



LIFE Project Number
LIFE16 NAT/HU/000599

Progress Report¹
Covering the project activities from 21/05/2020² to 31/10/2021

Reporting Date³
31/10/2021

LIFE PROJECT NAME or Acronym
**OAKKEYLIFE - Multilevel and multisite complex restoration
of key ecosystem services of the calcareous sand forest
steppe habitat**

Data Project

Project location:	Közép-Magyarország (Hungary Magyarország) Dél-Alföld, Bács-Kiskun County, Kunpeszér SCI HUKN 20002 Peszéri-erdő SCI HUKN 20003 Felső-kiskunsági turjánvidék
Project start date:	01/08/2017
Project end date:	31/12/2022 Extension date: -
Total budget:	€ 2,685,487.00
EU contribution:	€ 1,895,500.00
(%) of eligible costs:	74,81

Data Beneficiary

Name Beneficiary:	KEFAG Kiskunsági Erdészeti és Faipari Zrt.
Contact person:	Dr. Dániel Andrési
Postal address:	József Attila str. 2, H-6000, Kecskemét, Hungary
Telephone:	+36-30-1801595

¹ Progress Report without any payment request (for Progress Reports with payment request, use the Mid-term Report template)

² Project start date

³ Include the reporting date as foreseen in Form C2 of Annex II of the Grant Agreement or as modified in agreement with the Agency

E-mail: kefag@kefag.hu

Project Website: www.oakeylife.hu, <https://www.facebook.com/oakeylife/>

Please refer to the guidance document [How to draft a progress report on your LIFE 2014-2020 projects](#) that is in the Reporting / How to report section of the LIFE website.

Section 1 - Overall assessment of the achievements and as to whether the project objectives and work plan are still viable (2 pages max)

The OAKEYLIFE project focuses on the Peszér-forest (1628.46 ha), which is clearly the most valuable representative of the calcareous sand forest steppe habitat complex in Hungary. Our project progresses mostly according to work plan. However, there are minor delays in the implementation of some actions, while for others actions are expected to be completed before the work plan. In our view, none of our delays are so significant as to jeopardize the original objectives and implementation of the project. The work plan is updated annually: the status of the milestones and deliverables required in each action are assessed, as well as the potential implementation time. The technological instructions were prepared during the preparatory work, and they proved to be well elaborated, they help to carry out the professional work. With these instructions, documents with nature conservation and forestry content were prepared, which can be further used as bases for “good practice studies” (A1). Our GIS database is also complete and operating as planned, helping to efficiently allocate resources and technologies (A2). Soil mapping and hydrological studies (A3) could be completed with a significant delay until 31 December 2019. The operation of groundwater monitoring wells is continuous. With the help of the completed site maps, in the case of tree species replacement at forest structure conversions, we can determine the tree species to be planted in the specific site.

Most of the purchased machines are operated from late summer to spring in order to avoid disturbing the bird species that breed in the area. Forest work involves severe depreciation on all machines, so service costs are also significant.

In the case of the professional actions of KEFAG Zrt., the most severe problems were caused by the COVID19 pandemic. This problem arose mostly in the case of action C1. In this action, we are at 80% completion with the realization of the first round of invasive eradication. We are expected to complete the first round of extermination work in the spring of 2022 instead of October 2020. We plan to do the second round of work by our own workers. Restriction of shrub cover in action C2 will be performed with minimal delay, by April 2021. Due to the unavailability of specialised sub-contractors, we have significant delays in C3 action. As before, we can meet the deadlines for logging tasks. But with planting there might be some time-lag, as most of the stump processing companies have gone bankrupt or suspended their business. The C4 action was carried out with the stump-depot removal by the modified deadline, in the future we have to disc harrow and cultivate these areas. Because of the birds hatching period, we completed the construction of ecological corridors by 31.10.2021 in C5 action. We need to return to these areas regularly in the future to maintain the structure of the corridors. Great progress has been made in recultivating and maintaining of forest clearings in C6 action. The forest subcompartment Kunpeszér 21A affected by heritage protection was classified as a forest-clearing after 2 years of official procedure. The clearing was established by 31.10.2021. With this, the areas undertaken (20.65 ha) in the action were exceeded (27.69 ha) before the deadline. In C7 action (removal of invasive species) is progressing on schedule in the KNPD managed area. The first round of invasive eradication work was performed on both herbaceous and woody plants. Second-round chemical treatments are proceeding. A great deal of volunteer work has been involved in removing seedlings of invasive tree species. Partly due to changes

in forest law, the forest grazing system (action C8) was introduced in the Kunpeszér 45G forest subcompartment, where cattle grazing on 3 ha. According to the plans, grazing also took place on the Peszér-Adacsi meadows. Since the mid-term report, the delay in the forming of micro-clearings (action C9) has been reduced. KNPD carried out clearings on 1.42 ha in the KEFAG management area and on 4 ha in their self-managed area. The activities planned in the C10 action have been implemented, in addition to the KEFAG forests, nature conservation status improvement interventions were carried out on 15.8 ha in KNPD forests. Floral diversification (action C11) is continuous. In the action of turning roadside shrubs into oak stands (action C12), the activity planned for the given period was successfully implemented.

The produced oak seedlings will be planted in the till the end of February of 2022 (action C13). We have previously indicated that the genetics of oaks are little researched so far, so we perform phenological examination on the oaks living in Peszér-forest.

Mapping of invasive tree species (D1) follows the performance of chemical treatments (C actions) with a 1-year delay. The mapping is performed according to the baseline protocol. Until the end of October of 2021, field surveys will reach 85% of the annual plan. A total of 250 ha were re-surveyed. Only a slight delay is expected in surveying. Monitoring of key species and habitats (D2) is ongoing. For *Gladiolus palustris* and *Iris arenaria*, the planned milestones in 2020 and 2021 were completed. Field surveys of *Euphydryas maturna*, *Cucujus cinnaberinus* and *Bolbelasmus unicornis* continued in both years according to partnership agreement with KNPD. *B. unicornis* new occurrences were found in the Peszér-forest and *E. maturna* new occurrences were found at the Szalag-erdő (Ribbon Forest) site. For these species, the project plan included only one baseline and one final survey, so the results will certainly go beyond the original concept. Thanks to thorough field research, thousands of unique data have also been collected from other protected or rare species. In order to assess the socio-economic impacts (D3), KNPD contributed to the successful implementation of the action of KEFAG Zrt. The activities planned for the reporting period were successfully implemented, even with additional results. In the assessment of the effects of ecosystem services (action D4), a further small delay in the achievement of the milestone is expected, which is expected to be implemented by the end of 2021. In the monitoring of forest grazing action (D5) regarding this reporting period have been implemented successfully. The forest grazing by cattle seems to be a useful management tool rather for controlling certain invasive species (e.g. *Celtis occidentalis*) than for eradication of those.

The operation of the project's website (E1) and facebook page, are continuous. PR activities (action E2) were carried out and additional leaflets were procured. Also, a contract was signed for the production of a 15-minute nature film. During the educational activities planned for 2021, the symposium announced for professionals was held during the 151st National Forestry Association Wandering Meeting on 27th of August, 2021. In addition, the nature conservation forest management camp was successfully held in 2020 and 2021, in which our Forest Visitor Center (E8) plays a major role. National and international networking (E4) is ongoing, and foreign and domestic groups 6 occasions came on study trips to Peszér-Forest. We took part 2 international conferences, and 2 other networking activities since the Mid-term Report.

Project indicators (in Annex 1):

For several project indicators we can observed significant overachievement: Reforested areas; increase in area under sustainable forest management: increased from 50 ha to 174.95 ha compared to the plan.

Extent of forests suitable for ecotourism: increased from 300 ha to 478.98 ha compared to the plan.

The extent of habitats with higher resistance towards invasive species: increased from 200 ha to 478.98 ha compared to the plan.

Our project management continuously sends internal monthly and quarterly progress reports to Mr. András Kovács (NEEMO). In many cases, operational committee meetings are held online due to COVID19, but are held regularly. The steering committee reports were also completed on time, most recently online. In 2020 and 2021, we were able to welcome Mr. András Kovács personally for the annual monitoring visit.

The nature-protection status of the Peszér-forest has greatly increased, thanks to the interventions. Forest grazing has been recently allowed law, and our experience with its introduction is positive.

It is a great achievement that the Kunpezér 21A forest subcompartment, which is affected by heritage protection, has been classified as a clearing, with an area of 13.53 ha. There were no example before in Hungary for the establishment of a clearing of this size from nature conservation and heritage protection causes.

In our experience, our actions in the project can be applied to other areas with similar forest-steppe climates. These interventions are aided by our technology guidelines and forthcoming good practice studies. In the control of invasive woody plants, the technologies we use can be applied to most habitats endangered by invasives in Hungary.

Section 2 - Identified deviations, problems and corrective actions taken in the period (max 2 pages)

In the actions of KEFAG Zrt., due to the restrictions of the COVID 19 pandemic, the contractors could not get out to work in the forest, so in several cases we had to change the deadline for fulfilling the concluded contracts. The biggest delays occurred in the case of the chemical invasive control (action C1), as our already small number of contractors could not hold the originally planned deadlines. Due to these, the contracts have been extended, so that the first round treatments are currently at 85% completeness. The other problem is in human resource management: in the case of our forest workers there are more and more resignations, therefore we cannot meet the employee-number planned in the project, due to the changed labour-market situation.

To solve this problem, we would like to transfer 25,000 EUR from Travel (A3, C1-C6) and 10,000-10,000 EUR from Consumables (C1, C3) to Action C1 External assistance. Justification: We want to end the first round of invasive treatments with contractors, this requires cost reallocation. Thus, we request the transfer of 45,000 Euros from the above costs to the C1 action, because with this transfer we can carry out the first round of invasive eradication works until 30.06.2022, and our own employees would start the second round works from the spring. So, we would kindly ask to change the deadline of the second round works to 31.10.2022. A significant problem with invasive tree eradication is that the pre-application estimates were limited to sub-areas, and so were inaccurate, and that the observed rate of invasion was much higher than calculated, so we have to cope with a much larger coverage and task than planned.

Because of the collapse of the global wood-chip market, we suffered significant delays in the C3 action. Businesses engaged in the removal and processing of already pulled stumps have gone bankrupt or are suspending their business. This caused that 17.97 ha of de-stumped area could not be planted in the spring. In the case of areas that have not yet been cleared, we have to use new, alternative methods, in which we would cut down the stumps to a depth of 30 cm with a large cutter, then loosen the soil with a ridger-bedder machine, and then we could plant it. In the case of action C3, we plan to shred the stumps into the ground with a special, heavy schredder-mulcher machine, as the stump processing contractors gave up their business due to

the collapse of the wood-chip market. Our own machine is not suitable for this work. We did not initially plan any costs for this procedure, so we would like to reallocate 42,000 Euros from the following actions: from Consumables costs (fuels for tractors and heavy machines) C1, C3, C4, C5, C6 to External assistance costs C3. If we could reallocate this amount, we could finish this action until the 31st of May of 2022.

In the recultivation of forest clearings, we had to designate a new area, as our previous clearings have naturally developed to such proto-forests that are valuable from nature-conservation point of view. Therefore, the Kunpeszér 21A forest subcompartment to be included in the previous restructuring was selected. Here we were able to work with a contractor with special machines, as our own project tractor was not suitable for this task. We have requested the transfer of the previously indicated amount of 10,000 EUR from Action C2 to Action C6 within the cost of the external assistance. The work was completed by 31.10.2021, so we completed this action significantly earlier than scheduled.

In the case of KNPD's C9 action, only a small amount of progress was made in the forming of micro-clearings, out of 30.5 ha on 5.42 ha. Thanks to the administration of the authorities and the sharing of forest details, we expect significant progress in 2022 in the case of this action as well. So, we would kindly ask for the deadline to be changed to 31.12.2022.

In the C12 action the survival of oak seedlings is questionable due to the 3-year long, continuously dry period. We will replant the dried saplings.

Genetic testing of oaks faced the problems already indicated: the gene pool of oaks is not researched enough to perform such tests. Instead, we plan to conduct phenological surveys and studies of ancestry conditions in 2022.

In the case of the milestone in the D4 action, we have a slight delay. So, we would kindly ask for the deadline to be changed by 31.12.2021.

In the case of KNPD, a significant problem has arisen which does not allow for the recruitment of new employees from 1 January 2020. The fixed-term employment contract of the physical staff expired on 31 December 2019. In 2020, they were employed through a contractor, as indicated earlier, so in 2020 their wage costs were reclassified from personal costs to external assistance costs. From 2021, new entrants will be employed by contract of services. The answering of our question about the accounting of these contracts of services as personnel costs is in progress. If this cannot be accounted for as a cost in the personnel cost category, then we may encounter a significant problem in the implementation of the project, which may necessitate an amendment to the contract.

On the part of KNPD, in the case of infrastructure costs, they have a smaller cost overspending of 7%, which occurred due to the purchase and renovation of the Forest Visitor Center. For external assistance costs, the budget overspending is 11% due to the transfer from personal costs to external assistance costs in 2020.

In 2020, persons employed by external assistance contractors used the car purchased by KNPD in the same way, under an agreement. We would like to ask for the permission to continue to account for this cost as a travel expense.

We have some smaller delays in case of some project indicators: The extent of feeding habitats suitable for pollenating *Hymenoptera* species: we developed clearings in 34.42 acres, this is the 54.2% of the planned clearings.

We have also problems with the number of the physical workers.

Our biggest delay related by the reduction of invasive alien species. We repealed the invasive tree species in 478.98 acres, this is the 59.58% of the planned area.

The overall progress our project is good, although with significant lags for actions C1, C3, C9 and C13 for the reasons detailed above. However, for all actions, we strive to make them happen as soon as possible. At the same time, in the case of several of our actions, we can report on significant progress and earlier implementation of the actions. These are actions are C2, C4,

C5, C6, C7, C8, D2. Because of the delays, a prolongation of the project period may be necessary but the project goals are still achievable. We will be able to assess this in the next six months.

The cost reallocations we asked for above have not yet reached the level of the necessity for contract amendment. The last side of this report contain the project costs incurred.

PROJECT COSTS INCURRED			
Cost category	Budget according to the grant agreement in €	Costs incurred within the reporting period in €	%
1. Personnel	1 010 620,00 EUR	804 402,41 EUR	79,59%
2. Travel and subsistence	179 713,00 EUR	69 724,55 EUR	38,80%
3. External assistance	480 875,00 EUR	363 241,25 EUR	75,54%
4. Durables goods: total <u>non-depreciated</u> cost	273 275,00 EUR	171 024,43 EUR	62,58%
- <i>Infrastructure sub-tot.</i>	24 000,00 EUR	25 648,83 EUR	106,87%
- <i>Equipment sub-tot.</i>	249 275,00 EUR	145 375,60 EUR	58,32%
- <i>Prototype sub-tot.</i>	0,00 EUR	0,00 EUR	0,00%
5. Consumables	362 284,00 EUR	67 200,50 EUR	18,55%
6. Other costs	61 820,00 EUR	33 444,61 EUR	54,10%
7. Overheads	165 275,00 EUR	69 610,00 EUR	42,12%
TOTAL	2 533 862,00 EUR	1 778 902,29 EUR	70,21%