



Protected Areas Trust Annual Report 2019

ACRONYMS AND ABBREVIATIONS

BoT	Board of Trustees
CBF	Caribbean Biodiversity Fund
CI	Conservation International
CTIS	Conservation Trust Investment Survey
FinCom	Finance Committee
GCF	Global Conservation Fund
GRC	Grant Review Committee
GoG	Government of Guyana
KAPA	Kanashen Amerindian Protected Area
KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
KMPA	Kanuku Mountains Protected Area
KNP	Kaieteur National Park
NPAS	National Protected Areas System
NTC	National Toshias' Council
PA	Protected Area
PA Act, 2011	Protected Areas Act of 2011
PAC	Protected Areas Commission
PAT	Protected Areas Trust
PATF	Protected Areas Trust Fund
PSC	Private Sector Commission
RedLAC	Latin American and Caribbean Network of Environmental Funds
SBPA	Shell Beach Protected Area
UBS	Union Bank of Switzerland (USA)
UG	University of Guyana

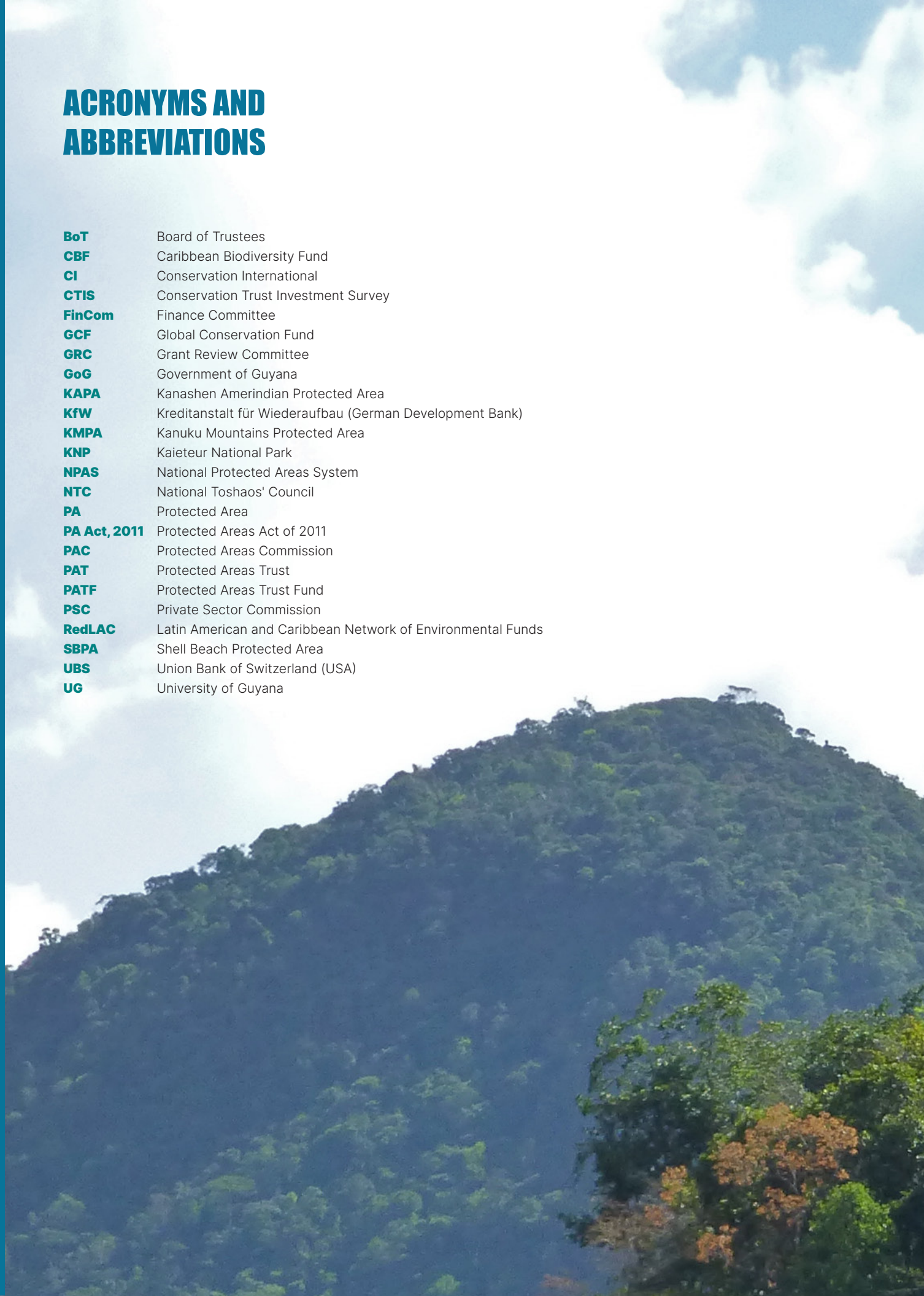


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ABOUT US

VISION STATEMENT

Co-financing a world class National Protected Areas System in Guyana that protects nature and improves lives.

MISSION STATEMENT

To mobilize and allocate finances for the management of the National Protected Areas System in Guyana.

CORE VALUES

Transparency

Visibility and openness in all transactions, thus to ensure that all information on procurement procedures, opportunities and processes are clearly defined and made widely known and available.

Accountability

Obligation to account for its activities, accept responsibility for them, and to disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property.

Agility

Ability to change quickly and efficiently to adapt to the changing conditions.

Reliability

Ability to consistently perform its intended or required functions (in the case of the PATF to provide funding for the NPAS), on demand and without degradation or failure (in the long-term).

Environmental and social responsibility

Investments do not cause negative or unwanted environmental and/or social impacts.

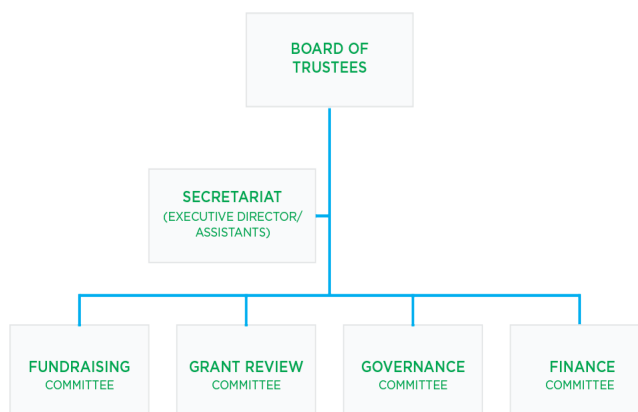
Fairness

Ability to make judgments free from discrimination or dishonesty.

PROTECTED AREAS TRUST

The Protected Areas Act, 2011 (PA Act, 2011), established the Protected Areas Trust (PAT) as a body corporate (Part VIII, Section 88), and a Trust Fund to provide financing for a National Protected Areas System (NPAS) [Part IX, Section 101 (1)].

The PAT is independently governed and administered by a Board of Trustees (BoT). The day-to-day operations are managed by the PAT Secretariat headed by an Executive Director.



PROTECTED AREAS TRUST FUND

The Protected Areas Trust Fund (PATF) functions primarily as an endowment fund to preserve the capital, while the funds are invested globally in an effort to earn target returns of 5% per annum. The PATF was originally endowed with a total of US\$8.5M – US\$5M from the German Development Bank (KfW) and US\$3.5M from Conservation International (CI) through the Global Conservation Fund (GCF). These funds are currently invested through PATF's Fund Administrator, Union Bank of Switzerland (UBS) Financial Services (USA) in various international markets and stands at a value of US\$9,620,542 as at December 31, 2019.

NATIONAL PROTECTED AREAS SYSTEM (NPAS)

The PA Act, 2011 provides the framework for the establishment and management of the National Protected Areas System, which currently consists of Kaieteur National Park (KNP), Iwokrama Programme Site, Shell Beach Protected Area (SBPA), Kanuku Mountains Protected Area (KMPA) and Kanashen Amerindian Protected Area (KAPA). KAPA is the only indigenous-owned territory in the NPAS; it was gazetted as an

Guyana is home to unique and globally important ecosystems, including everything from pristine rainforests, to tropical savannahs, ancient tower-like mountain ranges, and large stretches of coastal mangroves. Not surprisingly, Guyana's protected areas are full of plants and animals found nowhere else on earth. These areas cover about 8.5% of the country's landmass, providing important refuges for biodiversity and livelihoods for indigenous communities.

The Guyana Protected Areas Trust provides co-financing for the management of Kaieteur National Park, Kanuku Mountains Protected Area and the coastal Shell Beach Protected Area. It also supports the new and innovative Kanashen Amerindian Protected Area, a community-owned park covering 3% of the country.

Guyana's protected areas system is now poised to double in size, with the recent pledge by the country's government to protect an additional two million hectares. The Trust has a vital role to play in conserving these globally important ecosystems and will continue to support the growth and long-term sustainability of Guyana's protected areas.



Guyana's Protected Areas System, with Trust Fund supported protected areas in yellow.



The Trust **raises and invests funds to support Guyana's Protected Areas.**



It is **governed by a Board of Trustees with a non-governmental majority** and was established under the Protected Areas Act 2011.



The Trust **co-finances the work of the Protected Areas Commission** and the management of the National Protected Areas System (NPAS).



These funds are used to **protect over 1.4 million hectares of globally important habitats**, filled with rare and endangered species.



The Trust supports Guyana's commitment to **establish an additional 2 million hectares of protected areas** under the NPAS.



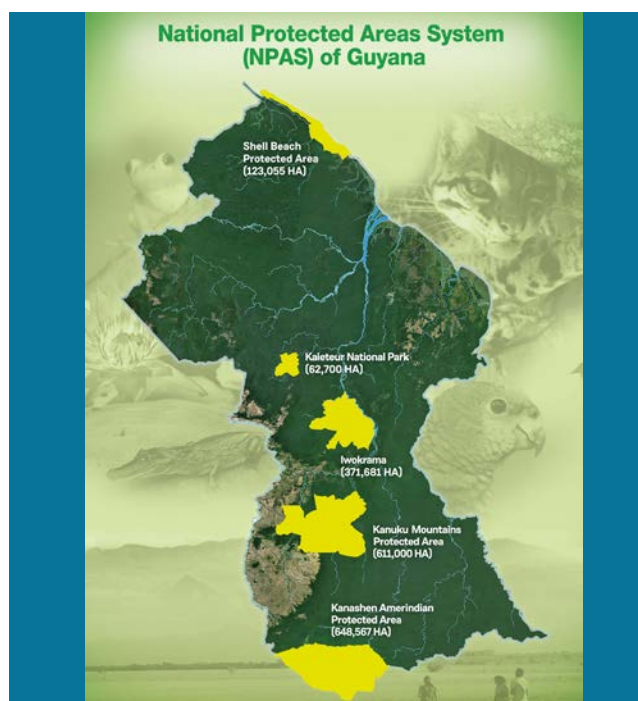
Left to Right: Kanuku Mountains Protected Area (© James Broscombe), Shell Beach Protected Area (© Robert Spitzer), Kaieteur National Park (© Robert Fernandes) and Kanashen Amerindian Protected Area (© James Broscombe).

Amerindian Protected Area on August 18, 2017. In addition, the urban parks including the National Park, Botanical Gardens, Zoological Park, and Joe Vieira Park are also part of the NPAS. The Iwokrama Programme Site and urban parks are not beneficiaries of the PATF.

The PA Act, 2011 also established the Protected Areas Commission (PAC) to establish, manage, maintain, promote and expand the NPAS (Part II, Section 8 (a)).

In 2016, the Government of Guyana (GoG) pledged an additional two million hectares of land and waterways to be included in the NPAS. An initial assessment of new potential sites for conservation to meet this commitment has since been conducted.

Funding from the PAT provides for implementation and monitoring of management plans, park rangers, equipment and maintenance, enforcement, scientific research, and community outreach.



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF TRUSTEES



The year 2019, the fifth year of operation of the PAT, was an important one for the governance and performance of the PAT. Most notably, the investment performance of the endowment portfolio during the year was the best since establishment of the trust. The net return on investments exceeded 15 percent, total assets rose to US\$9.6 million and the 3-year average annual net returns exceeded the established benchmark of 5 percent. The PAT initiated ties with the Caribbean Biodiversity Fund (CBF) in pursuit of a partnership agreement that would increase the PAT's access to additional financing in support of the effective management of the national protected areas system (NPAS).

The PAT Board reiterates that achieving adequate and sustainable financing for the conservation and sustainable use of biodiversity in declared protected areas (PAs) in Guyana is an important mission of the PAT, a mission that the PAT Board is committed to achieving. Efforts to strengthen and deepen ties between the PAT and the Protected Areas Commission, which holds responsibility for the management of the NPAS, were made in 2019 and will continue in 2020 and beyond. In 2019, the PAT Board approved grants to the value of GY\$29,999,839 to PAs in Guyana. We hope to grant double this amount in 2020.

The PAT Board extends congratulations to a small but dynamic team of three dedicated staff members of the PAT Secretariat, and wishes to recognise the continued collaboration with the PAC and the support of the professionals who sit on PAT's committees. Over the year the PAT Board continued the process of optimising the performance of the PAT

Secretariat. Progress to achieve green procurement, enhanced human resources management and public communications was significantly advanced and this work is expected to be completed in 2020 with the production of a number of guidelines and manuals.

Two new members joined the PAT Board of Trustees over the year: Mr. Sydney Armstrong for Ms. Joycelyn Williams from the University of Guyana, and Ms. Liz Wyatt for Ms. Annette Arjoon-Martins from the Private Sector Commission. The entire PAT Board extends heartfelt thanks to Ms. Williams and Mrs. Arjoon-Martins for their exceptional public service to the PAT from its inception.

The generosity and continued commitment of the major external donors - KfW and CI - to the PAT Fund and its operation led to the emerging partnership with the CBF. As the operation of the PAT enters its second 5-year period in 2020, efforts to increase the size of the endowment must be accelerated. In that regard, the PAT Board of Trustees renews its appeal to the Government of Guyana to fulfil its promise to contribute US\$10 million towards the PAT Fund.

A handwritten signature in dark ink, appearing to read 'Patrick Chesney', written in a cursive style.

Dr. Patrick Chesney
Chairman

MESSAGE FROM THE EXECUTIVE DIRECTOR



This year, 2019, marks the fifth year of operation of the Protected Areas Trust. We are at an integral stage of change, synonymous to moving from kindergarten to primary, where significant growth and development are on the horizon. Throughout this year, we have made substantial progress which is critical for launching PAT into accelerated expansion to fulfil our shared vision and mandate. These advancements span from the identification and pursuance of the last key structures to enable effective governance to securing the support needed to prepare for an independent evaluation of the effectiveness of the Trust Fund over the last five years.

Our hallmark achievement for the year is the exceptional record high investment performance of PAT's endowment. The average (net) return for 2019 was 15.82% with assets totaling \$9,620,542.94 as of December 31, 2019. Moreover, PAT achieved its target of having net returns greater than 5% over a 3-year period.

2019 further proved to be an eventful year for the Trust, commencing with key engagements involving PAT major donors, PAT Investment Fund Administrator, and the Caribbean Biodiversity Fund (CBF). Throughout the year, we also continued to share information on our progress and challenges at RedLAC and the CBF Annual Conferences as part of our drive to learn from the experiences of other Trust Funds within the Latin American and Caribbean Region.

A partnership process was also initiated between the CBF and PAT via exchange visits. This partnership, which was made

possible by the signing of a financing agreement between CBF and KfW at the end of the year, provides an opportunity for a new stream of funding for PAT, and will take us closer to our goal of providing sustained financing to the NPAS. Another significant stride in PAT's development was the application under Internal Revenue Code (IRC) Section 501 (c) (3) with the Internal Revenue Service (IRS) in the U.S. for tax exemption status on May 30, 2019. We owe tremendous gratitude to Shearman & Sterling Global Law Firm in the USA for its *pro bono* service to PAT in this regard.

Additionally, we continued our grants work through planning and execution of grant contracts with the PAC and monitoring of the utilisation of these funds. We also drafted Financial Policies and Procurement Procedures for PAT Secretariat operations and commenced the recruitment process for the independent evaluator to assess the effectiveness of the Trust and to make recommendations to improve the institutional and financial arrangements. We ended the year on a high note by commemorating our 5-year anniversary with a presentation on the achievements of the PAT.









With all the progress that we have made in the year 2019, my appreciation is extended to the Board of Trustees for their support, and particularly to Trustees Joycelyn Williams and Annette Arjoon-Martins, who have served the maximum number of two full terms from July 7, 2014 to 2019. Their invaluable contributions remain integrated into the fabric of PAT and will help to guide us as we move forward. Special thanks to all the committee members who worked tirelessly over the year and to the PAT Secretariat for their continuous encouragement, support and willingness to go above and beyond the call of duty. To our donors, I salute you and say thank you for your diligence and commitment to PAT. As we move into the next year, I look forward to your unwavering support and efforts that would enable our team to thrust the PAT forward.

Geeta Singh Ubaldo Espinosa
Executive Director

BOARD OF TRUSTEES

The principal responsibilities of the BoT are to manage the Trust, oversee the management and investment of the Trust Fund, and review and approve requests for funding for the National Protected Areas System.

At the close of the fiscal year 2019, the Board of Trustees comprised the following members nominated by various bodies.

 <p>Dr. Patrick Chesney Chairman <i>Chairman, Governance Committee</i></p>	 <p>Mr. Curtis Bernard Vice-Chairman <i>Chairman, Grant Review Committee</i></p>	 <p>Mr. Maurice Munro Trustee <i>Chairman, Finance Committee</i></p>	 <p>Mr. Sanjeev Datadin Trustee</p>
 <p>Mr. Damian Fernandes Trustee <i>Member, Fundraising Committee</i></p>	 <p>Mr. Sydney Armstrong Trustee <i>Chairman, Fundraising Committee</i></p>	 <p>Mr. Russian Dorrick Trustee <i>Member, Grant Review Committee</i></p>	 <p>Ms. Liz Wyatt Trustee</p>

The Board of Trustees held six (6) official meetings during 2019. On November 12, 2019, elections were held and the following appointments were made:

- Trustee Bernard - Vice-Chairman of the Board and Chairman of the Grant Review Committee.
- Trustee Armstrong - Chairman of the Fundraising Committee.
- Trustee Munro - Member of the Fundraising Committee.

The service of two Trustees - Joycelyn Williams (University

of Guyana) and Annette Arjoon-Martins (Private Sector Commission) - ended on July 7, 2019 after both serving the maximum two full terms from PAT's inception on July 7, 2014. Their invaluable contributions and service to the PAT remains embedded in the fabric of the PAT. These positions were filled by new nominees of the nominating bodies: Sydney Armstrong and Liz Wyatt, who commenced service on July 7, 2019 and August 8, 2019 respectively.

COMMITTEES

In accordance with the PA Act, 2011 (Second Schedule, Section 12), the Board of Trustees established advisory Committees for Governance, Grants Review, Finance and Fundraising. The functions and members of each of these committees follow.

FINANCE COMMITTEE

COMMITTEE MEMBERS

Chairman Trustee Maurice Munro

Member Mr. Shawn Gurcharran

The Finance Committee (FinCom) recommends policies and guidelines for ensuring the long-term financial health of the PAT to the BoT. Critically, the committee monitors performance of PATs' investments and of the Fund Administrator; reviews investment reports and recommends changes in the investment portfolio. The Committee also reviews and advises on the preparation and execution of PAT's annual budgets and the financial management systems of the PAT. Trustee Maurice Munro serves as the Chair of this Committee with support from Mr. Shawn Gurcharran. Mr. Gurcharran, senior manager in the banking industry for over a decade, has extensive experience in finance, investment, accounting and audit.



Mr. Shawn Gurcharran
Finance Committee Member

FUNDRAISING COMMITTEE

COMMITTEE MEMBERS

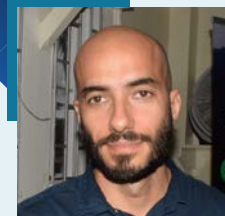
Chairman Trustee Sydney Armstrong

Member Trustee Maurice Munro

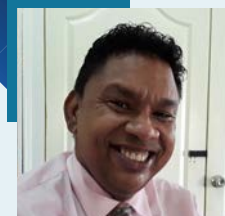
Member Trustee Damian Fernandes

The Fundraising Committee primarily advises on the development and implementation of an integrated, realistic and achievable fundraising strategy for the PAT. The Committee assists the BoT in the planning, coordination and implementation of all fundraising activities of the PAT. It acts as a key link to support the mission, vision and strategic outcomes of the organisation.

Two (2) new members, Trustees Munro and Chairperson, Trustee Armstrong, were appointed to this Committee on November 12, 2019 to support the work of long-standing member Trustee Damian Fernandes.



Trustee Damian Fernandes
Fundraising Committee Member



Trustee Maurice Munro
Fundraising Committee Member

GOVERNANCE COMMITTEE

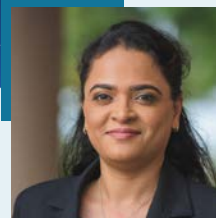
COMMITTEE MEMBERS

Chairman Trustee Patrick Chesney

Member Ms. Pauline Singh

The Governance Committee assists the Board in fulfilling its legal, ethical, and functional responsibilities through adequate governance policy development, and monitoring of PAT activities. The Committee develops and recommends to the BoT corporate governance principles, policies, standards, and practices in support of achievement of the PAT's strategic priorities in accordance with its guiding values.

Trustee Patrick Chesney serves as the Chair of this Committee with support of Ms. Pauline Singh. Ms. Singh has a wealth of experience in finance, accounting and audit, as well as an in-depth understanding of institutional governance structures, having served in senior positions for a decade in the private sector and banking system.



Ms. Pauline Singh
Governance Committee Member

GRANT REVIEW COMMITTEE

COMMITTEE MEMBERS

Chairman Trustee Curtis Bernard

Member Ms. Juliana Persaud

Member Suzanne McRae

The Grant Review Committee assesses grant applications received by the PAT and advises the BoT on grant management in support of the achievement of the objectives of the PAT.

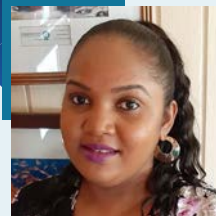
Trustee Bernard was appointed Chair of this Committee on November 12, 2019, following the end of service of former Chairperson and Trustee Joycelyn Williams. The PAT recognizes Trustee Williams' sterling service on this Committee from December 6, 2016 to July 7, 2019. During her tenure she spearheaded the development of the PAT Grant Procedures and Protocols and managed their implementation.

The Committee also welcomed a new member, Ms. Suzanne McRae, on December 2, 2019. Ms. McRae has a wealth of experience in grant management having served as the Grants Coordinator at Conservation International for ten (10) years.

Ms. Juliana Persaud, with more than a decade of experience working with indigenous communities, Community-Based Organisations and policy makers in Guyana, to support the management and conservation of natural resources, including development of protected areas and the improvement of local livelihoods, also serves on the Committee since May 30, 2017.



Ms. Juliana Persaud
Grant Review Committee Member



Ms. Suzanne McRae
Grant Review Committee Member

ACHIEVEMENTS

PAT'S FIFTH ANNIVERSARY



PAT celebrated its fifth anniversary on December 10, 2019



2014-2015

- Creation of the Protected Areas (Board of Trustees Additional Members) Regulations, under the Protected Areas Act, 2011 (Feb 1, 2014)
- Appointment of first Board of Trustees (July 7, 2014)
- Inauguration of the PAT (Sept 1, 2014)
- US\$10M pledged contribution by Government of Guyana (Sept 1, 2014)
- Recruitment of Executive Director and Secretariat Staff (Jan 2015)
- Establishment of Office for Secretariat (Jan 2015)
- Opening of bank accounts
- Establishment (and staffing) of Finance Committee
- Adoption of Operations Manual (April 2015)
- Adoption of Investment Policy (April 2015)
- Transfer of US\$8.5M invested funds to the PAT (Dec 2015)



- Planning PAT Strategic Path
- Establishment of PAT Committees
- Review of draft Strategic Plan
- PAT membership with RedLAC
- Updated PAT Investment Policy
- US\$15,000 Donation by Mid Atlantic/JHI Joint Venture Partners
- Establishment of a Savings and Prosper Bank Account with New Building Society (NBS)

2016

2017

- Approved PAT Strategic Plan
- Staffing of PAT Committees: Governance, Grant Review
- Development of Good Governance Tools
- Development of Grant Tools
- Issuance of PAT first two grants to Grantees
- US\$25,000 Grant Agreement with Conservation International-Guyana for PAT Institutional Strengthening



- Staffing of PAT Committees: Fundraising
- Development of Public Awareness and Fundraising Tools
- Continuation of PAT grant management process
- Submission of information returns (Form 990) to the IRS, USA for reinstatement of US tax exemption status

2018

2019

- Initiation of PAT-Caribbean Biodiversity Fund (CBF) Partnership Process
- Revision of Environmental Screening Guidelines (ESGs) within PAT Investment Policy
- Highest investment returns since PAT inception at 15.82%
- Commencement of monitoring and evaluation of grants on-site
- Increased education and public awareness of PAT activities



INVESTMENT

PAT maintained Union Bank of Switzerland (UBS) Financial Services (in the USA) as its Fund Administrator, responsible for investing and managing the endowment funds held in the PATF. The best average net annual return on PAT assets (15.82%), since UBS commenced investments on March 18, 2014 was

achieved in 2019. This helped PAT achieved its target of net returns greater than 5% over a 3-year period. The total assets held at UBS as at December 31, 2019 was US\$9,620,542.94. The performance of the investments for the period 2014-2019 (as at December 31) is presented in Figure 1 below.

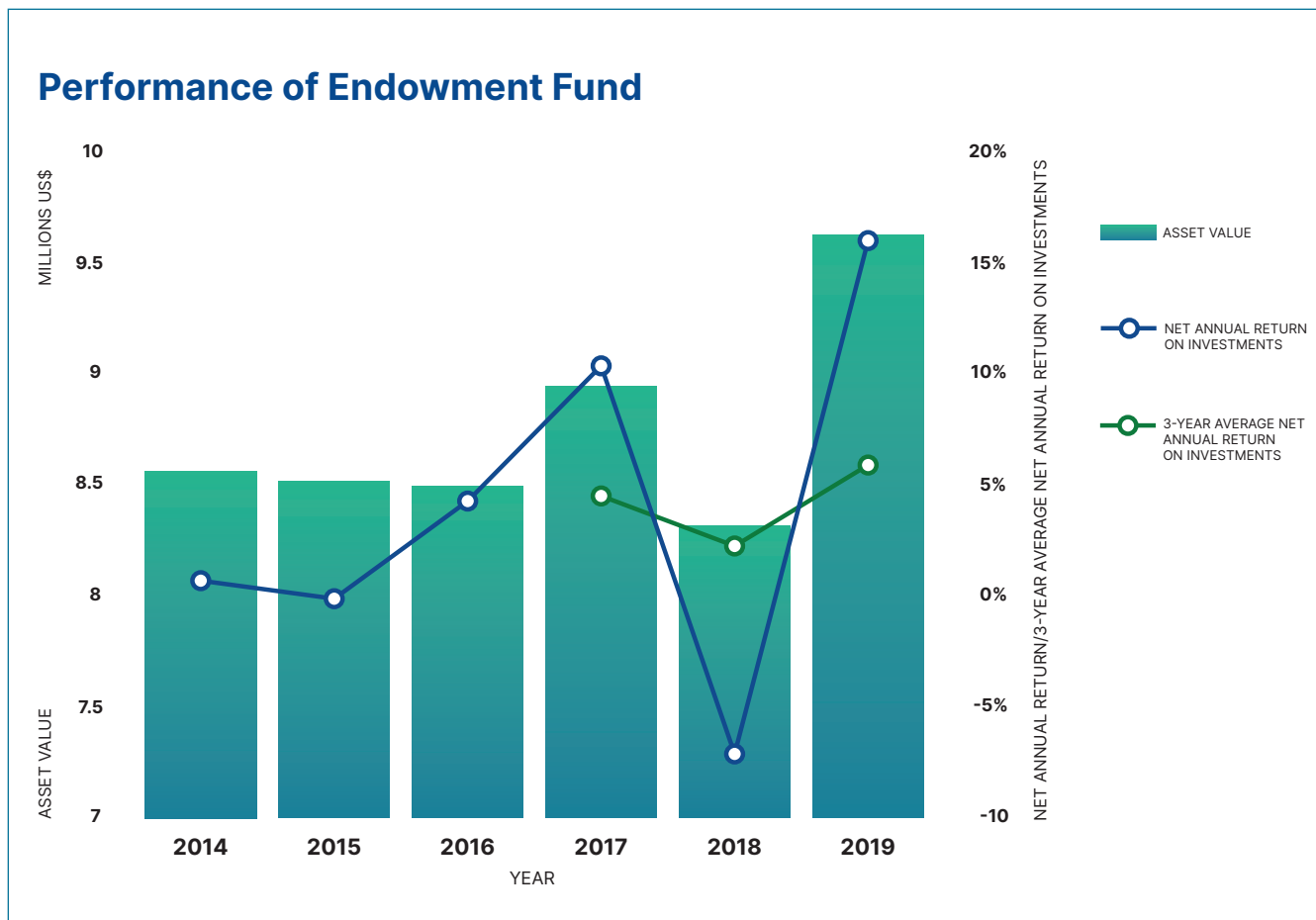


Figure 1: Performance of PAT Endowment Fund from Inception to December 31, 2019

PAT's environmental screening guidelines for its investments were revised to optimize investment returns. The revision, contained in the Investment Policy, was approved on November 12, 2019. The Policy serves as the framework for the management of the fund and outlines the investment guidelines to safeguard the capital while investing globally to earn returns set at 5% per annum.

The customary annual meeting of the BoT and the Fund Administrator was held in early 2019. UBS was represented by Mr. John Adams, Senior Vice President – Investments, and Mr. Jack O'Connor, Senior Wealth Strategy Associate - The Arbor Group. The meeting discussed the performance of the investment in 2018 and the investment portfolio for 2019.

Quarterly engagement with the Fund Administrator were held throughout the year through virtual meetings between UBS and the PAT Finance Committee (FinCom) to discuss the performance of PAT's investments and recommend measures for improved returns, particularly on portfolios re-balancing, for the subsequent quarter.

UBS meeting with the PAT (February 1, 2019)



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Presenter: Jack O' Connor (UBS)
From right to left: John Adams (UBS), Maurice Munro (Chairman, Finance Committee), Shawn Gurcharran (FinCom member), Damian Fernandes (Trustee), Joycelyn Williams (Vice-Chair), Dr Patrick Chesney (Chairman), Geeta Singh Ubaldo Espinosa (Executive Director)



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UBS meeting with PAT Board (February 7, 2019)

From right to left: John Adams (UBS), Jack O' Connor (UBS), Maurice Munro (Chairman, Finance Committee), Shawn Gurcharran (FinCom member), Joycelyn Williams (Vice-Chair), Dr Patrick Chesney (Chairman), Geeta Singh Ubaldo Espinosa (Executive Director), Efua Armstrong (Accounts Assistant)



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GRANTS

GRANTS ADMINISTRATION

Since the commencement of granting by PAT in 2017, G\$85,802,364 was allocated for grants. Of this amount, 58% (G\$49,763,157) were committed under six signed Grant Agreements to co-finance management of Guyana's protected areas. Three of the grants are now closed (one in 2018 and two in 2019), and of the remaining three active grants, one was issued in 2018 and two in 2019. Execution of the three active grants has been extended into 2020. The status of all grants issued by the PAT at the end of 2019 is summarized in Table 2 in Appendix 1.

The Protected Areas Commission and Kanashen Village Council are the only current grantees of PAT with three protected areas benefiting – Shell Beach Protected Area (SBPA), Kanuku Mountain Protected Area (KMPA) and Kanashen Amerindian Protected Area (KAPA), each of which has received three

grants since the establishment of the PAT. From inception to December 2019, budget allocation for grants was G\$85,802,364, of which G\$49,763,157 were committed under signed Grant Agreements. Grants to the PAC (for SBPA, and KMPA) to date total G\$23,261,243 while grants to Kanashen Village Council (for KAPA) total G\$26,501,914.

The total 2019 budget allocation for grants was G\$39M. Since the funds in the PATF are earmarked by the donors for specific protected areas, this allocation is further subdivided where G\$15,990,000 was made available for CI funded protected areas (KAPA and KMPA), and G\$23,010,000 for KfW funded protected areas (KNP, KMPA and SBPA), areas managed by the PAC. The value of active grants during the year totaled G\$29,999,839.

The status of the grants implemented during 2017 to 2019 is illustrated in Figure 2 below.

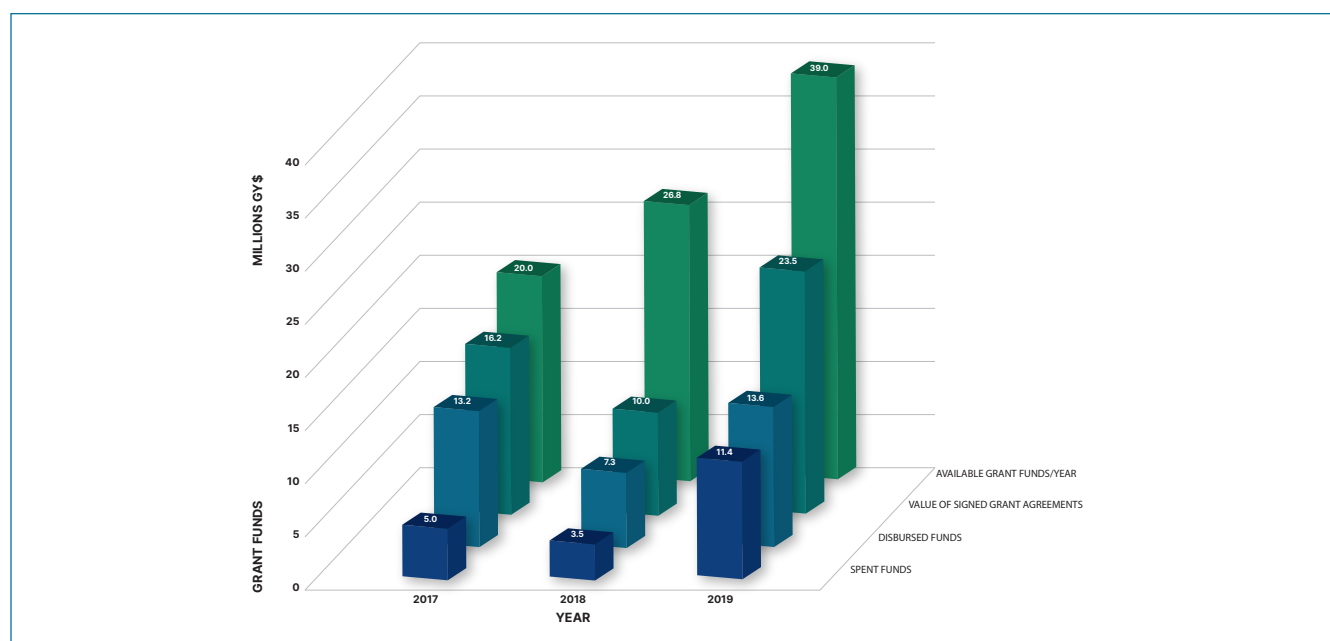


Figure 2: Status of Grants implemented 2017-2019

2019 GRANT ACHIEVEMENTS

Some of the main achievements for the protected areas funded by the PAT are as follows:

PAC-managed Projects: Completed Activities for 2019

Kanuku Mountains Protected Area

- Procured one desktop computer, surge protector, external hard drive and other accessories for use by the rangers at the KMPA Lethem Office.
- Conducted one monitoring overflight of the KMPA to assess the area for any illegal mining or other large-scale activities.
- Conducted nature club camps with 6 villages of the KMPA to increase awareness on the importance of KMPA's biodiversity, resources and management activities.
- Printed resource use maps for some of the KMPA communities and the PAC.
- Commenced production of 2 short videos on the KMPA, its importance and work of the rangers.

Shell Beach Protected Area

- Procured one desktop computer, surge protector, external hard drive and other accessories for use by the rangers at the SBPA Moruca Office.
- Conducted initial meeting with members of the Coastal Zone Management Committee led by the EPA to strengthen law enforcement and monitoring of illegal activities at SBPA.
- Trained teachers and students of Moruca Secondary School Nature Club to raise local and regional awareness of SBPA, its values and benefits in order to increase support for its conservation and sustainable use.
- Printed and disseminated Knowledge, Attitude and Practice (KAP) Survey reports to several communities within the SBPA.

PAC-Kanashen Managed Projects: Completed Activities for 2019

- Procured and maintained equipment inclusive of kits for rangers, tools (such as chainsaws, cutlasses, chains, files) and river transport equipment (such as engine, gas, oil) for the improved management of the KAPA.
- Trained KAPA Manager and Rangers in law enforcement and monitoring protocols to strengthen the ability of the village to independently manage their lands.
- Conducted regular monitoring patrols within the KAPA and paid salaries to the KAPA Manager and rangers for the entire year to manage their lands.
- Printed KAPA management plan poster and Trust fund booklet in English and translated content into Wai Wai language for distribution.
- Supported the implementation of the education and awareness plan by purchasing books and sharing information focused on the rules of KCOCA through the Wildlife Club.
- Conducted 1 PAC trip to Kanashen to monitor progress in management plan implementation.

MONITORING AND EVALUATION OF GRANTS (ON-SITE)

One of the most important components of grant administration is the establishment of an effective monitoring and evaluation system to ensure that project outputs and outcomes are achieved as planned. Monitoring and evaluation of PAT grants on-site was initiated during 2019 with the PAT Executive Director in collaboration with the KMPA Rangers conducting a monitoring visit to a project site on April 4, 2019. During the visit the proposed construction site for the PAC Site Level Office in Lethem was visited and experiences of monitoring activities conducted by rangers within KMPA were shared.

Kanuku Mountains Protected Areas Rangers and PAT Executive Director at the proposed site for PAC Site Level Office (Lethem, April 4, 2019)



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BENEFICIARIES AND DELIVERABLES OF PAT GRANTS



PAC Community Engagement Officer, Jessica George, delivering presentation to Kanuku Mountains Community Representative Group (KMCRG) Meeting in Lethem on the implementation of Kanuku Mountains Protected Area Management Plan (April 4, 2019)

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Kanashen Amerindian Protected Area Village Rules developed and printed using grant funds



© Protected Areas Trust



© Protected Areas Commission

Rangers hired to implement Kanashen Amerindian Protected Area Management Plan

From left to right: Ashael Yukuma, Charakura Yukuma, Stephen Sose, Elisha Marawanaru, Bennett Isaacs, Joseph Ayaw, Fazila Jerome, Anthony Shushu, Kwang Sose, Donny Charley and Sara Henry (PAC)

PAC Nature Camp in Moco Moco, KMPA (September 2019)



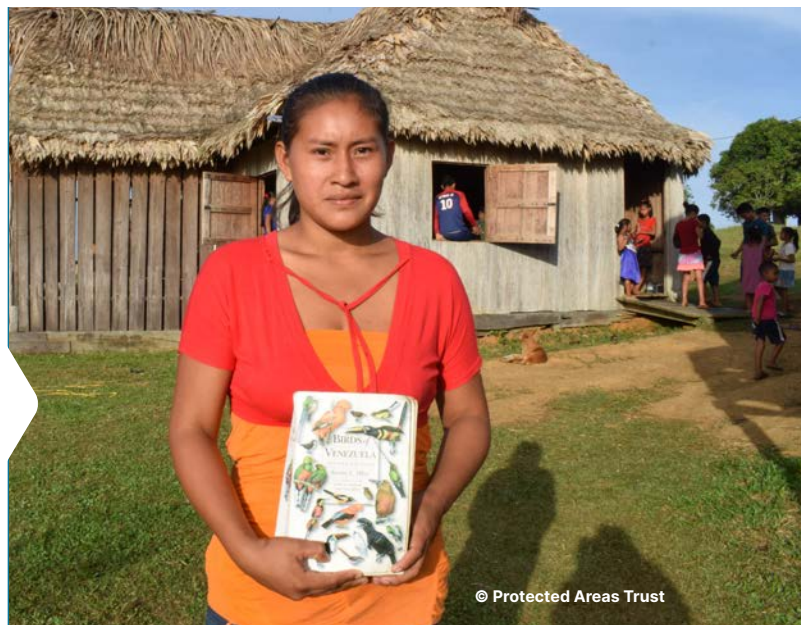
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Kanashen Manager, Donny Charley, with supplies purchased from PAT grant funds to implement Kanashen Amerindian Protected Area Management Plan

Ranger, Fazila Jerome, using book purchased from grant funds to identify birds of Kanashen Amerindian Protected Area in nature school activity



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RESOURCE MOBILISATION

PARTNERSHIP WITH THE CBF



During 2019, a partnership between the PAT and the Caribbean Biodiversity Fund (CBF) was also initiated. CBF Chief Executive Officer, Yabanex Batista, visited the PAT during May 21 to 23, 2019 and Trustees Williams and Munro, and the Executive Director of PAT participated in CBF's conferences and meetings in Bolans, Antigua and Barbuda from June 16 to 20, 2019. This exchange provided the opportunity for the PAT to network with National Conservation Trust Funds within the Caribbean Sustainable Finance Architecture.

Following CEO Batista's visit to Guyana, PAT became an Observer to the CBF on June 20, 2019 and has submitted the necessary governance legislation, policies, procedures and other documents as part of the assessment process to determine PAT's eligibility to become a full CBF Partner.

The CBF also signed a new financing agreement with the KfW in December 2019. Through the agreement, the CBF received funds for several countries, including Guyana. The funds will be used to capitalise a CBF Guyana Sub-Account with an initial amount of five million euros (€5m) that will immediately be invested through a CBF Endowment Fund.

The process for establishing and strengthening the formal partnership with the CBF will continue in 2020.

GOVERNEMENT OF GUYANA COMMITMENT

An endowment of at least US\$65 million is required to provide returns to cover the minimum estimated annual operating costs of the current NPAS and PAT. US\$8.5 million of this amount has been acquired to date. The Cooperative Republic of Guyana has committed, but not as yet transferred, an additional US\$10M as its initial contribution to the Trust Fund, which would bring the fund to US\$18.5 million.

PAT continued to advocate the Government of Guyana to honour its pledged contribution of US\$10M to the Trust Fund made at the launch of PAT in September, 2014.



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From left to right: Yabanex Batista (CEO, CBF), Curtis Bernard (Trustee), Joycelyn Williams (Vice-Chair), Geeta Singh Ubaldo Espinosa (Executive Director) Dr Patrick Chesney (Chairman), Maurice Munro (Chairman, Finance Committee)



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From left to right (starting at the back): Ingrid Hahn (KfW), Jens Mackensen (KfW), Lisa Famolare (CI), Maurice Munro (PAT Chairman, Finance Committee), Mr. Tilman Jaeger (KfW Consultant), Dr. Patrick Chesney (PAT Chairman), Geeta Singh Ubaldo Espinosa (PAT Executive Director)

TRANSPARENCY AND ACCOUNTABILITY

Transparency and accountability are core guiding principles of the PAT, and are critical elements in ensuring that PAT's investments and activities conform to the legal requirements as outlined in the PA Act 2011, and international standards and best practices. During 2019, several measures were taken to ensure full compliance and transparency of PAT's activities, these are outlined below:

AUDIT

Each year since its existence PAT's books of accounts and financial statements have been audited by independent external auditors in accordance with the PA Act, 2011, Section 108. These audits have all found that the PAT's financial statements presented fairly in all material respects, and the financial performance and cash flows of the Trust Fund were in accordance with International Financial Reporting Standards.

PAT's demonstration of accountability for fiscal year 2019 is presented herein with the independent auditor's report and explanatory notes issued by Maurice Solomon & Co.

ANNUAL REPORT

PAT's Annual Report 2018 was completed and submitted to the Minister of State with responsibility for Environment in accordance with the PA Act, 2011, Section 110 (2). The Report was also circulated to donors, major stakeholders and RedLAC.

APPLICATION OF TAX EXEMPTION STATUS WITH IRS IN THE USA

A significant step in PAT's development was the application under Internal Revenue Code (IRC) Section 501 (c) (3) with the Internal Revenue Service (IRS) of the United States for tax exempt status on May 30, 2019. Shearman & Sterling Global Law Firm in the USA provided its services *pro bono* in representing the PAT to the IRS.

FILING OF ANNUAL INFORMATION RETURN WITH IRS IN THE USA

In keeping with the requirements of the IRS, PAT filed its annual information return (Form 990) as at December 31, 2018 with the IRS on May 15, 2019.

REPORTING TO MAJOR DONORS

In early 2019, representatives of the two major donors to the Trust, KfW and Conservation International met with the PAT. KfW was represented by Dr. Jens Mackensen, Head of Division Agriculture and Natural Resources Management, Latin America and the Caribbean (LAC), Ms. Ingrid Hahn, Project Manager, Agriculture and Natural Resources Management, LAC, and Mr. Tilman Jaeger, External Consultant; Conservation International by Ms. Lisa Famolare, Vice President Amazonia; and the PAT by Dr. Patrick Chesney, Chairman of the BoT, Mr. Maurice Munro, Chairman Finance Committee, and Ms. Geeta Singh Ubaldo Espinosa, Executive Director.

Discussions centered on PAT's investment performance, grants performance, transfer/accountability procedures, and PAT's US tax exemption status.

Quarterly reports on PAT's investment performance and Annual Report 2018 were also shared with the major donors during the course of 2019.



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STRENGTHENING EDUCATION AND PUBLIC AWARENESS

PAT continued to expand its network, build awareness and reach target audiences during 2019.

Internationally, information on the PAT was updated on RedLAC's website in 2019. PAT also participated in the Conservation Trust Investment Survey (CTIS) 2018 and the information provided was published in the CTIS 2018 Report.

PAT's knowledge building was enhanced and awareness materials such as posters and brochures were shared with potential donors, and other participants at the 4th Caribbean Challenge Initiative (CCI) and CBF' Week conference in Bolans, Antigua and Barbuda (June 16 to 20, 2019) and RedLAC's 21st Conference in Merida, Mexico (October 28 to 31, 2019). Information was also shared throughout the year via PAT's networking initiatives, at bilateral and multi-stakeholder meetings, and through dialogue with various entities.

These activities contributed to raising PAT's profile regionally and internationally and facilitated the initiation of engagements with potential donors; in particular, the French Agency for Development.

Nationally, PAT's brochures and posters were also distributed at the nature camps held by the PAC at the various protected

areas across Guyana. These outreach sessions served to educate students and support PAC's mandate to increase public awareness of protected areas in Guyana.

Further, to promote awareness of PAT's role and functions in relation to the protected areas system in Guyana, presentations, posters and brochures were delivered at:

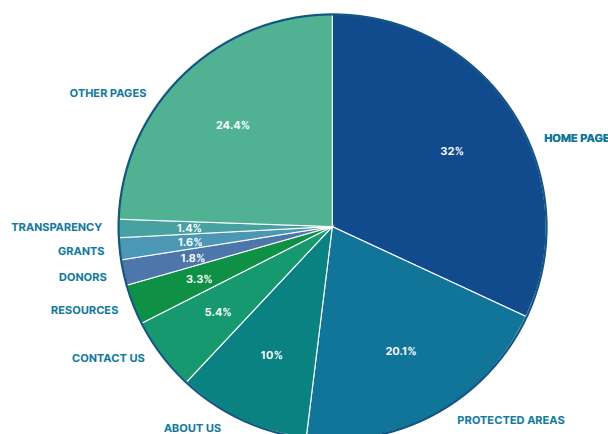
- The Kanuku Mountains Community Representative Group meeting in Lethem on April 4, 2019
- University of Guyana on May 2, 2019 - PAT Executive Director served as guest lecturer on 'Defining Conservation priorities, Establishing Protected Areas and Managing Protected Areas' which targeted Conservation and Biodiversity final year forestry students at the University.

Moreover, PAT's website (<https://protectedareatrust.org.gy/>) continued to serve as a tool to showcase and disseminate information on the PAT and improve transparency of its operations. It also provides highlights of PAT's current operations and partners, including donors, and is a stage for attracting new financial resources to the Trust. The protected areas pages of the website were some of the most frequently visited during 2019.



© Protected Areas Commission

PAC Nature Camp with Sandcreek, Rupunau (KMPA, April 2019)



Website page views for 2019



STRENGTHENING CAPACITY IN THE ADMINISTRATION AND IMPLEMENTATION OF PROTECTED AREAS TRUST

The BoT continued to identify areas for improvement and strengthening of PAT's capacity during 2019. In particular, Trustees and the Executive Director benefited from participation in capacity building measures as follows:

National Conservation Trust Funds Workshop on Sustainable Finance Mechanism: Essential Ingredients, Caribbean Challenge Initiative (CCI)

Bolans, Antigua and Barbuda

June 16, 2019

Attendees: Trustees Williams and Munro, Executive Director

Caribbean Biodiversity Fund 4th CCI-CBF Week

Bolans, Antigua and Barbuda

June 16 - 20, 2019

Attendees: Trustees Williams and Munro, Executive Director

Role of Boards in Environmental Funds

Merida, Yucatan, Mexico

October 26 - 27, 2019

Attendees: Trustee Armstrong and Executive Director

The Future of Communication in Environmental Funds

Merida, Yucatan, Mexico

October 28, 2019

Attendees: Trustee Armstrong and Executive Director

PROTECTED AREAS TRUST NETWORK/PARTNERS

In order to foster the growth of the Trust Fund and to raise PAT's profile nationally, regionally and internationally so as to attract additional financial resources, PAT continued to strengthen relationships within its network during 2019. Details on some of these engagements are stated throughout this report as relevant.

In summary our key network partners and relationships are with:



Caribbean Biodiversity Fund (CBF)

- PAT and CBF representatives participated in exchanged visits and initiated their partnership whereby CBF will serve as a funding stream for the PAT.



REDLAC

- PAT secured membership with the Latin American and Caribbean Network of Environmental Funds (RedLAC) since 2016. The Executive Director continued to serve on the Board of Directors of RedLAC for a third year in 2019.
- The Executive Director and Trustee Armstrong also participated at the 21st RedLAC Conference: Innovations in Conservation Finance in Mexico, October 28-31, 2019.





Major Donors

- PAT continued its efforts to ensure compliance with KfW and CI's donor requirements on reporting, earmarking of funds and information sharing.



Shearman & Sterling, Global Law Firm, USA

- Shearman and Sterling Law Firm has been providing pro bono legal service to the PAT on a case-by-case basis since PAT's institutionalisation.
- Intensified engagements took place throughout 2019 to process the application of PAT's tax exemption status with the Internal Revenue Service (IRS) in the USA.



Conservation Trust Investment Survey 2018

- PAT participated in the Conservation Trust Investment Survey (CTIS) for calendar year 2018 conducted by the Wildlife Conservation Society (WCS). The information contributed by PAT was published in the CTIS 2018 Report.

Kanashen Village

- The only indigenous management authority of a protected area in Guyana, Kanashen Village is the other recipient of PAT grants for its community owned conservation area: Kanashen Amerindian Protected Area.



Protected Areas Commission

- PAC is the primary management authority of Guyana's protected areas and principal recipient of PAT grants. The PAT continued to provide guidance and support to its beneficiaries as needed throughout the year.
- PAC has also been providing accommodation for PAT Secretariat since its establishment and continues to collaborate with the PAT in promoting local awareness of the Trust.



VOLUNTEER CONTRIBUTIONS TO THE PROTECTED AREAS TRUST

Participants/Institutions willing to support Guyana's natural heritage and protected areas through voluntary contributions to the PAT are encouraged to do so.

In-kind support was provided to the PAT from the following institutions/persons during 2019:

- **Shearman & Sterling, Global Law Firm**, New York, USA (<https://www.shearman.com/>) for provision of legal advice and exceptional support to aid PAT in the application of tax exemption status with the IRS, USA.
- **Protected Areas Commission** for the accommodation at Jenman House of PAT Secretariat.
- **Lancelot France-Cummings**, for provision of advice and technical support for use of Quickbooks Enterprise accounting software to staff of PAT Secretariat.
- **Ravi Singh**, for IT support by troubleshooting and fixing PAT's network issues.

PHOTO CREDITS

- Protected Areas Commission
- Protected Areas Trust
- RedLAC
- Caribbean Biodiversity Fund

Thank you for recognising and graciously giving back to nature by supporting work of the conservation of Guyana's Protected Areas System, which provides ecosystems services for the world at large.

Our deepest gratitude to you all.



INDEPENDENT AUDITOR'S REPORT





Maurice Solomon & Co.

Chartered Accountants/Management Consultants



Trainee Development - Gold

MSC 015/2020

**REPORT OF THE AUDITORS
TO THE TRUSTEES OF
PROTECTED AREAS TRUST
ON THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Protected Areas Trust which comprise the Statement of Financial Position as at 31 December, 2019, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 8 to 13.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at 31 December, 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) for Small and Medium- Sized Entities (SMEs) and the requirements for the Protected Areas Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Protected Areas Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board for Accountants' Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) for Small and Medium – Sized Entities (SMEs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

92 Oronoque Street, Queenstown, Georgetown, Guyana.
Tel. No : (592) 227-5568, 226-2119, 225-2807, Tel : (592) 227-5564
Email : m.solomon@mauricesolomon.com

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Trust's financial reporting process.

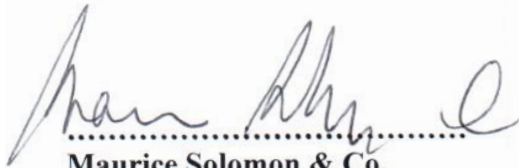
Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in dark ink, appearing to read 'Maurice Solomon', is written over a horizontal dotted line.

Maurice Solomon & Co.
Chartered Accountants
April 23, 2020

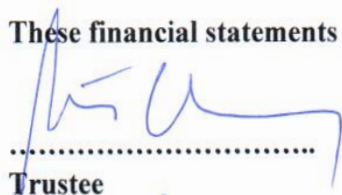
PROTECTED AREAS TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 GS	2018 GS
NON-CURRENT ASSETS			
Non Current Assets	7	452,820	800,314
CURRENT ASSETS			
UBS Investments	8	2,049,175,646	1,769,317,581
Cash and Bank	9	83,095,484	118,619,354
TOTAL ASSETS		2,132,723,950	1,888,737,249
EQUITY AND LIABILITIES			
Accumulated Surplus		2,126,817,352	1,888,488,174
CURRENT LIABILITIES			
Payables and Accruals	10	5,906,598	249,074
TOTAL EQUITY AND LIABILITIES		2,132,723,950	1,888,737,248

These financial statements were approved by the Trustees on April 17, 2020


.....
Trustee


.....
Trustee

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2019 G\$	2018 G\$
INCOME			
Interest Income		2,431,316	3,089,094
Investment Income	5	43,350,851	42,340,967
Increase in Investment Value	8	250,530,197	(163,349,636)
Other Income	6 (iii)	4,634,110	-
TOTAL INCOME		<u>300,946,474</u>	<u>(117,919,575)</u>
EXPENSES			
Investment Management Expenses	6 (i)	14,305,936	14,956,583
Administrative Expenses	6 (ii)	5,983,660	5,387,396
Grant Expense	6 (iii)	29,999,839	-
Employment Expenses	6 (iv)	12,239,901	12,786,030
Finance Cost	6 (v)	87,960	92,998
TOTAL EXPENSES		<u>62,617,296</u>	<u>33,223,007</u>
(DEFICIT)/SURPLUS FOR THE YEAR		<u><u>238,329,178</u></u>	<u><u>(151,142,582)</u></u>

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	ACCUMULATED SURPLUS G\$	TOTAL G\$
YEAR ENDED 31 DECEMBER 2019		
As at the Beginning of the year	1,888,488,174	1,888,488,174
Surplus for the year	238,329,178	238,329,178
Balance as at end of the year	<u><u>2,126,817,352</u></u>	<u><u>2,126,817,352</u></u>
YEAR ENDED 31 DECEMBER 2018		
As at the Beginning of the year	2,039,630,756	2,039,630,756
Deficit for the year	(151,142,582)	(151,142,582)
Balance as at end of the year	<u><u>1,888,488,174</u></u>	<u><u>1,888,488,174</u></u>

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	G\$	G\$
OPERATING ACTIVITIES		
(Deficit)/ Surplus for the year	238,329,178	(151,142,582)
<i>Adjusted for:</i>		
Depreciation	353,341	352,171
Interest Income	(2,431,316)	(3,089,094)
	<hr/>	<hr/>
Net cash flow from operating activities before changes in working capital	236,251,203	(153,879,505)
Decrease/ (Increase) in UBS Investment	(279,858,065)	135,952,359
(Decrease)/Increase in accruals	5,657,523	(8,295)
	<hr/>	<hr/>
Net cash provided by operating activities	(37,949,339)	(17,935,441)
 Investing activities		
Purchase of fixed assets	(5,847)	(347,966)
Interest received	2,431,316	3,089,094
	<hr/>	<hr/>
NET CASH PROVIDED BY INVESTING ACTIVITIES	2,425,469	2,741,128
	<hr/>	<hr/>
NET INCREASE IN CASH AND CASH EQUIVALENTS	(35,523,870)	(15,194,313)
 CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR	118,619,354	133,813,667
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AS AT END OF YEAR	83,095,484	118,619,354
	<hr/>	<hr/>
CASH EQUIVALENTS COMPRISE OF:-		
Cash at Bank	<u>83,095,484</u>	<u>118,619,354</u>

The notes on pages 8 to 13 form an integral part of these financial statements.

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

1. INCORPORATION AND ACTIVITIES

The Protected Areas Trust (PAT), established by the Protected Areas (PA) Act in 2011, is managed as a corporate body by an Eight member Board of Trustees (Seven members in 2017) with a non-governmental majority. The PAT was institutionalised with the appointment of the first Board of Trustees effective July 7, 2014, as recorded in the Official Gazette (on July 19, 2014).

The Protected Areas Trust Fund (PATF), also established by the PA Act, functions primarily as an endowment fund to preserve the capital while investing globally to earn annual returns of approximately 5%. PATF was originally endowed with a total of US\$ 8.5 million (US\$5M from KfW and US\$3.5M from CI through the Global Conservation Fund). These funds are invested through PATF's Fund Administrator, UBS Financial Services (USA) in various international markets.

Funds from the PATF are used to provide co-financing for the National Protected Areas System (NPAS) in Guyana and to support projects that contribute to or promote the conservation and preservation of the biological diversity and maintenance of the ecosystem services of the Protected Areas. NPAS consist of Kaieteur National Park, Iwokrama Programme Site, Shell Beach, Kanuku Mountains and Kanashen Amerindian Protected Areas; as well as the urban parks including the National Park, Botanical Garden, Zoological Park and Joe Veria Park. During the year PAT co-financed Shell Beach, Kanuku Mountains and Kanashen Amerindian Protected Areas.

2. NEW AND REVISED STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments to standards are not expected to have a significant impact on the Trust's accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements have been prepared under the historical cost convention with compliance to IFRS-International Financial Reporting Standards for Small and Medium Sized Entities.

(b) Fixed Assets and Depreciation

Equipment and fixtures are stated at cost less accumulated depreciation and any recognized impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives using the straight line method as follows:

Computer & Equipment - 20%

A full year's depreciation is charged in the year of acquisition and none in the year of disposal.



PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

3 SIGNIFICANT ACCOUNTING POLICIES CONT'D

(c) Income and Expenditure

Income and expenditure are dealt with in the financial statements on an accrual basis.

(d) Taxation

The Protected Areas Trust, by virtue of its charitable purpose, was deemed a charitable organization and benefits from the grant of tax exemption by the Government of Guyana .

(e) Financial Instruments

Financial assets and liabilities are recognized on the Trust's statement of financial position when the Trust becomes a party to the contractual provisions of the instruments.

(f) Cash and cash equivalents

Cash and cash equivalents are held for the purpose of meeting short-term cash commitments rather than investment or other purposes.

(g) UBS Investments

This investment is a financial asset that is designated on initial recognition as one to be measured at fair value with fair value changes recorded through profit or loss.

4. CONTRIBUTIONS

This represents grants and investment asset received. Assets were transferred on October 31, 2015. Grants were provided throughout the year:

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

	2019 G\$	2018 G\$	
5. INVESTMENT INCOME			
UBS Investment (Dividend and Interest)	<u>43,350,851</u>	<u>42,340,967</u>	
6. EXPENSES			
(i) UBS Investment Management Fee			
UBS Management Fee	<u>14,305,936</u>	<u>14,956,583</u>	
(ii) Administrative Expense			
Depreciation	353,341	352,171	
Meetings	403,386	269,694	
Office Supplies	730,615	622,341	
Website Expenses	44,000	-	
Loss on Exchange	31,967	3,932	
Telephone & Internet	362,434	367,561	
Travel & Accomodation for meetings	1,959,529	-	
Travel	82,131	754,802	
Supplies & Materials	-	12,398	
Printing & Reproduction	178,868	1,219,070	
Learning & Training	345,600	702,900	
Workshop and Meetings	129,600	-	
Professional Services Fees	300,630	477,752	
Office Maintenance	154,757	269,880	
Insurance (Non-Employee)	8,581	8,581	
Withholding Tax	143	-	
Membership Dues	719,800	-	
Other Operating Expenses	178,278	326,314	
	<u>5,983,660</u>	<u>5,387,396</u>	
(iii) Commitments			
During the year, Protected Areas Trust committed \$7,580,101(Grant #006-2019) to which an unspent balance of \$4,614,724 from a previous grant (#001-2017) was netted off against total funds committed under this agreement and unspent balance of \$19,386 from Grant #003-2018 was netted off against total funds committed to Grant #005-2018.			
In the financial year 2019, sum of \$19,659,738 was disbursed to Protected Areas Commission with an outstanding balance of \$5,725,377 to be disbursed in 2020 and onwards.			
	#004-2018	#005-2018	#006-2019
Total Grant funds	6,498,000	15,921,738	7,580,101
Total Disbursed	3,738,000	15,921,738	(4,614,724)
Unspent Funds	<u>2,760,000</u>	<u>-</u>	<u>2,965,377</u>
(iv) Employment Expense			
Employee Costs	<u>12,239,901</u>	<u>12,786,030</u>	
This relates to the cost of employing contract staff.			
(v) Finance Costs			
Bank Charges	<u>87,960</u>	<u>92,998</u>	
This relates to charges with regards to the Trust's bank accounts.			

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

	2019 G\$	2018 G\$
7. FIXED ASSETS		
Cost		
As at Beginning of the year	1,760,857	1,412,891
Additions	5,847	347,966
As at End of the Year	<u>1,766,704</u>	<u>1,760,857</u>
Accumulated Depreciation		
As at Beginning of the Year	960,543	608,372
Charge for the year	353,341	352,171
As at End of the Year	<u>1,313,884</u>	<u>960,543</u>
Net Book Value		
As at End of the Year	<u>452,820</u>	<u>800,314</u>
As at Beginning of the Year	<u>800,314</u>	<u>804,519</u>
8. UBS INVESTMENT		
Opening balance	1,769,317,581	1,905,269,939
Foreign exchange translation difference	(31,967)	(3,932)
Withdrawals	(14,305,936)	(14,956,583)
Dividend and interest income	43,350,851	42,506,433
Change in accrued interest	314,921	(148,640)
Increase in market value	250,530,197	(163,349,636)
Closing Balance	<u>2,049,175,646</u>	<u>1,769,317,581</u>

This relates to an investment portfolio managed by the UBS Financial Services Company. This consist of investments held on the international market. The portfolio contains a mixture of equities (50%), bonds (44.5%), Real Estate (5%) and cash (0.5%). This was transferred from the Conservation Trust Fund (CTF) to Protected Areas Trust, after the dissolution of the CTF on October 31, 2015. The value of this investment was determined based on the portfolio value reported by UBS Financial Services Statement. The use of these assets and their income are for the sole purpose of carrying out activities related to the management of Guyana Protected Areas Systems

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

	2019 G\$	2018 G\$
9. CASH AND BANK		
Cash in Hand	20,000	-
Cash at Bank	83,075,484	118,619,354
	83,095,484	118,619,354
10. PAYABLES AND ACCRUALS		
Grant Payables	5,725,377	-
Accruals	181,221	249,074
	5,906,598	249,074

11. FINANCIAL RISK MANAGEMENT

The Trust's management monitors and manages the financial risks relating to their assets through daily reviews of the performance and change in value of these assets. These risks include market risks (foreign exchange risk and interest rate risk).

The Trust seeks to minimize the effects of these risks by the use of techniques that are governed by management's policies on foreign exchange risk and interest rate risk which are approved by the Board of Trustees.

(a) Market Risk

Market risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

(b) Foreign Currency Risk

Foreign currency risk is the form of risk that arises from an unfavourable change in price of one currency against another. Unless a position is hedged, foreign currency risk is present whenever organizations or investors hold assets across national borders. The Trust's exposure to the effects of fluctuations in foreign currency exchange rates arise from its investment portfolio and a US dollar bank account. The currency in which this investment is denominated is in the United States Dollars. No liabilities are held in foreign currencies. Total assets held in foreign currency total G\$2,049,175,646 (US\$9,620,543).

PROTECTED AREAS TRUST

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

11. FINANCIAL RISK MANAGEMENT CONT'D

(c) Foreign Currency Sensitivity Analysis

The following table details the Trust's sensitivity to an increase or decrease in the Guyana dollar against the US dollar at 2.5% in financial year end 2018 and 1% in financial year end 2019. Although a rate is not formally adopted and used, 1% / 2.5% gives prudent possibility of a change in rate.

The sensitivity analysis shows the impact on all assets and liabilities that are held in foreign currencies. A positive number below indicates an increase in surplus if the currency were to strengthen against the Guyana dollar. If the currency were to weaken against the Guyana dollar, there would be an equal and opposite impact on the surplus and the balances would be negative.

	2019 G\$	2018 G\$
Effect	<u>20,491,756</u>	<u>44,249,780</u>

12 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial or operating decisions.

Listed below are transaction with related parties:

Key Management Personnel

(i) Compensation

The Trust's key management personnel comprises of its Executive Director, Admin Assistant and Accounts Assistant. The remuneration paid to the company's key personnel are as follows :

	2019 G\$	2018 G\$
Short term employee benefits	<u>12,239,901</u>	<u>12,786,030</u>

The Trust's office is located in Jenman House, Botanical Gardens, Georgetown which is owned by Protected Areas Commission. There are no rental charges or fees payable with regards to this.

13 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Trustees and authorised for issue on

APRIL 17, 2020

APPENDIX 1

GRANT NO.	PROJECT NAME	Grantee	Protected Area	Grant Value (G\$)	Funds Disbursed (as at Dec. 31, 2019)	Funds Spent (as at Dec. 31, 2019)	Date of Commencement	Status of Grant
COMPLETED PROJECTS								
Grant 2017-001	Effective Management of Guyana's Protected Areas System	PAC	KMPA SBPA	\$9,183,142	\$6,166,896	\$1,552,171	October 19, 2017	Closed on June 6, 2019
Grant 2017-002	Effective Management of Kanashen Amerindian Protected Area	PAC & Kanashen Village Council	KAPA	\$7,030,740	\$7,030,740	\$3,481,304	December 12, 2017	Closed on April 30, 2018
Grant 003-2018	Effective Management of Kanashen Amerindian Protected Area	PAC & Kanashen Village Council	KAPA	\$3,549,436	\$3,549,436	\$3,530,050	October 19, 2018	Closed on June 24, 2019
SUB-TOTAL				\$19,763,318	\$16,747,072	\$8,563,526		
ONGOING PROJECTS								
Grant 004-2018	Effective Management of Kanuku Mountains and Shell Beach Protected Areas	PAC	KMPA SBPA	\$6,498,000	\$3,738,000	\$355,980	December 18, 2018	Proposed End Date: November 30, 2020
Grant 005-2018	Implementing the Kanashen Amerindian Protected Area's Management Plan	PAC & Kanashen Village Council	KAPA	\$15,921,738	\$15,921,738	\$10,174,133	January 1, 2019	Proposed End Date: April 30, 2020
Grant 006-2019	The Effective Management of Kanuku Mountains and Shell Beach Protected Areas	PAC	KAPA	\$7,580,101	\$4,614,724	\$3,532,691	March 29, 2019	Proposed End Date: November 30, 2020
SUB-TOTAL				\$29,999,839	\$24,274,462	\$14,062,804		

Table 2: Status of Grants Issued by PAT from Inception to December 31, 2019

“ Co-financing Guyana's Protected Areas ”

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Shell Beach Protected Area

Shell Beach represents one of the largest remaining stretches of tropical mangroves between the Orinoco and Amazon rivers. It plays host to Caribbean Flamingoes, West Indian Manatees, Guiana dolphins and over 200 migratory bird species. The area is best known as the nesting site for four endangered sea turtles: the Leatherback, Green, Hawksbill and Olive Ridley. Shell Beach is also important to the livelihoods of nearby indigenous and mixed communities, who have an important role to play in the management of Guyana's only coastal protected area.

© Robert Spitzer

Kaieteur National Park

Created in 1929, Kaieteur is the first national park in the Amazon region. It sits on the Guiana Shield, an ancient rock formation over 2 billion years old. This isolated landscape is full of species found nowhere else on earth, including a tiny Golden Frog (*Anomaloglossus beebei*) and a recently discovered bright blue tarantula unknown to science. The Park is known mostly for the spectacular Kaieteur Falls with its single drop of 226 metres (741 ft), which is over four times the height of Niagara Falls. Its unusual combination of height and volume makes it the most powerful single drop waterfall on the planet. Home to the Patamona people, Kaieteur continues to play a big role in local livelihoods, culture, and traditions.



Kanashen Amerindian Protected Area

Kanashen is Guyana's newest and largest protected area, covering about 3% of the country's land area. It is home to the Wai Wai people, and is the only indigenous-owned territory in the protected area system. Located at the southern tip of Guyana, this remote landscape is dominated by Amazonian forests and an interesting mix of animals, including giant bird-eating tarantulas the size of dinner plates, grunting tiger-striped catfishes and almost 350 species of birds. The community's role as owners and managers of the area represents a new and innovative approach to conservation in Guyana.

Kanuku Mountains Protected Area

Teeming with healthy populations of rare and endangered species, these rainforest covered mountains are nestled in the heart of Guyana's tropical savannahs. Its unusual combination of forest, savannah, wetland and mixed habitats results in an explosion of wildlife. For instance, the Kanukus have the highest recorded bat diversity in the world with 89 species. The mountains also represent one of the few areas on the continent where rare Guiana Shield species mix with endangered Amazonian "giants", including the Giant River Otter, Harpy Eagle, Giant Anteater, Black Caiman and Giant River Turtle. The Kanukus are also home to the Macushi and Wapishana people, who have traditionally depended on the mountains for food, water, shelter and medicines.

National Park

Kanuku
Mountains
Protected Area

en Amerindian
ted Area

© James Brocombe

© Robert Fernandez

“Protecting nature and
improving lives”



Protected Areas Trust

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Guyana's Protected Areas Trust

“ Co-financing Guyana's Protected Areas ”



The Trust **raises and invests funds to support Guyana's Protected Areas.**



It is **governed by a Board of Trustees with a non-governmental majority** and was established under the Protected Areas Act 2011.



The Trust **co-finances the work of the Protected Areas Commission**, and the management of the National Protected Areas System (NPAS).



These funds are used to **protect over 1.4 million hectares of globally important habitats**, filled with rare and endangered species.



The Trust supports Guyana's commitment to **establish an additional 2 million hectares of protected areas** under the NPAS.

Get Involved! Donate Today!

Make contact with the Protected Areas Trust at

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