

‘Terms of Reference’

Inter-American Institute for Cooperation in Agriculture (IICA)

“Support to Guyana-European Union (EU) Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) - Joint Implementation Framework (JIF)”

Contract OPSYS No. 700002177

“Independent Audit of Guyana Timber Legality Assurance System (GTLAS)”

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1. Introduction

1.1. Background

The Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance and Trade (FLEGT) between the Co-operative Republic of Guyana (Guyana) and the European Union (EU) entered into force in June 2023.¹ The objectives of the VPA are to reduce illegal logging, improve governance, and promote trade in legally produced timber. The VPA also promotes the rights of Indigenous peoples and local communities and aims to boost economic growth by facilitating the creation of jobs in the forest sector.

It is part of Guyana's national policies aimed at supporting the transition to a Green Economy by promoting a low-emission development pathway, while enhancing forest governance and advancing sustainable forest management practices.

At the heart of the VPA, Guyana Timber Legality Assurance System (GTLAS) is a verification system to ensure that timber products are acquired, harvested, produced, processed, transported, and traded in accordance with the legislation in force in Guyana.

GTLAS functions as the national legality assurance and traceability system. It consists of a set of eight inter-linked elements established under Annex V of the VPA, namely:

1. Forest allocation and harvesting rights;
2. The Legality Definition;
3. WTS requirements;
4. Verification of compliance with GTLAS requirements;
5. The FLEGT licensing scheme;
6. Independent audit;
7. A complaint mechanism; and
8. Monitoring of GTLAS implementation.

Under the VPA framework, the GTLAS agencies are the bodies responsible for implementing, monitoring, and verifying the system across the supply chain. Their roles are aligned with the Legality Definition set in Annex II, verification procedures, and traceability requirements. They include Guyana Forestry Commission (GFC), Guyana Revenue Authority (GRA), the Environmental Protection Agency (EPA), Guyana Geology and Mines Commission (GGMC), the Ministry of Amerindian Affairs (MoAA), Guyana Lands and Surveys Commission (GLSC), and the National Insurance Scheme / Board (NIS/NIB).

A key component of the GTLAS is the Independent Audit, required by Article 11 of the VPA, which is mandated to assess whether GTLAS is functioning effectively, appropriately and with credibility. It also aims to identify potential weaknesses and risks in the structure and implementation of the system.

1.2. This assignment

In context of this current assignment Inter-American Institute for Cooperation on Agriculture (IICA), on behalf of the Ministry of Natural Resources, will be contracting a service provider as an Independent Auditor in accordance with Article 11 of the VPA, to assess the operation, efficiency and credibility of the GTLAS.

¹ The full text of the VPA is accessible from: <https://euflegt.gov.gy/resources/> and https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=oj:JOL_2023_121_R_0002.

These Terms of Reference (ToRs), in line with Article 11 of VPA, Annex V and Annex VI of the VPA, provide for the appointment of the Independent Auditor including its objectives, scope, activities, methodology, timelines and other relevant considerations in delivering on its work.

2. Objectives

The assignment aims to conduct two audit exercises to assess the operation, credibility and efficiency of Guyana Timber Legality Assurance System (GTLAS) described in Annex V of the VPA.²

Specific objectives are to:

- Provide the necessary oversight and assurance to the Joint Monitoring and Review Committee (JMRC) that the GTLAS functions as designed;
- Assess the efficiency, effectiveness and proper implementation of all components of the GTLAS, including institutional roles, procedures and controls;
- Assess the conformity, functionality and robustness of the Wood Tracking System (WTS) across the timber supply chain;
- Identify, document and analyze non-conformities, systemic weaknesses and risks of circumvention within the GTLAS, particularly within the WTS;
- Support the JMRC in understanding the level of compliance within the GTLAS, particularly within its WTS, and to provide targeted recommendations for addressing non-conformities and improving system performance;
- Enhance the understanding of the independent audit process among stakeholders, including government agencies, the private sector, industry, and local communities' and to build capacity to address identified non-conformities.

3. Description of the Service

3.1. Main Tasks

The tasks of the Independent Auditor are outlined in Annex VI of the VPA (copied in full in the Annex to these Terms of Reference). They include the following:

- a) Preparing a manual of procedures for the independent audit, describing the Independent Auditor's operations, including methods for gathering information, assessing evidence and reporting;
- b) Assessing whether the GTLAS is functioning credibly and efficiently and whether timber harvested, processed, transported and traded (domestically and internationally) complies with the legal requirements of the GTLAS;
- c) Assessing the efficiency and effectiveness of verification activities of Ministries and/or Government Agencies involved in the operation of GTLAS;
- d) Assessing how reported cases of non-compliance by the different Ministries and/or Government Agencies involved in the verification of the GTLAS are recorded, addressed and archived by the relevant authorities;
- e) Identifying gaps and weaknesses in the design and implementation of the GTLAS and suggesting recommendations to the JMRC;

² In the absence of a FLEGT licensing scheme, the independent audit does not aim to assess the FLEGT licensing system.

- f) Pending first audit report findings, assessing the implementation of corrective measures decided upon by the JMRC to address gaps and weaknesses identified during the first audit exercise.
- g) Reporting findings and recommendations to the JMRC, who will publish the summary of these audit reports regularly;
- h) Carrying out any other inquiry, analysis or study requested by the JMRC to further substantiate the independent audit.

3.2. Methodology

In order to conduct the aforementioned tasks, at the outset of the assignment, the Independent Auditor will develop a Manual of Procedures for the Independent Audit. The Manual of Procedures must describe the operational framework that will guide the Independent Audit. It will be submitted for review and validation of the JMRC.

Following the validation of the Manual of Procedures, the Independent Auditor will carry out the first Independent Audit of the GTLAS focusing on the components currently in operation.

The Independent Audit will be conducted through a sample-based approach. The sampling will be designed by the Independent Auditor to provide a representative evaluation of Guyana's forestry sector, therefore assessing the operation, credibility and efficiency of verification activities under the GTLAS.

It will revolve around gathering information from both primary and secondary source, collected through documentary assessments, and field-level activities to evaluate the operation, efficiency and effectiveness of the GTLAS, and reporting the resulting findings and recommendations.

Access to information will include that produced by the GFC and those held by other Ministries and/or Government Agencies involved in the GTLAS. In particular, the Independent Auditor will have access to information from the GTLAS and its components and other sources, such as published audits from other countries that have established a FLEGT licensing scheme or Guyana REDD+ Monitoring, Reporting & Verification System reports.

Additionally, engagement with Ministries and/or Government Agencies involved in the GTLAS, non-state actors listed and other sources of information listed in Annex VI of the VPA will form an integral component of the Independent Audit. The GFC will facilitate this engagement with the Independent Auditor upon request.

All audit activities will be coordinated with the Guyana Forestry Commission (GFC) that will facilitate access to information, relevant personnel, and operational information from Forest Sector Operators (FSOs) and Government Agencies involved in the operation of the GTLAS.

Considering certain components of GTLAS may still be under development when the Independent Audit starts and GFC is taking actions further to the findings of the aforementioned pre-audit, the Independent Auditor may adopt a phased approach. Such a phased approach could consist in focusing primarily on the forest allocation and harvesting rights, the Legality Definition, and the Wood Tracking System requirements prior to assessing verification activities and the complaint mechanism.

The Independent Auditor will compile the findings of the first audit exercise in a Report identifying gaps, weaknesses, or non-conformities across GTLAS components, assessing the underlying causes, and providing recommendations for clear and prioritized corrective actions to address identified issues. The report will be submitted to the JMRC for review and approval. A Summary Report will also be prepared to present the main recommendations and conclusions to the public in a concise format.

The Independent Auditor will conduct a second audit exercise if deemed necessary, based on the findings of the first audit and the need to verify corrective actions or complete outstanding assessments. The interval between both audit exercises will be determined in light of these findings.

4. Deliverables

The Independent Auditor is expected to produce the following deliverables during the assignment, with outputs related to the second audit required only if that audit is undertaken. All reports must be drafted in English and submitted in accordance with the timelines and procedures outlined below.

D0: Inception report	This report will provide a roadmap for the assignment, confirm understanding of the assignment, and lay out the proposed methodology, timeline, and approach.
D1: Manual of Procedures	This will serve as the operational handbook for the audit, guiding the Independent Auditor to carry out each step consistently and in accordance with the JMRC’s requirements as well as best quality management and control systems. D1 must receive prior review and approval by the JMRC.
D2/D4: Draft Audit Report	This will provide details of all findings, assessments and recommendations for the auditing period and should be submitted 1 month before the final report due dates to allow the parties adequate time to review and comment.
D3/D5: Final Audit Report	This is expected to incorporate comments from JMRC.
D4/D6: Summary Report	This will provide a concise summary of key findings and recommendations.

The expected deliverables will be submitted by the Independent Auditor to IICA. IICA will then ensure that the Independent Audit Report is communicated to members of the JMRC, who will be responsible for providing comments and any additional information required by the Independent Auditor.

5. Duration and Timeline

The indicative start of the contract is scheduled for 29 June 2026 and will last until the completion of the deliverables in accordance with expected standards.

The overall timeframe for the contract is 12 months, inclusive of two audit exercises. Completion of the first audit is expected within 7 months of the start date. Completion of the second audit, marking the completion of the assignment expected within 12 months of the start date.

The following table presents the provisional timetable for the deliverables.

	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12
D0 Inception report	X											
First Independent Audit												
D1 Manual of procedures		X										
D2 Draft Audit Report						X						

D3 Final Audit Report								X					
D4 Report Summary								X					
Second Independent Audit													
D5 Draft Audit Report												X	
D6 Final Audit Report													X
D7 Report Summary													X

According to the VPA, an annual audit of the GTLAS will be carried out for the following two years, after which this frequency will be reviewed by the JMRC. While these subsequent Independent Audits do not form part of these Terms of Reference, the selected Independent Auditor will remain eligible to participate in future tenders for these audits, subject to satisfactory performance and applicable procurement procedures.

6. Reporting and Supervision

IICA will be responsible for the overall administrative supervision and coordination of the assignment. Technical coordination will be undertaken by IICA in close collaboration with the Technical Committee of the “Support to FLEGT-VPA JIF” Programme and members of the JMRC.

Supervision and coordination arrangements will respect the independence of the audit and will not interfere with the Independent Auditor’s findings or conclusions.

7. Financial Proposal

The total cost of the assignment must be provided by the applicant as part of a detailed financial proposal. This proposal will include a detailed budget, including detailed fees along with all forecasted activity costs required for the execution of services under this contract.

The assignment is expected to be completed within a period of 12 months.

8. Expected profile

The Applicant must demonstrate that the proposed team collectively covers the areas listed below. One expert may cover multiple areas, provided qualifications and experience are clearly demonstrated.

- **Technical expertise**

- Advanced expertise in Forest Management, Forest Law, Natural Resources Management, or a related field;
- In-depth understanding of the structure and functioning of the timber legality assurance systems; prior experience in developing or managing a TLAS is an asset.
- Understanding of FLEGT licensing requirements and EU market access obligations;

- **Auditing expertise**

- Proven track record in auditing forest management, timber traceability, custom and chain of custody systems;

- **Country-specific expertise**

- Knowledge of forestry governance systems in Guyana

- Knowledge of Guyana Timber Legality Assurance System;
- Experience with timber legality assurance systems in other countries will also be regarded as an advantage.
- **Engagement experience**
 - Demonstrated ability to work with a range of stakeholders, including government agencies, private sector operators and civil society organizations.

The Independent Auditor will provide support facilities to their team of experts (backstopping) during the implementation of the contract. Backstopping and support staff costs must be included in the fee rates.

9. Application Process

Interested Applicants should submit the following documents in English, by midnight 4th June ,2026:

- Technical proposal
- Financial proposal
- CV of all experts involved, demonstrating that the required qualifications are met
- A statement for Conflict of Interest of all experts involved (as per Annex 2)
- Proof of a quality management and control system as required by ISO 17021, ISO 17065 or equivalent
- A Complaint Resolution Policy, or in its absence, a description of the process that the applicant intends to follow

10. Contact Information

For any inquiries and submission of proposals, please contact:

Wilmot Garnett
 Representative / Special Affairs Coordinator for the Caribbean Region
 IICA Delegation in Guyana
 18, Brickdam, Stabroek
wilmot.garnett@iica.int
 Tel. (592) 226-3413, 226- 8835

All documents should be submitted to Wilmot Garnett by 4th June, 2026, with the subject line:
“Application – Independent Audit of GTLAS under EU-Guyana FLEGT VPA”

Incomplete applications or submissions after the deadline will **not** be considered.

Annexes

Annex 1 - Voluntary Partnership Agreement, Annex VI: Terms of reference for the independent audit of the GTLAS

ANNEX VI

TERMS OF REFERENCE FOR THE INDEPENDENT AUDIT OF THE GTLAS

1. Introduction

The independent audit is carried out in accordance with Article 11 of this Agreement. The independent audit will address operators and operations listed in Annex II and will be applied to the timber products listed in Annex I. It will also cover all stages of the supply chain as described in Annex V, namely legal status, legal access to the forest, harvesting, transportation, non-compliance and seized and forfeited timber, processing, sale, import, and export.

These terms of reference (ToR) describe the operations and functions of the independent audit to assess the system of legality assurance established in this Agreement. The independent audit provides assurance that timber harvested, transported, processed, exported, imported or sold on the domestic market complies with Annex II. It also verifies that such timber complies with the supply chain requirements and that the licensing authority has issued FLEGT licences only to shipments that comply with the GTLAS requirements. The ToR set out tasks and protocols for gathering information and reporting. The ToR also establish primary sources of information and describe the qualifications and experience required of the Independent Auditor. These ToR may be used as a basis for the development of more detailed tendering documents.

2. Objectives

The purpose of the independent audit is to assess and improve the operation, credibility and efficiency of the GTLAS.

3. Tasks

The tasks of the Independent Auditor shall include the following:

- (a) Preparing a manual of procedures for the independent audit, describing the Independent Auditor's operations, including methods for gathering information, assessing evidence and reporting.
- (b) Assessing whether the GTLAS is functioning credibly and efficiently and whether timber harvested, processed, transported and traded (domestically and internationally) complies with the legal requirements of the GTLAS.
- (c) Assessing whether the components of the GTLAS, including forest allocation and harvesting rights, Legality Definition, complaint mechanism, WTS requirements, verification of compliance with the GTLAS, FLEGT licensing, are in place and functioning in an efficient and credible way.
- (d) Assessing the performance and effectiveness of all of the departments in the Guyana Forestry Commission (GFC) involved in the operation of the GTLAS.
- (e) Assessing the performance and effectiveness of verification activities of Ministries and/or Government Agencies involved in the operation of GTLAS.
- (f) Assessing the process for issuing FLEGT licences in order to ensure that licence issuance and the verification system are functioning credibly and efficiently.
- (g) Assessing how reported cases of non-compliance by the different Ministries and/or Government Agencies involved in the verification of the GTLAS are recorded, addressed and archived by the relevant authorities.
- (h) Identifying gaps and weaknesses in the design and implementation of the GTLAS and suggesting recommendations to the JMRC.
- (i) Assessing the implementation of corrective measures decided upon by the JMRC to address gaps and weaknesses identified in audit reports.
- (j) Reporting findings and recommendations to the JMRC, who will publish the summary of these audit reports regularly.
- (k) Carrying out any other inquiry, analysis or study requested by the JMRC to further substantiate the independent audit.

4. Methodology: methods for gathering and assessing information and reporting

The Independent Auditor is required to demonstrate professionalism and integrity at all times. The Independent Auditor shall conform to best international practice in accordance with ISO 19011, ISO 17021 or equivalent. The work of the Independent Auditor must be factual and evidence-based and must include field investigations and documentary checks. The manual of procedures for the independent audit referred to in paragraph 3, point (a) will be reviewed and approved by the JMRC before the Independent Auditor starts the auditing activities in conformity with that approved manual.

Work schedule - In the first year of operation of the FLEGT licensing scheme, the Independent Auditor shall develop and submit a manual of procedures for the independent audit and conduct one audit. In subsequent years, the Independent Auditor shall conduct at least annual audits of the GTLAS for a period of two years, after which this frequency will be reviewed by the JMRC. The Independent Auditor may conduct impromptu audits and spot checks as approved by the JMRC.

Scope of work - The activities of the independent audit shall cover at a minimum all tasks listed in paragraph 3. The Independent Auditor shall audit the pertinent activities of relevant Ministries and/or Government Agencies responsible for different aspects of the GTLAS, in accordance with the approved manual.

Evidence gathering - The manual of procedures for the independent audit shall describe procedures and practices for gathering evidence, including field checks, investigations, interviews and documentation review. It shall also describe how the Independent Auditor will respond to complaints about its own work and about the operation of the GTLAS.

Audit systems - In documenting audit evidence, diagnosing failures and cases of non-compliance in any part of the GTLAS and following up on corrective action taken, the Independent Auditor shall:

- ensure that all observations made during the audits are properly documented and that records of audit evidence detailing the level of performance, compliance and non-compliance are archived;
- record observed system-related weaknesses, gaps and areas requiring improvement in the GTLAS, ensure that appropriate recommendations are provided and assess the impact of these recommendations; and
- record and assess the effectiveness of all corrective measures to address cases of non-compliance implemented by the GFC and other relevant Ministries and/or Government Agencies involved in the GTLAS.

Adequate resources - the Independent Auditor will have adequate resources for carrying out verifications against the Legality Definition and the systems for controlling the timber supply chain.

Management system - the Independent Auditor will have an adequate documented management system to ensure that its personnel have the necessary competence and experience to carry out effective verification, and to apply internal control and supervision.

5. Reports and dissemination

The Independent Auditor shall adhere to the structure and protocol for preparing its reports as agreed with the JMRC and the Independent Auditor shall:

- report on activities in line with the work schedule agreed by the JMRC;
- prepare its reports in accordance with internationally accepted auditing principles and as specified in the manual by the JMRC;
- present a preliminary report to the JMRC for comments;
- present to the JMRC a final and complete report (based on the comments received on the preliminary report and on the evidence gathered) which contains all relevant information on the audit programme and on the operation of the GTLAS; and
- prepare a summary report, which the JMRC will validate for dissemination to the general public. The summary report will be based on the complete report and summarise its main recommendations and conclusions, including on the identified weaknesses of the system.

6. Sources of information

Primary sources of information shall include document reviews, field visits and consultations or meetings with relevant stakeholders. In respect of field visits, the Independent Auditor shall have access to areas where forest resources are being extracted, transported, processed and sold, as well as to points of import and export.

Guyana will ensure that the Independent Auditor has access to all relevant information, including documents and databases that Guyana and the Union deem important or relevant, especially those that are needed to assess the credibility and efficiency of the GTLAS. Access to information shall include that produced by the GFC and those held by other Ministries and/or Government Agencies involved in the GTLAS. In particular, the Independent Auditor shall have access to information from the GTLAS and its components and other sources, such as published audits from other countries that have established a FLEGT licensing scheme or Guyana REDD+ Monitoring, Reporting & Verification System reports.

Stakeholders that could provide relevant information include:

(a) The GFC, Ministries and other Government Agencies

All GFC Divisions are considered primary sources of information to inform the Independent Auditor.

In the event that the Independent Auditor requires information from other Ministries and/or Government Agencies involved in the GTLAS, the Independent Auditor shall have access to these entities through the GFC.

(b) Non-State Actors

- Indigenous stakeholders
- Indigenous People's Commission
- National Toshios Council
- Guyana Manufacturing and Service Association
- Small Loggers Association
- Forest Products Association
- Civil society organisations
- Any other private organisation or individual that could provide information on the functioning of the GTLAS.

Other sources of information may include:

- Body corporates involved in commercial forestry
- Academic institutions such as the University of Guyana, the Guyana School of Agriculture and the National Agricultural Research and Extension Institute
- Local authorities
- Competent authorities of the Member States of the Union
- Companies and local community associations involved in commercial forestry
- Any other stakeholders that the Independent Auditor considers relevant.

7. Qualifications required

(a) The Independent Auditor should bring:

- expertise with at least an advanced degree in Forestry/Forest Management/Forest Policy, Forest/Environmental Law, Natural Resources Management or a related field;
- extensive experience in the monitoring and assessment of legal compliance;
- proven track record in auditing forest management, timber processing, timber traceability, customs and chain of custody systems;

- good knowledge of regional and international trade in timber products and the commercial forestry sector;
- excellent oral and written English communication skills;
- demonstrated ability to work with a range of stakeholders and in relating monitoring activities to the appropriateness of different country environments.

Familiarity with issues related or relevant to forestry in Guyana as well as the GTLAS would be an added advantage.

(b) The Independent Auditor shall comply with the following requirements:

- no conflict of interest arising from any organisational or commercial relationship, as required by ISO 17021, ISO 17065 or equivalent;
- no direct involvement in forest management, timber processing, timber trade or regulation in the forestry sector in Guyana;
- its own quality control system, as required by ISO 17021, ISO 17065 or equivalent.

(c) In addition, the Independent Auditor shall also:

- have a documented internal quality management system;
- have in place a mechanism for transparently handling complaints or grievances.

8. Selection process and institutional arrangements

The bidding process is open to all institutions with relevant capacities, including not-for-profit, academic and research institutions.

Bid evaluation will be transparent and the criteria to be applied will be made public. The selection process of the Independent Auditor will include due diligence on the competing entities in accordance with the standards established by the JMRC. The bid evaluation report will be made public.

Guyana shall appoint the Independent Auditor upon the non-objection of the JMRC.

9. Other requirements

Additional responsibilities of the Independent Auditor include:

- engaging with civil society, Indigenous stakeholders, the private sector and Ministries and/or Government Agencies in ways that enable stakeholders in Guyana to acquire a fair understanding of the work of the Independent Auditor; and
- hiring, through a transparent process, a contact point person to be based in Guyana.

Annex 2. Declaration of interest template

Declaration of Interests

I hereby declare that I have disclosed all existing or potential interests arising from any organisational, financial, or commercial relationships that could present a conflict of interest in relation to the services to be provided.

I confirm that I do not have any relationships, engagements, or financial interests that could compromise, or be perceived to compromise, my independence, impartiality, or objectivity in performing the required activities.

Where any actual or potential conflict of interest is identified during the course of the assignment, I undertake to promptly notify the contracting authority and to implement appropriate mitigation measures in accordance with the applicable standards and our internal procedures.

Signed:

Name:

Date: