

DM 2005 Project Implementation PROGRESS REPORT

[3/15/2006]

In order to ensure transparency, accountability, as well as to share lessons learned, we will post this Progress Report on the Development Marketplace website at www.developmentmarketplace.org. However, if you would like to share any sensitive information with us, you can do so in section VI. The information provided in this part of the report will be handled as confidential, thereby it will not appear on the DM website.

I. Background Information

DM Project Number and Title	3845 Linking Economic Development and Biodiversity Conservation in the Russian Far East through Tiger Friendly Certification
Report Author's Name (if different from Team Leader)	Trond Lovdal
Total Award	US\$ 97,400
Amount Disbursed to Date	US\$ 70,912 (73 % of the Total Award)

II. Progress Against Milestones

i) List the milestone objectives in the first column as expressed in the Project Agreement. The second column should indicate the current status of each milestone objective. In the third column, please provide quantitative data and qualitative information describing the status of the project against that particular milestone.

Milestone Objectives (Copy from the Agreement)	Status (Completed/ In Progress)	Descriptive Information on the Status
e.g. Promotion of organic farming as an income generating activity: Train 40 rural women on organic mushroom farming .	Completed	43 women from 5 villages were trained through 3 organic farming classes. About half of them expressed a keen interest in this potential source of income.
Marketing research conducted [Update of previous milestone]	Completed	As mentioned in the previous Milestones Report, WCS was working on putting together a comprehensive Business Plan to included in the third milestone progress report. Please see that attached Business Plan. This plan, a major improvement of the original marketing plan, has now been finalized. Please refer to the attachment.
The first TFC harvest completed	Completed	The first TFC harvest has been successfully completed. However, due to changes in the regulations concerning Forest tickets (government permits) the harvest could not be done under the "official" regulations, hence it could not get the necessary licenses for export..
Participation in an international trade show	Not completed	Please see comments below.
The first TFC products sale	Completed	As mentioned above there were some serious unforeseen circumstances as the federal government decided to change the regulations in the timber and NTFP sector in the middle of the harvest season. Hence it was not

		<p>possible to get the necessary permits to export the products. Therefore no export sales were made.</p> <p>WCS has also been facilitating a project of domestic (in Russia Far East) sales of TFC products. Together with a company based in Khabarovsk, Forest Products, WCS has helped the Wildlife Management leases sell their TFC harvest to Forest Products as ingredient in two of Forest Product's herb tea brands. A test sale of the herb tea brands using a Russian version of Tiger Friendly will start in April 2007. More than 3,800 boxes of teas will be sold as Tiger Friendly teas. WCS is following the test sales closely to monitor its success and to learn of areas where future improvements can be made. A questionnaire to be handed out to the buyers of the teas has also been developed along with a product/educational brochure.</p> <p>Concurrently WCS is working hard to establish what is needed to acquire the necessary permits under the new regulatory framework so that future exports of TFC products can proceed as planned.</p>
Pilot site TFC validation completed	Completed	The pilot sites in question have all been validated.

ii) If you did not achieve some of your stated milestone objectives, please explain the reasons.

WCS is working with Primorskiy Krai Department of Federal Forest Service to ascertain what the new regulatory framework for the Forest ticket will be. Until this has been sorted out, which has taken much longer than first anticipated, it was decided to put the trade show participation on hold. Instead WCS decided to send two representatives to the Wildlife-Friendly Enterprise 2007 Summit in Florida, USA. This conference deals directly with issues closely related to TFC. Once the forest ticket and export license issues have been satisfactorily sorted out WCS will revisit the plan to attend an international trade show. There are two potential trade shows in the Fall 2007 that could be considered, one in the USA and another in Europe.

iii) Has your project's overall accomplishments to date exceeded the original plan?

☐ Yes

☐ No

If Yes, describe your achievements:

III. Overall Project Progress

i) What have been the main challenges of your project to date? What, if any, adjustments have you made to your original business plan in order to overcome the challenges and meet your objectives?

Challenges:	Adjustments:
<p>The main challenge to date has been obtaining official permits for harvesting non-timber forest products. This year the Russian Forest Service changed the policies and procedures for harvesting. Starting this summer they request participation in the competition to lease forest tracts for non-timber forest products. The winner needs to conduct a robust survey of all of the plants to be collected. Before that, the survey will go through an Environmental Impact Assessment process. Though hypothetically these are good changes from the conservation point of view, they tremendously slow down obtaining the official permits, thus endangering the first harvest. [From DM progress report 2].</p>	<p>Both wildlife management organizations submitted papers to participate in the competitions. Though quite lengthy, this procedure is in progress even though there is little chance that it will be finished in time to conduct harvesting. At the same time WCS is talking to Primorskiy Krai Department of Federal Forest Service to obtain official permits in time. In addition WCS is in the process of negotiating the fastest way to conduct the surveys with the Forest Survey Agency. [From DM progress report 2].</p> <p>UPDATE: This process is still ongoing. The Primorskiy Krai Department of Federal Forest Service has as of yet (March 2007) not been able to tell us clearly what the new rules will entail for NTFP harvesting. WCS will keep pursuing this matter with the relevant departments until a clear answer has been given.</p>

ii) Have any of your objectives changed or have you added new objectives since you signed your Project Agreement? If Yes, explain the changes.

☒ Yes ☐ No

As there are still unresolved issues with regards to the NTFP collection permits it was decided to postpone taking part in an international trade show. Instead the money budgeted for the trade show has been spent on taking part in the Wildlife-Friendly Enterprise 2007 Summit in Florida, USA. The objectives of the summit are:

- to build a global network of people and organizations invested in Wildlife-Friendly Enterprise;
- to identify and fill gaps in the market chain to link Wildlife-Friendly producers to interested consumers; and
- to design criteria for certification of producers with scientific measures of success for wildlife conservation.

As can be seen the objectives are closely related to what WCS wants to achieve with TFC. Hence it was decided that it would be very valuable to send representatives to take part in this conference/summit.

iii) Do you have any concerns about meeting your next milestone objectives?

☐ Yes ☒ No

If Yes, what are the concerns and how do you plan on addressing those challenges?

iii) Although this is an interim report, are there any development outcomes or results of your activities to date that you would like to call attention to?

Both wildlife management leases were successful in getting their NTFP harvesting sites certified organic under the USDA organic certification scheme.

iv) Reminder: In accordance with Paragraph 3.1.1 of the Project Agreement, each project team is required to submit a statement of account showing the use of the funds within three months after the last disbursement. As a part of periodical expenditure review exercise, please provide an annex with un-audited summary of expenses during this reporting period.

IV. Ancillary Achievements

i) Have you or has your organization received any awards/recognitions or media attention as a result of your DM-funded project during this period?

☐ Yes ☒ No

If Yes, please specify the sources and identify the names.

Award /Recognition	Media
<input type="checkbox"/> Local: <input type="checkbox"/> National: <input type="checkbox"/> International:	e.g. <input checked="" type="checkbox"/> International: BBC News on Dec. 3-4, 2003 <input type="checkbox"/> Local: <input type="checkbox"/> National: <input type="checkbox"/> International:

Explain the Award/Recognition or the Media content:

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Attach web links/news clips, if available:

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ii) Has your organization made any new partnerships as a result of this project during this reporting period?

☒ Yes ☐ No

If Yes, specify type of the organization from the list below and describe nature of the partnership:

<input checked="" type="checkbox"/> Local Government: Primorskiy Krai Forest Survey Agency. Working together on development of improved non-timber forest resources survey methods. [Still ongoing] <input checked="" type="checkbox"/> National Government: Russian Forest Service. Development of methods to identify sustainable use of non-timber forest products. [Still ongoing] <input type="checkbox"/> NGO: <input type="checkbox"/> Bilateral Development Agency:	<input type="checkbox"/> Multilateral Development Agency: <input checked="" type="checkbox"/> Private Corporations: Forest Products, we are now working together to market two of their tea brands as Tiger Friendly, using NTFPs harvested from TF certified Wildlife Management Leases. <input type="checkbox"/> Other: e.g. <input checked="" type="checkbox"/> Multilateral Development Agency: Development Marketplace of the World Bank (financial partnership and technical assistance)
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iii) Sustainability and scalability after completion of the DM fund are top of the DM Team's priorities. Has your organization leveraged new funding or secured future funding during this reporting period?

☐ Yes ☒ No

If Yes, provide the following information.

Funding Sources: Names of the Organizations
Amounts Funded/Committed: US\$ 000,000

V. Requests to the DM

i) Do you have any comments on the overall process and support provided by the DM Team or Project Liaison?

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ii) If your contact information has changed, please provide us with the new information.

Contact Name:	
Title:	
Organization:	
Primary Email Address:	
Secondary Email Address:	
Organization's Website	
Phone:	
Fax:	
Address:	
Postal Code:	

Annex I. Project Expenses for this Reporting Period

Project Expenses for this Reporting Period (4th Milestone)

Items	Sub-Totals (USD)
1 Personnel	\$0
2 Materials and Equipment	\$1,129
3 Trainig	\$0
4 Travel	\$2,876
5 Evaluation/Information Dissemination	\$0
6 General Administration/Overhead	\$34
7 Other	\$14,605
Total Expenses	\$18,644