

## TABLE OF CONTENTS

### **A. RSG NARRATIVE REPORT FORMAT/TEMPLATE**

- (1) Original Project Goal
- (2) Original Project Objectives
- (3) Progress Made Towards the Goal and Objectives
- (4) People and Community Project Served
- (5) Unanticipated Results and Lessons Learnt
  - (A) Good Results
  - (B) Bad Results/ Challenges
  - (C) Lessons Learnt
- (6) Any changes to Original Project Plans
- (7) Future Plans for Project Sustainability
- (8) Important Outcomes from the Use of RSG Second Grant
- (9) Plans for Replication or Sharing Results

### **B. RSG FINANCIAL REPORT**

- (1) Original Budget
- (2) Actual Expenditure Summary
- (3) Income Statement
- (4) Actual Expenditure Statement

## (A) NARRATIVE REPORT

### (1) ORIGINAL PROJECT GOAL

To help alleviate poverty in rural communities of Western Highlands Province through **agro-forestry** (i.e., reforestation) and **eco-forestry** (i.e., sustainable timber harvesting, downstream processing, and sales) activities.

### (2) ORIGINAL PROJECT OBJECTIVES

- I. To build a **new tree nursery facility** at Kokop Village in the Western Highlands Province.
- II. To have the tree nursery produce **200,000 tree seedlings per year** and distribute freely to over **500,000 people** of Western Highlands Province for reforestation purposes.
- III. To educate rural villagers regarding the positive impacts of reforestation, nature conservation, and other environmental issues.

### (3) PROGRESS MADE TOWARDS THE GOAL AND OBJECTIVES

The *immediate* objective was to build a new tree nursery at Kokop Village, which actually was completed in August of 2006 by staff and volunteers of KVEDO Inc. The nursery facility could at any one time accommodate/ hold up to a maximum of **55,000 seedlings** at any one time. The first and second lot of matured tree seedlings has already been transported and freely distributed to different villages throughout the Western Highlands Province for reforestation in customary-owned lands.

The *long-term* project objective, which has yet to be materialized, is to conduct sustainable harvesting and downstream processing of timber from these **reforestation sites** in different villages throughout Western Highlands Province to sustain the economic, social, and environmental needs of the growing local economy. It is anticipated that after 10-20 years of maturity of all trees planted as of 2008 onwards, a massive economic boom would be propelled by a timber-driven industry through sustainable logging/ harvesting, downstream processing, export sales, and other spin-off ventures. This would directly contribute largely towards the reduction of poverty in rural villages and tribes throughout the Western Highlands Province – the long term goal of this project.

### (4) PEOPLE AND COMMUNITY PROJECT SERVED

The project, located at Kokop Village, benefited more the **67 native villages** with a population exceeding **25,000 people** in Western Highlands Province. There are currently seven (7) districts that constitute the province. They are: *Mt Hagen Central, Dei, Mul/Baiyer, Tambul/ Nebilyer; South Wahgi; North Whagi; and Jimi*. The project was able to cover 5 of the 7 districts. Within these 5 districts covered, not all the villages were

covered or visited; only randomly selected ones were visited by KVEDO Inc. volunteers and staff. Not all villages are connected by road. Some that are connected by road are often rugged and makes it almost impossible to access by trucks; only 4-wheel drive vehicles can be able to access these villages during rainy seasons.

## **(5) UNANTICIPATED RESULTS AND LESSONS LEARNT**

### **(5.1) GOOD RESULTS**

- a) Villagers were keen in developing their own subsistence based tree nurseries.
- b) Villages actively participated in the reforestation project.
- c) Villagers understood and appreciated the important role reforestation plays in global climatic changes (carbon sequestration), and in biodiversity conservation.
- d) Villagers now know that reforestation promises positive economic social, and environment outcomes.
- e) Villagers now know that large-scale reforestation can produce a multi-billion dollar economy driven by the timber industry
- f) Villagers now know that reforestation in the long term would contribute towards poverty alleviation and thereby produce increase in standards of living.
- g) Awareness attracted hundreds and thousands of people in all villages visited.

### **(5.2) BAD RESULTS/ CHALLENGES**

- a) Demand for tree seedlings amongst villages was unexpectedly higher than originally projected.
- b) Due to lack of adequate finance to build a large-scale tree nursery facility than originally predicted in this project led to frustrations and sense of work half-done.
- c) The newly built tree nursery did not have the physical capacity to produce 200,000 tree seedlings as initially projected and thus a source of frustration.
- d) The distribution of free tree seedlings in most villages became a mad-rush and thus threw volunteers and staff of KVEDO Inc. into confusion at times. Distributions of seedlings at each village were often affected by the mad – rush by villagers fighting their way through to getting share of tree seedlings to reforest their customary lands, thus made it hard to record the distribution properly.
- e) Realistic planning and projections are valuable in future development projects; without which the imbalances may become source of frustration, in-complete work, and at times failures.

### **(5.3) LESSONS LEARNT**

- a) Project planning and cost/budget estimates must be realistic and practical, leaving little room for the differences.
- b) Water source for the nursery was initially never got factored in the project design and costing. During extended dry spells, the nursery lost a considerable amount of tree

seedlings. Any tree nursery needs to have irrigation facilities available to cater for water when needed by the seedlings.

- c) Plastic bags (poly bags) for tree seedlings are cheap if imported from overseas as compared to buying locally.
- d) Any large-scale tree nursery would need committed staff and volunteers to dig, transport, treat, and prepare black soil for filling poly bags. Filling soil into poly bags is a back-breaking activity that needs committed people, particularly in a large scale tree nursery facility.
- e) Due to some problems with unreliability of transport to move seedlings to different villages, it would be ideal for KVEDO Inc. to raise funds and buy its own truck-particularly one with 4 wheel drive power.
- f) Continuous education and awareness needs to be executed in local tribes and villages throughout WHP on reforestation, climate change, deforestation, conservation, etc...

#### (6) ANY CHANGES TO ORIGINAL PROJECT PLANS

The original project plan was to build a tree nursery facility at Kokop Village that had the capacity to produce a total of 200,000 tree seedlings per year commencing 2006. The change to this plan was that the newly built nursery only produced 55,000 tree seedlings in two different phases. (phase 1- 2006) and (phase 2 – 2007). This change was caused primarily by the lack of adequate finance (money) to cater for a facility that would support the production of 200,000 seedlings as originally projected.

The original plan projected that the second RSG Grant of UK£5,000 would be converted to K28,000 but that was not so: it was only K25,500; a difference of K2,500. Much of this K25,000 went towards funding the cleaning of land, building of fence around the perimeters, and construction of tree seedlings nursery, laborers (some were volunteers), transportation of tree seedlings to different villages, and teaching/ educating villagers about a host of environmental issues. The budget projection for all these items/ activities in the original project plan handicapped by the actual work done. So there was a real challenge to get all the work done under the limits of the funds made available via the second RSG Grant of 2006. However, all the planned activities of the project as mentioned were well executed & coordinated unto their successful completion.

The original project plan stated the project would take 12 months but due to the 2007 general elections from May to July plans were delayed.

#### (7) FUTURE PLANS FOR PROJECT'S SUSTAINABILITY

- a) KVEDO Inc **plans to secure donor funds** or grants from diverse donor sources in Papua New Guinea and overseas to continue the reforestation project in the years. KVEDO Inc is in negotiation with Australian Government's aid agency, **AusAID**, to provide some development grants towards the sustainable development of the on-going reforestation project.
- b) KVEDO Inc plans on developing the **contract grow system** – where customers pay in advance the monies for us to grow a certain quantity of tree seedlings so that once the

seedlings are ready, these customers can pick them up or have them delivered to their project sites for reforestation. This concept is used widely in reforestation industries in North America, and KVEDO Inc seeks to replicate this economic arrangement. The concept grow system, if managed well, can yield excellent annual income to KVEDO Inc to help in sustaining and expanding the reforestation project in Western Highlands and Papua New Guinea in the years ahead.

- c) Random sale of tree seedlings and diverse kinds of valuable plants from the tree nursery would yield some economic return useful towards sustaining the operations and expansion of the on-going reforestation project of KVEDO Inc.
- d) The **Western Highlands Provincial Government** and the **United Nation's Development Programme (UNDP)** through its **Global Environment Facility's Small Grants Programme (GEF SGP)** are promising development partners of KVEDO Inc in both the reforestation project and other environmental programs.
- e) KVEDO Inc seeks to convert the reforestation project in the future into a reforestation company so that it will be profit-minded. In this way, the company can use its net profits to grow and expand the operations of KVEDO Inc as an NGO organization and also its programmes and projects in Papua New Guinea.
- f) **Transportation is a problem** and KVEDO Inc desires to raise necessary funds to purchase a truck to transport tree seedlings to different villages for reforestation. The truck would also be used to access many villages that cannot be accessed easily during rainy seasons. The truck would also be used to help KVEDO Inc with other environmental projects and programmes.
- g) The reforestation project needs to be converted to a long-term reforestation programme so that various areas of the projects and initiatives may be derived and separately funded by donor agencies. Such areas from this programme would include but not be limited to climate change and carbon finance, research in reforestation, awareness and education in reforestation, tree nursery developments in villages, sustainable timber harvesting in villages, low-cost permanent housing developments, etc.

#### (8) IMPORTANT OUTCOMES FROM THE USE OF 2<sup>ND</sup> RSG GRANT

- a) The 2<sup>nd</sup> RSG grant has **triggered additional funding** for the reforestation project in 2008 by the United Nations Development Programme's Global Environment Facility (UNDP GEF) through its Small Grants Programme in Papua New Guinea. After the successful implementation of the reforestation project, UNDP GEF SGP office in PNG were pleased and decided to award KVEDO Inc a total of K50,000 (UK£8,604) for 2008. This grant would be used by KVEDO Inc to conduct ***Awareness Education on Reforestation and Global Climate Change*** in Papua New Guinea.

- b) **Created a huge growth in the interest and eagerness** among thousands of rural villagers to involve proactively in reforestation in their respective villages while being conscious of the detrimental effects of uncontrollable deforestation and environmental destruction caused by logging, mining, bush fires, agricultural farming and plantation developments, and other causes.
- c) **Reforestation and Climate Change issues are becoming very popular** in Papua New Guinea these days as this country ranks 3<sup>rd</sup> largest rainforest in the world and our Prime Minister is the Co-Chair of the World Rainforest Coalition Countries. There is more attention and awareness of these issues so the work of KVEDO Inc in Papua New Guinea over the last couple of years under RSG funding has **received a substantial attention and support**.
- d) **Increased demand for tree seedlings** for reforestation projects outweighs the production rate, this therefore requires that more funds need to be invested in the reforestation project to expand the capacity of the reforestation project. Once sufficient funding is sourced, the project would be expanded to cater for a bigger nursery facility to produce more seedlings to meet the current and future demands by villagers and corporate customers via *contract grow system*.
- e) **Some rural villagers have already developed their own versions of tree nurseries**, usually subsistence in scale only to do reforestation in their back yards. Rural villagers are using their new knowledge from KVEDO Inc towards helping themselves on a subsistence level.
- f) KVEDO Inc has learnt that all **future projects must be realistically planned and budgeted** so that the difference between the project or estimated figures and the actual figures do not differ greatly.
- g) The **Papua New Guinea Department of Forests, the Department of Environment and Conservation, the Western Highlands Provincial Government**, a host of NGOs and other non-government partners, and donor agencies in Papua New Guinea are now aware of KVEDO Inc as a development partner in environmental programmes and projects – a healthy and optimistic thing for KVEDO Inc which had been made possible through the initial funding by **Rufford Maurice Laing Foundation** over the last couple of years (2004 – 2007).

#### (9) PLANS FOR REPLICATION OR SHARING RESULTS

- a) KVEDO Inc is usually invited to **national and regional conferences, seminars, and workshops to present papers on experiences** in the field of reforestation and other environment-related issues. KVEDO Inc representative(s) take such invitations or opportunities as a venue to share our projects' results with other development partners in Papua New Guinea.

- b) KVEDO Inc management are usually **invited to schools** in the Western Highlands Province to talk about issues affecting the environment, an opportunity that is often used to promote and encourage young peoples to involve in reforestation and the fight against all the evils against the natural environments.
- c) KVEDO Inc is compiling all the 8 year (2000 – 2008) of its reforestation projects and experiences associated in order to **produce a book** which would help school children and young people in Papua New Guinea to take pride in their rich abundance of natural resources and protect them for future generations, among other things.
- d) KVEDO Inc continues to conduct public awareness activities during special dates in the year such as World Water Day, World Environment Day, World Earth Day, National Environment Day, and other provincial days to target young people in urban and rural areas to be aware of wide range of issues affecting their lives.
- e) The **final reports** of the reforestation and other environment projects are made accessible to all stakeholders and the general public. The copies of all reports are given to anyone that requests to read and get information. The media is also given our reports so that if they are able, they can publish excerpts/ abstracts in the papers for the general audiences to read. All visitors to the KVEDO Inc offices normally are given a copy of our projects update reports and also final project reports for their information.

## (B) RSG FINANCIAL REPORT

### (1) ORIGINAL BUDGET

The following project budget was the one submitted initially to Rufford Small Grants in 2005 for funding of the 2<sup>nd</sup> RSG grant in 2006. The total of K28,800 budget is based on the exchange rate calculation in April 2005 when the application was made to RSG.

No	Item(s) or Activity(ies)	Quantity Required	Total Item Cost
1	Clearing of Proposed Project Site and Preparation of the grounds for development of the tree nursery facility	1 tree nursery faculty at 1 location	K2,000
2	Purchase of materials needed to build the tree nursery at Kokop Village	Various materials at different unit costs	K5,000
3	Poly Bags (Plastic black bags) for holding the soil to grow tree seedlings	200,000 bags	K10,000
4	Materials and labor required to build the perimeter fencing	Various materials and some labor units	K6,000
5	Hire of Truck to transport seedlings to different prior-arranged villages for free distribution to villagers	1 truck (4 wheel drive)	K5,000
6	Administration & Contingency Costs	Varies	K800
<b>Total Budget:</b>			<b>K28,800</b>

### (2) INCOME STATEMENT

No	Sources of Income	Total Amount
1	Earned Income	None
2	Contributed Income	
3	Foreign Donor – 2 <sup>nd</sup> Rufford Small Grants (RSG) Grant	K25,500 (UK£5,000)
<b>Total Income:</b>		<b>K25,500</b>

### (3) ACTUAL PROJECT EXPENDITURES

No	Item(s) or Activity(ies)	Quantity	Unit Cost	Total Item Cost
1	Clearing of Proposed Project Site and Preparation of the grounds for development of the tree nursery facility	1 location	Varies	K1,950
2	Purchase of materials needed to build the tree nursery at Kokop Village	Varies	Varies	K4,810
3	Poly Bags (Plastic black bags) for holding the soil to grow tree seedlings	100,000 bags	Varies	K4,970
4	Materials and labor required to build the perimeter fencing	Varies	Varies	K4,780
5	Hire of Truck to transport seedlings to different prior-arranged villages for free distribution to villagers	Varies	Varies	K5,115
6	Administration & Contingency Costs	Varies	Varies	K800
<b>TOTAL EXPENDITURE:</b>				<b>K25,500 (UK£5,000)</b>