I. Background Information

<table>
<thead>
<tr>
<th>DM Project Number and Title</th>
<th>#4301 Mountain Gorilla Conservation Based-Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report Author’s Name (if different from Team Leader)</td>
<td>Innocent Garakumbe &amp; Danielle Tedesco</td>
</tr>
<tr>
<td>Total Award</td>
<td>US$150,000</td>
</tr>
<tr>
<td>Amount Disbursed to Date</td>
<td>US$37,500 (25% of the Total Award)</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Milestone Objectives (Copy from the Agreement)</th>
<th>Status (Completed/In Progress)</th>
<th>Descriptive Information on the Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Detailed viability study conducted</td>
<td>Completed</td>
<td>A detailed viability study about the Guided Community Eco-tourism Walk was conducted and the report is available. The study shows that the guided community walk is profitable. It can potentially generate sales revenue of about $10,000 and a profit of $5,500 in the first year. This revenue is expected to grow at 15% per year for the first five years. One major assumption that was made is that Nkuringo Community Eco-lodge will be built, hence creating a market for the walk. AWF/IGCP has submitted a grant request to a donor for the construction of the eco-lodge but funds are yet to be approved. It is anticipated that the eco-lodge construction will commence later this year.</td>
</tr>
<tr>
<td>2. Seven existing and new attractions in the area identified (caves, historical sites, etc.)</td>
<td>Completed</td>
<td>A team composed of NCDF, UWA and IGCP officials visited a number of proposed tourist attractions within the community to assess their appropriateness and the level of interest they are likely to create among tourists. The team used the following criteria to decide the attractions that should be short-listed for future development:</td>
</tr>
</tbody>
</table>

   i. **Accessibility**: The team assessed the distance from the road to the attraction, as well as the cost of improving/creating a trail to the attraction. It was agreed that a reasonable guided walk distance should not exceed 3 km, as most of the tourists will have come from the strenuous gorilla tracking the previous day. It is also important to note that Nkuringo tourism area will be a high-end tourist destination, and it is likely that the majority of tourists would be older and therefore prefer short and gentle walks. The product will continuously be assessed and diversified so as to cater for those tourists that may need to walk longer distances. |

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1 Nkuringo community is planning to build a high-end eco-lodge in partnership with a private sector investor.
ii. Location: The team looked at the attractions logically located on the walk loop/circuit. Some attractions were located off the proposed guided community walk loop and their feasibility questionable.

iii. Uniqueness: The team sought out unique attractions that are likely to create much interest among tourists, i.e., attractions that are difficult to find in the western world because most tourists come from the U.S. and Europe.

iv. Local culture and nature: The team was also interested in attractions that reflect local cultures and are nature based.

v. Community ability and willingness: Another essential element considered was the ability and/or capability of the community partner owning the attraction to work with other stakeholders to develop it.

Based on the above criteria, nine tourist attractions were identified and their GPS locations were plotted on the map. The identified attractions include a tropical natural forest with chimpanzees, baboons, different types of monkeys and various types of birds. The forest will be used for nature walks and birding. Additional attractions identified include; a traditional healer, caves, a school, a local beer brewery, a homestead of former forest pygmies (Batwa), a cultural center, and a blacksmith.

In order for IGCP to educate the local community about the concept of guided community walk, it organized a study tour for ten NCDF members and tourist attraction owners to Buhoma. Buhoma is situated on the northern edge of BINP. The purpose of the trip was to see how a similar guided community walk is organized and managed. Participants learnt the management of returns from the walk, the management of attractions, the handling of customers while on the walk, and the general behavior of communities covered during the guided walk.

Furthermore, IGCP and NCDF also selected ten people to be trained as community walk guides. Some of the criteria used in the selection of the guides were: level of education, ability to express him/herself in English, interest in the job, and general customer care knowledge and skills.

3. Key sites and interpretation material developed

| Key sites and interpretation material developed | In Progress | See explanation below |

4. Baseline information collected

| Baseline information collected | Completed | A study to collect baseline information was completed. This was a regional study that covered the Virunga and Bwindi area where IGCP operates. This report focuses on the Uganda portion of the study that was funded by DM funds. The purpose of the study was to: (a) assess the beekeeping needs of farmers; and (b) identify key constraints and challenges undermining the production of quality honey and associated products within the project area and propose possible changes and improvements. At the end of the study, the following conclusions and recommendations were made: |

- In order to increase honey production, modern bee hives
should be adopted as a matter of priority. The recommended beehive is Langstroth. Given the rather precise technical specifications for successful operation of Langstroth hives, very skilled carpenters using the right equipment are needed to achieve the finesse required.

- Queen rearing and colony multiplication should be done. There is need to identify the suitable persons to be trained for this particular aspect.

- Qualified extension services are essential for the successful adoption and use of the Langstroth hive technology. The primary duties of the extension worker will be to train farmers on modern beekeeping techniques; monitor the progress of farmers and their honey production; and ensure that there is improved information flow between farmers, refineries, associations and buyers.

- There is significant potential of other products from the beekeeping activity to be exploited, including: (a) using modern technologies for harvesting propolis; (b) using solar wax melters for harvesting quality beeswax; and (c) processing honey into the popular honey wine (honey mead).

In line with the above conclusions and recommendations, IGCP and NCDF have incorporated them in its beekeeping activities in the project area. For instance, ten beekeepers were selected to be model beekeepers and will receive further training in modern beekeeping. These are the beekeepers that will pilot new technology of beekeeping, such as the introduction of a Langstroth beehive and queen rearing that will increase bee stock in the area.

| 5. 100 beekeepers trained | In Progress | IGCP and NCDF organized beekeeping training for 53 beekeepers. The purpose of the training was to equip beekeepers with modern beekeeping techniques. The training focused on:
  - the importance of beekeeping in general
  - beekeeping methods such as apiary management:
    - Location of apiary
    - Apiary fencing
    - Honey harvesting methods
    - Honey selection for marketing
    - Market prospects for honey from the area |

| 6. One study tour conducted | In Progress | See below |

| 7. A handcraft skills audit and market survey conducted | Competed | IGCP contracted a handcraft expert to conduct a handcrafts skills audit and market assessment. The consultancy evaluated the available skills and products currently produced, materials used, pricing structure and promotional activities. The consultancy also focused on identifying market outlets. A catalog of different handcrafts was also developed. Below is a summary of the consultant’s conclusions:

Skills: Basket weavers in Nkuringo have potentially marketable skills and an added bonus of using natural dyes. The carvers have potential to profit from their current training and to become capable of producing marketable products. |
Project justification: The development of handcrafts and their marketing provides an opportunity to generate income for rural producers otherwise isolated from opportunity and to contribute to alleviating poverty and conservation. However, development and marketing of crafts requires a business and market orientation. This is currently lacking within the rural crafts makers and is essential for them to be able to respond to and supply the modern market successfully.

<table>
<thead>
<tr>
<th>8.50 target beneficiaries trained in market-oriented handcraft production skills</th>
<th>Completed</th>
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<tbody>
<tr>
<td>Two trainings were conducted and attended by 70 artisans. They included basket weavers and woodcarvers. The training focused on product development i.e., standardization of products – shapes and sizes, extraction of natural dyes, pricing of products and finishing of products. The woodcarvers training focused on the identification of local material used in carving, sketching of woodcarvings, finishing using wax and general product improvement. It is also important to note that some products have been sent to possible market outlets to assess customer response. Some of the outlets are hotels in the region. Also, a brochure about Nkuringo handcrafts has been developed. NCDF identified and secured a handcraft collection center/curio room in Nkuringo. The center is strategically located next to UWA offices. Before and after mountain gorilla tracking, tourists converge at the UWA office. It is hoped that tourists will be interested in buying from the community curio shop to commemorate their mountain gorilla tracking experience.</td>
<td></td>
</tr>
</tbody>
</table>

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

**Milestone Objective 3:**
The upgrading of the identified tourists attractions and development of interpretation materials await the evaluation of the sites by a community tourism expert. This activity will be undertaken in the next reporting period. It is also important to note that the guided community walk will become fully operational when the Nkuringo Eco-lodge is constructed, for it is the eco-lodge that will be the main source of customers.

**Milestone Objective 5:**
Out of the 100 beekeepers, 53 were trained. The project plans to concentrate on a few model beekeepers give them intensive training who will in turn train others, and hence increasing the number of beekeepers trained as the project progresses.

**Milestone Objective 6:**
The project first placed emphasis on the selection of beekeepers participating in the study tour because the number of potential participants is large. Now that the model beekeepers have been selected, the study tour will be undertaken in the next reporting period.

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

YES, see below.

If Yes, describe your achievements:
The project achievements to date are as follows:

**Guided Community Ecotourism Walk**

*Milestone: Detailed viability study conducted:*
- A detailed viability study was conducted and the report is available

*Milestone: Seven existing and new attractions in the area identified (i.e., caves, historical sites, etc.)*
- 9 tourist attractions within the community have been identified and mapped
- 10 site owners have been taken on a study trip to Buhoma, which has a similar guided community walk
- 10 guides have been selected but yet to be trained

**Beekeeping**

*Milestone: Baseline information collected*
- The study was completed

*Milestone: 100 beekeepers trained*
- 53 beekeepers were trained in modern beekeeping
- 10 beekeepers selected to be model beekeepers and will receive further training

**Handcrafts**

*Milestone: A handcraft skills audit and market survey conducted*
- A handcraft skills audit and market survey conducted and new designs proposed

*Milestone: 50 target beneficiaries trained in market-oriented handcraft production skills*
- 70 artisans trained in market-oriented handcraft production skills
- One possible market outlet identified but still on trial
- A handcraft collection centre/curio room identified and secured

It is also important to note that in some aspects the project exceeded its planned targets, for instance the following achievements were realized:

- ✓ 70 artisans were trained while the project had targeted 50
- ✓ 10 community attraction site owners undertook a study trip to Buhoma
- ✓ premises for curio has been acquired
- ✓ One possible market outlet identified but still on trial
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?

<table>
<thead>
<tr>
<th>Challenges:</th>
<th>Adjustments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>As noted above, the three enterprises being promoted in Nkuringo will heavily depend on the community eco-lodge which is yet to be constructed. The eco-lodge will be the primary market outlet for the products that will be produced. This delay in the eco-lodge construction is likely to slow down business performance particularly for the three enterprises. The lodge construction is pending approval of the donor grant request, which should be confirmed in the near term.</td>
<td>In the meantime, especially with handcrafts, the artisans are looking for markets beyond Nkuringo. Recently, contacts have been made with other market outlets outside Nkuringo.</td>
</tr>
</tbody>
</table>

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

NO

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

NO

IV. Ancillary Achievements

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

NOT EXTERNAL

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

If Yes, provide the following information.

Funding Sources: **MacArthur Foundation**


Annex I. Project Expenses for this Reporting Period (October 1, 2005 thru March 1, 2006)

<table>
<thead>
<tr>
<th>Items</th>
<th>Sub-Totals (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Personnel</td>
<td>2,234</td>
</tr>
<tr>
<td>2 Materials and Equipment</td>
<td>0</td>
</tr>
<tr>
<td>3 Training</td>
<td>170</td>
</tr>
<tr>
<td>4 Travel</td>
<td>9,083</td>
</tr>
<tr>
<td>5 Evaluation/Information Dissemination</td>
<td>0</td>
</tr>
<tr>
<td>6 General Administration/Overhead</td>
<td>2,971</td>
</tr>
<tr>
<td>7 Other</td>
<td>18,221</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$32,679</td>
</tr>
</tbody>
</table>