Half Year Report (due 31 October each year)

1. Outline progress over the last 6 months (April – September) against the agreed baseline timetable for the project (if your project has started less than 6 months ago, please report on the period since start up).

Return from maternity leave: SFS has returned from maternity leave on 3rd of October and a successful hand-over took place between her and WK, who lead the project in an exemplary fashion since January 2006.

Ecological and socio-economic research & analysis: All ecological inventorying and monitoring research is now completed. This years data now requires analysis to complete the ecological research and sustainable yield studies on Arnica, which need to feed into the management plan (see below).

Progress on socio-economic work: survey of landowners, their meadow management practices and aspirations, is completed; Socio-economic information from a PhD thesis by E. Auch has been made available to the project and a complete list of landowners with Arnica meadows in the project area has been compiled. However, there is still a lack of expertise in the team on how to analyse and use the socio-economic data. This is despite the capacity building course on social survey techniques held in Oct. 05.

Supply chain research (Oct. 06): a draft research report exists in Romanian language; therefore no comment could yet be given. Completion anticipated for end of November.

Draft Arnica management plan (May 06): due to data collection only being completed this field season the development of the management plan has been delayed. Work on the plan is now well under way.

2nd drying house completed and used: Despite short construction time, a full-sized 2nd dryer was completed in time for the harvesting season. C. 3000kg of fresh Arnica was collected and brought to 3 collection points. 6 people were trained in quality control of freshly harvested Arnica. C. 500kg of dried Arnica was produced. This is only half of the amount requested by Weleda (see below). The discrepancy is due to the short Arnica season in 2006 and the longer than anticipated drying time (partly due to construction wood of drying house still green, leading to increased humidity in drier and therefore longer drying times).

Training in drying procedures and quality assessment of harvested Arnica: After the development of a clear standard operating procedure, project staff were able to train 3 local
peoples and 3 student from USAMV in the dryer operation. Adriana Morea, who has now worked the 2nd year as a drying assistant, has now been accepted as a PhD student at USAMV.

**Company partnership with Weleda, participation at ‘Weleda Open Days’, offer of internship at Weleda & export of certified Arnica**

Ecoherba has passed the Weleda company audit and a contract between these two parties regarding the annual supply of sustainably produced Arnica and an interest free loan of 10,000 Euro to be used for the construction of the new full-size drying houses was signed. It is a 5-year contract which also includes an agreement of an annual advance payment by Weleda to cover harvester payments (i.e., this solves a major cash flow problem for Ecoherba). Output completed ahead of schedule.

Project team members as well as 3 members of Ecoherba and Ecoflora participated in the ‘Weleda Open Days’ on 23-24th September, which was a good opportunity to get to know Weleda as a business partner. It also helped to strengthen the member’s understanding of the project objectives and to strengthen personal relationships. This was the 2nd year the project has been presented at these open days which attract c. 20,000 people. This time posters and flyers were translated into German and received greater interest.

Dana Bate (CEO of Ecoherba & local school teacher) and Adriana Morea (PhD student at USAMV and drying officer) were offered an internship at Weleda provided they learn sufficient German. This presents a great opportunity and shows the seriousness of Weleda’s business intentions and the wish to develop a long-term relationship with Ecoherba.

Certified dried Arnica from 2006 (c. 500 kg) and uncertified Arnica (c. 120 kg) from the 2005 harvest, was successfully exported to Germany after months of work to get the right permits.

**Organic certification achieved plus ISSC Map assessment by IMO; project now one of 13 pilot projects for application of ISSC MAP standards (www.floraweb.de)**

Following an assessment in August, IMO Switzerland issued S.C. Ecoherba S.R.L., the local company founded as a result of the project, with the certificate for organic production of Arnica. The wildcrafting and drying of Arnica was certified under the EU regulation 2092/91. 19 Contracts with harvester families were signed as part of the requirement for certification. This also helps to achieve the project objective to get commitment from harvesters to comply with the sustainable harvesting guidelines.

In addition, IMO was prepared to apply the newly developed International Standard for Sustainable Collection of Medicinal and Aromatic plants (ISSC-MAP) as a pilot case. This standard has been developed by BfN, WWF Germany and IUCN with the aim to improve the sustainability of wild collection of MAP. The Arnica project is now officially one of the 13 pilot projects for testing this new standard over the next 2 years.

**2nd master thesis successfully completed:** MK has completed his master thesis on ‘Consumer Behaviour of Tourists visiting the Aries Valley. Local marketing of medicinal plants based products on the case study Arnica montana’. In addition 2 PhD studies have been started as the result of the project: (i) Botanical study of Arnica habitat; (ii) Harvesting and drying process of Arnica (AM).

**Business plan by Said Business School MBA students completed and presented, including design for drying house:** SBS business plan was completed by end of April. Better adaptation to Romanian condition through additional work by Prof. Candea is lacking behind. First year real figures will be incorporated into the plan shortly. The plan has given project staff and local business people a much clearer idea of the costs and potential profits involved. It is clear that Ecoherba can only be successful if other products are added (e.g. mushrooms, berries).
Presentations at 3 international conferences/ workshops/ symposia: Presentation by BM at 4th Conference on Medicinal and Aromatic Plants of South-East European Countries, University of Medicine and Pharmacy, Iasi, Romania. Presentation by HP and BM at BfN international workshop on Resource Assessment for MAP, Island of Vilm, Germany, September 2006; presentation of poster on Arnica inventorying at ‘Perspectives for the third millennium agriculture’ -symposium at USAMV, Cluj Napoca, October 2006.

At IFOAM conference on organic wild crafting, Teslic, Bosnia, May 2006, a presentation was planned by HP failed to get visa. BM and WK represented the project.

**Harvester manual completed & farmers meadow management questionnaire, training and manual development:** The harvester manual was completed before the start of the field seasons but delays in printing meant that it was only used half-way through the training. When used the responses of collectors were very positive. The short, picture-based manual is attached to the Arnica collection bag handed out by project staff. 178 harvesters were trained this year. 150 people attended the general awareness raising on harvesting methods conducted in the Church in Biharia (southern project area).

FP and students from USAMV conducted 80 questionnaires with Arnica landowners on meadow management and interactive training was conducted in the form of discussion (in total 100 landowners trained).

The meadow management manual to be used by farmers to maintain Arnica habitat has been developed in consultation with the farmers and experts. A printed version will be available soon. In the winter a final training session using the completed manual will be performed.

**New drying process poster and inventorying poster was produced.**

**Media work:**


BBC reporters visited the project site in August: visit was organised by the Association for Ecotourism in Romania and included representatives of some travel agencies from the UK.

Swedish reporter visited the project site in August: he was particularly interested in the contribution of the charity ‘Architects for Humanity’, who developed the architectural plans of the dryer pro bono through the contact of the MBA team. He interviewed Chris Medland from AfH, who also visited the project site.

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2. **Give details of any notable problems or unexpected developments that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.**

**Drying length and capacity has been under estimated:** result: less Arnica can be dried than anticipated, means less income for the newly founded EcoHerba; design of dryer needs to be reviewed and if necessary modified to increase efficiency.

**Resistance to use of IMO certifier:** Local project staff (esp. RP) identified Romanian organic certifiers. Their services would have been much cheaper than those of IMO, Switzerland. WWF-UK, however, insisted on the use of IMO, due to their greater rigour and
the trust than can be placed in their assessment. This is important as the certifier and the potential punishment of loosing the organic certificate, represent an important monitoring and control function to maintain the standards of sustainability and ethical behaviour towards the harvesters by Ecoherba. The project team was not happy with this top-down decision and there are justified questions regarding the future cost of such a certification.

**Biggest threat to Arnica and its habitats is abandonment of meadows and not overharvesting:** observations by the project team and BM over the past 3 – 5 years indicate that many meadows are not being mown. This rapidly leads to Arnica decline and bush/forest encroachment. The team will be doing a more formal assessment shortly

**Project follow-up funding:** no funding post-March 2007 has yet been identified. WWF-UK is unable to apply for Darwin follow-up funding due to other strategic commitments.

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<th>Have any of these issues been discussed with the Darwin Secretariat and if so, have changes been made to the original agreement?</th>
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<tr>
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3. Are there any other issues you wish to raise relating to the project or to Darwin’s management, monitoring, or financial procedures?

**Abreviations:**
AM = Adriana Morea; BM = Dr Barbara Michler (UK project officer); FP= Florin Pacurar (local coordinator); HP = Horatiu Popa; MK = Michael Klemens; SFS = Dr Susanne Schmitt; WK = Dr Wolfgang Kathe; RP = Razvan Popa;
USAMV = Agriculture and Veterinary University, Cluj, (local project partner)

If you were asked to provide a response to this year’s annual report review with your next half year report, please attach your response to this document.

Please note: Any planned modifications to your project schedule/workplan or budget should not be discussed in this report but raised with the Darwin Secretariat directly.

Please send your **completed form by 31 October each year per email** to Stefanie Halfmann, Darwin Initiative M&E Programme, stefanie.halfmann@ed.ac.uk. The report should be between 1-2 pages maximum. **Please state your project reference number in the header of your email message.**