoring project followed up previous research, both biological and social, in which community members identified river turtles as a diminishing resource. It was the first research conducted on river turtles in Guyana.

Late in 2008, the Centre won a large grant from the Gordon and Betty Moore Foundation (GBMF) in the United States to support national REDD initiatives. It intends to use this grant to institutionalize training at Iwokrama.



"Iwokrama's work underlines the fact that climate change - and its wider impact – is the most important issue facing mankind today. KPMG International is determined to play its part in meeting this challenge through our corporate citizenship programme and, in particular, through our "Global Green Initiative". Our interest in the work of Iwokrama has continued undimmed over the past year and we regard our support of Iwokrama as a very important component of our efforts in the field of sustainability"

Lord Michael Hastings, Global Head of Citizenship & Diversity at KPMG International

"Working at Iwokrama provides unique challenges and diversity of experiences. The best part is "working the magic" to overcome the challenges and the feeling of satisfaction at the end of it all. Iwokrama is a learning experience day in day out!!"

Waldyke Prince, Tourism Coordinator, Iwokrama River Lodge & Research Centre

Monitoring & Conservation

The Centre continued its robust monitoring programme with funding from the Guyana Shield Initiative project.

Draft biophysical and social monitoring protocols were developed during the year for completion this year. Regular, road, river and forest impact monitoring activities were undertaken as part of assessing the impact of the Centre's sustainable businesses on the environment.

In October 2008, the Iwokrama monitoring team began the first surveys contributing to a long-term study to investigate the impacts of Iwokrama's forestry operation on the forest's wildlife and 13 Permanent Sample Plots in 5 forest types were established.

Social monitoring research was conducted in the following studies 'An analysis of Iwokrama's contribution to local communities' and 'An investigation into the socio-economic implications of legally established protected areas on the livelihoods of two local communities'.

The Centre's Management

In July KPMG International gave the IIC a grant of US\$24,000 to finance the Centre's new finance manager, Mr. James Tiwary, in his first year, so enabling us to overhaul our financial systems and to introduce new accounting arrangements for each of our four businesses.

The Staff

All this was achieved by an energetic and committed staff.

"Working with Iwokrama over the past eight years has been a tremendous learning experience for me. First of all by participating in the intense two year Ranger Training Course in 1999-2001. Since then I have been working in a large number of fields in the Iwokrama monitoring area. And as of 2009 am now more focused on working with the River Lodge Tourism and Hospitality services which can be quite challenging but after all am a People's person and I do love what I do"

Paulette Anne Torres, Head Ranger







"A substantial financial surplus; the healthiest in many years"

Dane Gobin, CEO

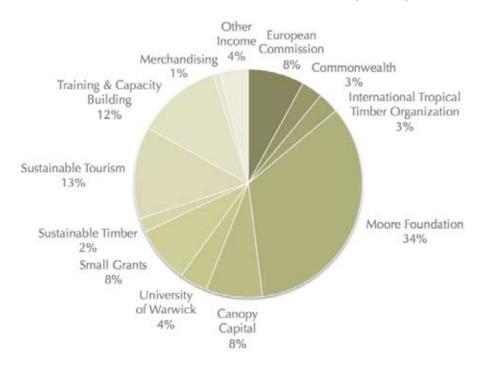
Overview

Though the 2008 accounts are yet to be audited, I am delighted to report that, two years into our 2006-2010 Business Plan, the Centre moved forward positively last year. Despite tough international financial conditions, 2008 recorded a substantial financial surplus - the healthiest in many years.

While the deterioration in the international economy caused some disruption to the performance of our four core businesses (tourism, timber, training and services), the Centre still improved on its 2007 results - through strict budgeting, further cost cutting measures, hard earned increased income and greater international recognition of the IIC's new focus on a climate change driven research agenda.



Iwokrama Revenue Sources (2008)



Increase of

87%

in total revenues

Total Revenue

Total revenues in 2008 were US\$2,423,250 compared to US\$1,293,316 in 2007, representing an increase of 87%, mainly owing to an increase in donor support. Major contributors included

The Moore Foundation, which provided US\$800,000 to support sustainable forest management activities;

Canopy Capital supporting the measurement and valuation of the Iwokrama's ecosystem services;

Four European Union funded projects, totalling US\$197,006 for research;

The Darwin Initiative's (US\$104,722) to develop a butterfly business for the communities;

ITTO's (US\$76,680) for the development of the Centre's sustainable timber operations; and

The Commonwealth Secretariat's (US\$75,000) - the last of such payments for senior staff support.

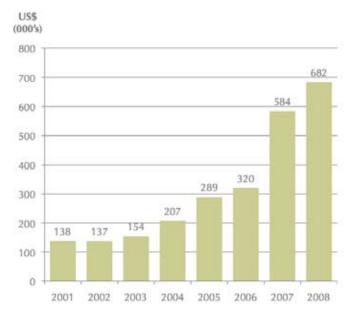
This significant and welcome increase in funding from the donor community reflected clear and unequivocal support for and recognition of the Centre's very important new work.

The Centre is also grateful for the continued support from its other partners including Conservation International; the IUCN; the National Audubon Society; the IIED; the World Bank; the IADB; the British High Commission; KPMG International and the WWF Guianas Programme amongst others.

Iwokrama Expenditure (2008)

Community Development Training & Capacity 8% Building 12% Conservation & Monitoring 21% Sustainable Tourism 20% Fund Raising 3% Management & Overheads Sustainable Timber 12% 4% Public Relations Forest Research Merchandising 2% 13% 2%

Iwokrama Earned Revenues (US\$)



Earned Income

Apart from donor investments, total earned income recorded an increase of 17% bringing in US\$682,242 in 2008, compared to US\$584,193 in 2007.

Sustainable timber, sustainable tourism and forest management training and consultancy services all recorded modest increases of 44%, 26% and 22% respectively over 2007 levels. Merchandising suffered a decline of 3% over 2007 levels, mainly owing to the completion of the German development agency training programme during the year. It is important to note that US\$36,000 of the increase in earned revenues over the period 2006-2007 represented earnings from the timber business which recorded its first revenues in 2007.

Expenditure

The Centre's expenditure increased from U\$\$1,482,055 in 2007 to U\$\$1,602,683 in 2008, an increase of 8%. Compared to the significant increase in income, this modest increase does not take into account project expenditure under the Moore Foundation, since this project was only signed in mid December 2008 and funds received later in the month.

The Centre's commitment to strategies to reduce its administrative overheads and to allocate these charges amongst the various work programmes was reflected in a further reduction of 17% in costs in 2008, following a reduction of 14% over the period 2006-2007. This further cost reduction was done at a time when the Centre's activities increased, placing greater demands on the administrative system.

Strict budgeting and cost cutting initiatives continue. As part of this, the Centre invested in 2008 in the services of a finance manager to overhaul the IIC's financial system and to ensure that management, donor and business reporting are completed in a timely fashion. This new level of financial management will continue to improve financial decision making and hasten progress towards financial self sufficiency. In addition to a monthly cash flow statement, the Centre is now able to report - also monthly - on the performance of its 4 businesses, with managers and coordinators continuing to manage their own budgets within the structured approach provided through regular management reviews.

