

DM 2005 Project Implementation PROGRESS REPORT

[10/02/2006]

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)	Nikolai Kazakov (nkazakov@wcs.org)	
Total Award	US\$ 97,400	
Amount Disbursed to Date	US\$ 53,570	(55 % 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.
Tiger Friendly Certification Project marketing plan put together		A draft Tiger Friendly Certification Project marketing plan based on work done by Columbia Business School (see part iii. below) and WCS' consultant has been developed. Still, this tool is under development as the project is progressing and we are able to collect more information to be used in the plan. WCS is working on a final marketing plan, which together with the business plan, will be finalized by the third milestone progress report
Pilot Wildlife Management Leases TF certified	Completed	Based on the established criteria WCS has certified two Wildlife Management Leases as Tiger Friendly: Kavalerovo and Chin Sun. These leases are involved in conducting tiger and ungulate surveys, local community attitude surveys, etc. to meet Tiger Friendly Certification criteria.
Initial attitude survey conducted in local-certified communities	Completed	WCS concluded a contract with the Sociology Department of Marine Academy to conduct the survey. Social scientists conducted the survey at 8 certified and 8 non-certified communities to have a chance to compare

		results in the future to see if any attitude changes in the targeted communities take place. In total 250 local community members were interviewed.
Local community harvesting trainings conducted	Completed	These trainings were done through very detailed instructions developed by both certified wildlife management leases. These instructions were distributed among the local community members and free consultations were available.
Pilot sites organically certified	Completed	Both sites conducted extensive preparation work to get organically certified. Oregon Tilth Certified Organic company's representative conducted an inspection at both sites. We have not yet received Oregon Tilth's reports, hence we do not know the status of the certification, but based on the post inspection debriefing with the inspector we have reasonable grounds to believe that both sites will be officially organically certified in October.

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

Though later than planned, we have achieved all of the stated milestone objectives.

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

Yes No

If Yes, describe your achievements:

An important accomplishment with which we have exceeded the original plan for the third milestone period is the participation in Columbia Business School's Managers for International Development Initiatives (MIDI) project. MIDI is part of Columbia Business School's Social Enterprise Program. MIDI provides a forum for MBAs seeking careers at the interface of business and international development and creates opportunities for Columbia University MBA students to consult to nonprofits, public sector organizations, small businesses and entrepreneurial ventures in developing countries. The Tiger Friendly Certification Project was elected as one of their projects for the Spring of 2006. Three students (of which one was a Russian) were working on developing a marketing plan for Tiger Friendly Certification. One of the students came to Russia Far East to conduct research. Parts of the marketing plan have been incorporated into WCS' own marketing plan. A cost-pricing model was also developed at the same time (see Appendix I of the Marketing Plan). This model is also continually under revision as we collect more relevant data.

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:
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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.

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.

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

We decided to create a Seed Revolving Fund at the pilot wildlife management leases. This was needed to start harvesting by local communities and is due to the fact that the actual sale of the harvested certified non-timber forest products are planned to take place in December 2006 and January 2007. This is when there will be money returns. To expedite the harvesting process the Revolving Fund was established. Both leases have access to it to borrow money for purchasing harvested non-timber forest products from the local communities. This fund will be managed in the future by the participating wildlife management leases. After the sales are completed and money returned, they will replenish the Revolving Fund to make NTFP purchases for the next harvesting season. Though not budgeted within this grant, we used the funds budgeted for organic certification as Herb Trade Co. financed the organic certification.

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?

At this stage of the project there are two important achievements that deserve calling attention to:

- 1) The local community opinion survey conducted in all participating communities as well as several non-participating communities. This research really shows rural communities attitude to issues of hunting, tiger conservation, NTFP development, poaching, etc. It was extremely important to develop it in a right way because it will not only be repeated at the end of this project, but also throughout the Tiger Friendly Certification project development on a biannual basis. Over the years this will become a very important tool to measure the project's success as changes in local community attitudes is one of the most important targets.
- 2) For the first time in the history of Primorskiy Krai two organizations applied for and were successful in going through a USDA Organic Certification inspection. Based on the Oregon Tilth Certified Organic Company's inspector feedback there is a very good chance that both sites will be granted USDA organic certification. This will be known only in mid October.

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

Explain the Award/Recognition or the Media content:

<p>Tiger Friendly Certification Project Manager Nikolai Kazakov had submitted a paper on Tiger Friendly Certification to participate in two international conferences both of which took place in Vladivostok:</p> <p>1) Nature Without Borders hosted by the state government; 2) 11th British Universities Siberian Studies Seminar</p> <p>At both events Nikolai was granted a permission for and made presentations about the project. Nikolai's paper was published in the proceedings of the BUSSS conference.</p> <p>Several articles about the project and its implementers were published in local and state papers.</p>

Attach web links/news clips, if available:

Newspaper articles and BUSSS conference proceedings are attached in PDF format.

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.	<input type="checkbox"/> Multilateral Development Agency: <input checked="" type="checkbox"/> Private Corporations: a non-timber forest product processing company in Chuguyevka. They are potential exporters of the TFC products to US and European
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<input checked="" type="checkbox"/> National Government: Russian Forest Service. Development of methods to identify sustainable use of non-timber forest products. <input type="checkbox"/> NGO: <input type="checkbox"/> Bilateral Development Agency:	markets. <input checked="" 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?

Annex I. Project Expenses for this Reporting Period

Items	Sub-Totals (USD)
1 Personnel	\$0
2 Materials and Equipment	\$2 210
3 Trainig	\$0
4 Travel	\$3 924
5 Evaluation/Information Dissemination	\$3 762
6 General Administration/Overhead	\$5 181
7 Other	\$12 842
Total Expenses	\$27 918