

**Second Progress Report
(1. 1. 2016 – 30. 6. 2016)**

**Promotion of Eco-Corridors in the Southern Caucasus
Consulting Services for Programme Implementation**

October 2016



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Consulting Services for Project Implementation

Second Progress Report

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0. Executive Summary

This Progress Report covers the first half of the second year of implementation of the “Eco-corridors Programme in the southern Caucasus” from 1st of January 2016 to 30th of June 2016.

Main achievements in this period include:

- Finalisation and adoption of the ECF Operational Manual by the ECF Management Board;
- Full initiation of the Financial Participatory Approach (FPA) process in 12 regions/areas within the three ecoregional corridors. The processes are facilitated by local NGOs who have been additionally trained and coached. First results of the priming phase are already visible in eight out of 12 processes, providing a sound foundation for further work with the communities;
- GIS based habitat suitability mapping in each corridor was finalised, resulting in clear geographic and thematic priorities within each corridor;
- Conservation objectives for each Ecoregional Corridor were set, providing the basis for identifying the conservation measures needed and the land use planning process;
- A pilot proposal for individual ECF conservation measure was prepared for the Gnishik region, identifying and analysing the problem to be addressed, identifying and quantifying the proposed measures, identifying the beneficiaries and estimating the cost of short and long term measures involved;
- Cooperation on the institutional development and capacity building of the Adjara Forest Agency, a key partner in the Western Lesser Caucasus, was developed;
- Ongoing internal dialogue and capacity development process within the Programme Team through regular regional planning and training workshops;
- Preparation of the fundraising strategy was initiated and the Programme presented at the Batumi “Environment for Europe” Ministerial Conference;
- An initial proposal to manage the EU ENPARD rural development programme in Khulo (Western Lesser Caucasus) was submitted, resulting in invitation to the second round of the call for proposals.

In the first half of 2016, the programme team spent some 51,2 person-months on the implementation, of which 15,5 were contributed by WWF. Around 25,5% of the available Disposition Funds have been or will have been contracted by the end of 2016, mainly in the context of the FPA.

Affected by the events in the Middle East and Ukraine, the general security and political situation in the region has deteriorated as compared to 2015, including a short escalation of military conflict in Nagorno Karabakh. So far this fact has not negatively affected the Programme and the WWF with related conservation programmes remains one of the few functioning platforms for regional cooperation.

During the reporting period, the Programme expanded its communication and understanding of the wider context in each country, in particular in relation to the ongoing regional and rural development initiatives and sectoral policies (agriculture, animal husbandry, forestry, banking) that will have to be taken into account in the design of the Conservation Measures.

Proposed changes to the work plan are based on the actual progress of activities, results of the KfW mission to the corridor sites and decisions taken at the Kachreti regional workshop. According to this plan, the timing and focus of the FPA and land use planning will be adapted to the priorities identified in each Corridor and the methodology to arrive at Conservation Agreements was streamlined taking into account the context and findings so far.

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Abbreviations

| | |
|------|--|
| CNF | Caucasus Nature Fund |
| CTA | Chief Technical Advisor |
| ECF | Eco-regional Corridor Fund |
| ECP | Eco regional Conservation Plan |
| EU | European Union |
| EUR | Euro (currency) |
| FPA | Financial Participatory Approach |
| GEF | Global Environmental Facility |
| GIS | Geographic Information System |
| KfW | Kreditanstalt für Wiederaufbau |
| NC | National Coordinator |
| NGO | Non-governmental Organisation |
| TEEB | The Economics of Ecosystems and Biodiversity |
| TJS | Trans boundary Joint Secretariat |
| ToR | Terms of Reference |
| WWF | World Wide Fund for Nature - Caucasus Programme Office |

1. Introduction

The “Eco-corridors Programme in the Southern Caucasus” is implemented in Armenia, Azerbaijan and Georgia by the World Wide Fund for Nature (WWF) Caucasus Programme Office with funds provided by the German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW Development Bank. The consortium of GOPA Consultants, DFS and HessenForst are providing consulting services for implementation.

The Programme is setting up an “Ecoregional Corridor Fund” (ECF) as an instrument for promoting sustainable land use practices in ecological corridors through contractual nature conservation, essentially payments for environmental services. ECF is a long term funding instrument run and managed by the WWF Caucasus Programme Office, initially funded by BMZ through KfW, but open to other donors and funding sources. The Eco-corridors Programme is the set up phase of operation of the ECF in its initial five years. It is implemented by the programme team involving WWF, WWF Germany and the consultant’s team.

The purpose of the ECF is to introduce funding for ecologically sustainable land use in selected eco-corridors in the Caucasus and thus contribute to interlinking protected areas and enhancing their ecological stability. The financial resources provided are to help the local rural population (beneficiaries) living in selected eco-corridors to manage their land in an ecologically sound way.

To set the conservation objectives and determine the scope of conservation measures to be funded, long-term land/resource use plans (up to 10 years) will be developed with the participation of the beneficiaries. Based on these land/resource use plans, concrete “Conservation Agreements” will be concluded with those managing the land. Payments under these agreements will ensure that opportunity costs for a biodiversity-focused management of land are covered, and thus land use practices (incl. e.g. community conservation areas) compatible with the principles of sustainable land use in ecological corridors are applied.

Expected programme outputs are:

- Output 1: The ECF has been established as an instrument for promoting sustainable land use practices in ecological corridors.
- Output 2: Using the ECF funds, long-dated land use plans have been developed with participation of the beneficiaries; the plans are aiming to support the ecologically sound use of natural resources.
- Output 3: Based on the land use plans, concrete measures have been agreed upon (Conservation Agreements) and are implemented.
- Output 4: Acquisition of additional financial resources for the ECF.

This is the publication version of the Second Progress Report of the “Eco-corridors Programme in the Southern Caucasus”, covering the first half of the second year of programme implementation from January 1 to June 30, 2016. The purpose of the report is to account on programme implementation, evaluate progress made and introduce any necessary changes to the work plan.

It should be noted that this report covers the activities of the entire Programme Team (i.e. staff of the Consultant and of WWF).

2. Implementation of the Work Plan January 2015 – December 2015

2.1 Output 1: The “Eco regional Corridor Fund” (ECF) has been established as an instrument for promoting sustainable land use practices in ecological corridors

2.1.1 ECF governance and management procedures

A short-term specialist (Mr Heinz Willems) finalised his input on the ECF governance and management procedures with his second mission in April, including presenting the draft Operations Manual of the ECF. During the reporting period, short-term consultants for legal, contractual and tax issues were contracted in each country to conduct the studies related to ECF establishment and long-term conservation agreements.

The Operations Manual of the ECF was formally adopted during the regional workshop in Kachreti, Georgia on June 1, 2016. The manual provides the formal framework for the operation of the Ecoregional Corridor Fund as part of the WWF Caucasus Programme.

The manual is meant to be a ‘permanent’ document of ECF operational management procedures, to be used for the duration of ECF implementation, and not only for the initial programme period. Thus, it is considered as a WWF document (as the manager of the ECF). The manual stipulates a revised management structure fully embedded within WWF, whereby the highest ECF decision-making body is the ECF Regional Management Board, comprising senior management of the WWF regional and national offices. ECF National Management Teams are set up in each of the three countries. This management structure is complemented by a regional and national consultative bodies, which advise the ECF on pertinent issues and also act as a forum for exchange and information.

2.1.2 ECF Communication Plan

During the implementation of the FPA in each country, first steps were made and experiences gathered implementing the Communication Strategy developed during the inception phase. In line with the strategy, communication activities and materials are planned and are being implemented in each country. For the purpose of presenting the ECF to international audience, an English language leaflet was prepared and used during the Batumi Environment for Europe Conference in June. In Georgia, a leaflet in Georgian language was printed for distribution to FPA participants. Similar and other materials are being planned and designed in each country. It turns out that the complexity of communicating the purpose and objectives of the ECF to the various stakeholder groups (internationally, within the three countries, in the capitals and in the rural areas) is very high and requires well targeted approach.

During the Kachreti workshop the programme team conducted an in-depth discussion regarding the name of the ECF and the overall communication strategy. It was decided to use the name “Eco-Corridor Fund for the Caucasus (ECF) - Partnership for living landscapes”. Programme implementation so far showed that the communication of ECF objectives is something new for the WWF, compared to its other activities such as promotion of protected areas. Because of this and to systematically address the complexity of communications about various topics or with various stakeholders it was agreed to engage an international short term expert on strategic communication for the remaining period of the programme.

2.1.3 Capacity building

In 2016, the capacity building was planned and organised at several levels within the programme:

- At the level of the ECF programme team two regional programme workshops for team exchange, training, of the results of the FPA and landscape mapping work. Two regional workshops were conducted in the first half of 2016. The one in April in Tbilisi was dedicated to bringing together the results of habitat modelling in the three corridors and setting conservation priorities, and to the institutional setup of the ECF including training on local banking and financial services in the region. The May/June workshop in Kachreti was dedicated to the final adoption of the ECF Operational manual and the discussion of the next steps of project implementation. It was decided that a stakeholder communication and negotiation training is planned for July, along with a training on fundraising as the first step in preparing a Fundraising Strategy.
- At the level of local communities through capacity building of FPA facilitators, Regional Working Groups and other stakeholders. Details of these activities are described under the headings related to FPA in each country.
- At the level of important partners for the planning and implementation of Conservation Agreements. In Georgia, along with the Ministry of Environment and Natural Protection of Georgia, an important partner is the Department of Environment Protection and Natural Resources and its subordinated unit Adjara Forest Agency. They are responsible for managing most of the land in the Western Lesser Caucasus corridor in Adjara and are indispensable in the setting up of the conservation measures in this corridor. After the capacity assessment conducted in 2015, several meetings were conducted with the Environment Protection Department and several options for cooperation have been discussed. The programme assisted in preparing the climate change adaptation strategy for forestry and in developing the forest management plans, which are currently being prepared under another BMZ funded project. It was also agreed, that a Memorandum of Understanding will be signed between WWF and the Adjara Environment Protection Department, including the cooperation in the frame of Eco-Corridor Programme. The cooperation will include integration of biodiversity conservation objectives in the forest management plans, joint planning of conservation measures and involvement of the Forest Agency in implementation and monitoring of Conservation agreements in the framework of sustainable forest management. The ECF will provide further capacity building support in through preparation of an organisational development plan for the Adjara Forest Agency and its implementation.

2.2 Output 2: Using the ECF-funds, long-dated land use plans have been developed with participation of the beneficiaries to support the ecologically sound use of natural resources

2.2.1 Corridor delineation and landscape mapping

In 2015, the process of landscape-level conservation planning needed for setting conservation objectives and designing conservation measures was initiated in each corridor. The approach combined:

- Satellite-based recent land cover map of each corridor (to provide the basic framework for further analysis and planning) and
- Habitat suitability analysis for the target species in each corridor (to set priorities for conservation intervention).

The land cover mapping was implemented by one service provider (LAND INFO Worldwide Mapping, Colorado USA) for all three corridors with supervision and inputs from WWF's GIS experts.

For habitat suitability modelling, the methodology previously used by WWF for gazelle in the Vashlovani – Gobustan region was used. The methodology is based on computer modelling of habitat suitability using open source MaxEnt software. The input data include known actual observations or the known range of the target species and geographical information such as land cover, topography, water bodies, human settlements and infrastructure etc. Based on these inputs, the software calculates the correlation between

a species' presence and key environmental factors. After selecting the factors that have the highest influence on species distribution, a forecast is made regarding the most suitable habitats, including those that are outside the species' current range. This is particularly important for regions where species reintroduction is or corridors are being planned, or the species' natural spread is expected.

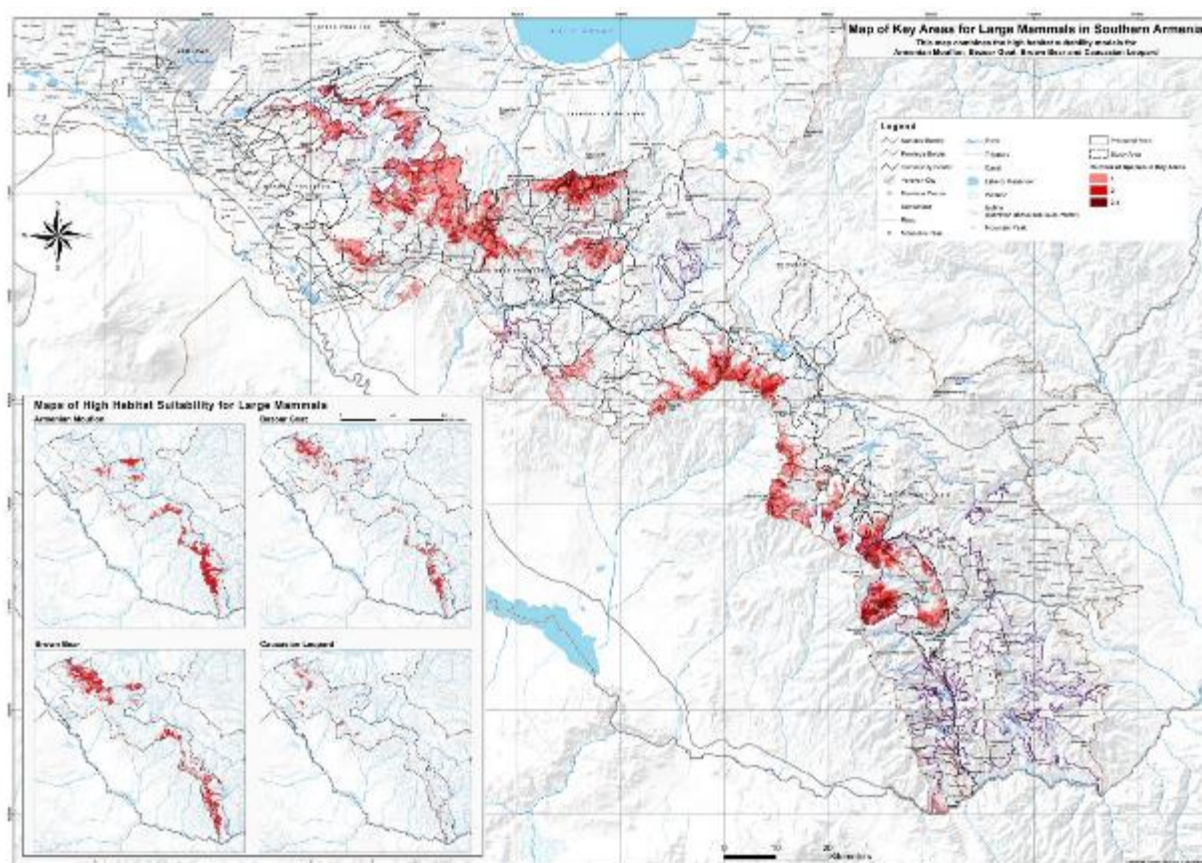
The results were presented first at national presentation workshops and then at a regional workshop in April in Tbilisi. Following this workshop, final adjustments to the studies were made providing an input for setting conservation objectives at the Kachreti regional workshop in May/June. These conservation objectives provide the backbone of the landscape plans for each corridor.

The results of the studies were used to “zoom in” the FPA processes, i.e. set more narrow geographic and thematic priorities in the priority target communities. More details of the process and the resulting conservation objectives in each country are presented below.

2.2.1.1 Armenia

Zoologist Pavel Veinberg (Armenian mouflon, Bezoar goat) was contracted by WWF CauPO and Zoologist Igor Khorozyan (Brown bear, Leopard) and GIS Specialist Samvel Geghamyan were contracted by WWF Armenia for “mapping of habitats of key species and key biodiversity areas in the South-eastern Lesser Caucasus ecological corridor in Armenia”. The resulting summary map of highly suitable habitats according to the habitat suitability model is presented below.

Figure 1. Map of highly suitable habitats for the target species in the South East Lesser Caucasus Corridor (existing protected areas are blank).



The studies' results with substantial input from WWF Armenia were reported during the National Workshop on habitat suitability in Vayk on 31 March 2016 with the participation of representatives of the Ministry of Nature Protection, Scientific Institutions, NGOs and ECF Programme Team and later during the Regional Workshop in Tbilisi, April 13-15, 2016. The outcomes of these workshops Using this analysis, conservation objectives for each species were set and are given in the Table below. They are being used for planning of related conservation measures.

Table 1. Conservation objectives for the South East Lesser Caucasus Corridor (Armenia)

| Target Species | Conservation objective | What it needs | Applicable area | Possible conservation measures | Conservation agreement partners | Other partners |
|-------------------------------|--|--|---|--|---|--|
| Bezoar Goat | Increase the range and number of the Bezoar goat | Protection from poaching Livestock free habitats | Gnishik Mount Katarsar Mount Gndasar Sisian region | Set up community based wildlife management areas Dedicate habitat areas Better controlled pasture management | Local hunters' associations Livestock keepers (associations) | Communities |
| Mouflon | Increase disturbance free habitat and number of Mouflons | Protection from poaching Livestock free habitats | Mount Katarsar Gnishik Sisian region | Set up community based wildlife management areas Dedicate habitat areas Better controlled pasture management | Local hunters' associations Livestock keepers (associations) | Communities |
| Brown bear | Reduce damage caused by bears | Introduce measures by state agencies | Entire corridor | Capacity building regarding human wildlife conflict Awareness raising Dedicate habitat areas | | Communities Ministry of Nature protection |
| High value landscape elements | Conservation or restoration | Individual measures as needed | Within other intervention areas Holy sites | Community conservation area depending on needs | Partners of conservation agreements in the area | Communities |
| Leopard | Increase the availability of prey (herbivores) | Protection from poaching More Bezoar goats and Mouflons | Entire corridor | Set up community based wildlife management areas Dedicate habitat areas Better controlled pasture management | Local hunters' associations Livestock keepers (associations) | Communities |

Taking into account all criteria including the results of habitat suitability studies, communities' involvement in FPA, connectivity, a kind of a road map for ECF implementation was developed with focus in three community clusters in Vayots Dzor region (First Phase), and two others in Ararat and Syunik regions if additional funding is available (Second Phase).

First Phase:

- Vayots Dzor region (Khachik, Areni, Gnishik, Agarakadzor communities) long term agreements on sustainable pasture management in the Economic Zone of Gnishik Protected Landscape (the PPI for Khachik community is developed, see para. 2.3.2)
- Vayots Dzor region (Hors, Rind, Taratumb communities, possibly Elpin)
- Vayots Dzor region (Martiros, Khndzorut, Gomk, Artavan communities, possibly Azatek)

Second phase:

- Sisian region (Shaghat, Salvard, Arevis, Brnakot)
- Ararat region (Urtsadzor, Shaghap, Lusashogh, Zangakatun)

Extensive field work is planned for summer and autumn 2016 to collect more detailed information about the situation on the ground and to provide the basis to select conservation measures and communities to establish Conservation Agreements .

2.2.1.2 **Azerbaijan**

Habitat modelling of habitats for key species and key biodiversity areas in the Greater Caucasus Eco-corridor in Azerbaijan has been conducted.

The team of experts comprised zoologists for key indicative species, GIS experts and Datum LLC company for the provision of topographic maps of the project study area.

Habitat suitability models were conducted for five indicative species: Eastern Tur, Caucasian Red Deer, Caucasian Chamois, Brown Bear and Lynx. Key environmental and human variables were identified for each species and MaxEnt software package has been used for species suitability modelling. The modelling variables for key species had been identified in cooperation with the regional WWF GIS manager during a national workshop conducted on 8th December 2015 in Baku, Azerbaijan.

Data for each species were provided by zoological experts covering animal encounters, tracks or droppings between 2000 and 2015.

The habitat suitability maps cover five habitat categories:

- Matrix – unsuitable habitat in at least one of the two models (environmental and human disturbance)
- Core Area – high suitable habitats in both models
- Ecological Trap – highly suitable habitat in the environmental model and suitable habitat in the human disturbance model
- Potential Refuge – suitable habitat conditions in both models
- Potential Sink – suitable habitat conditions in both models

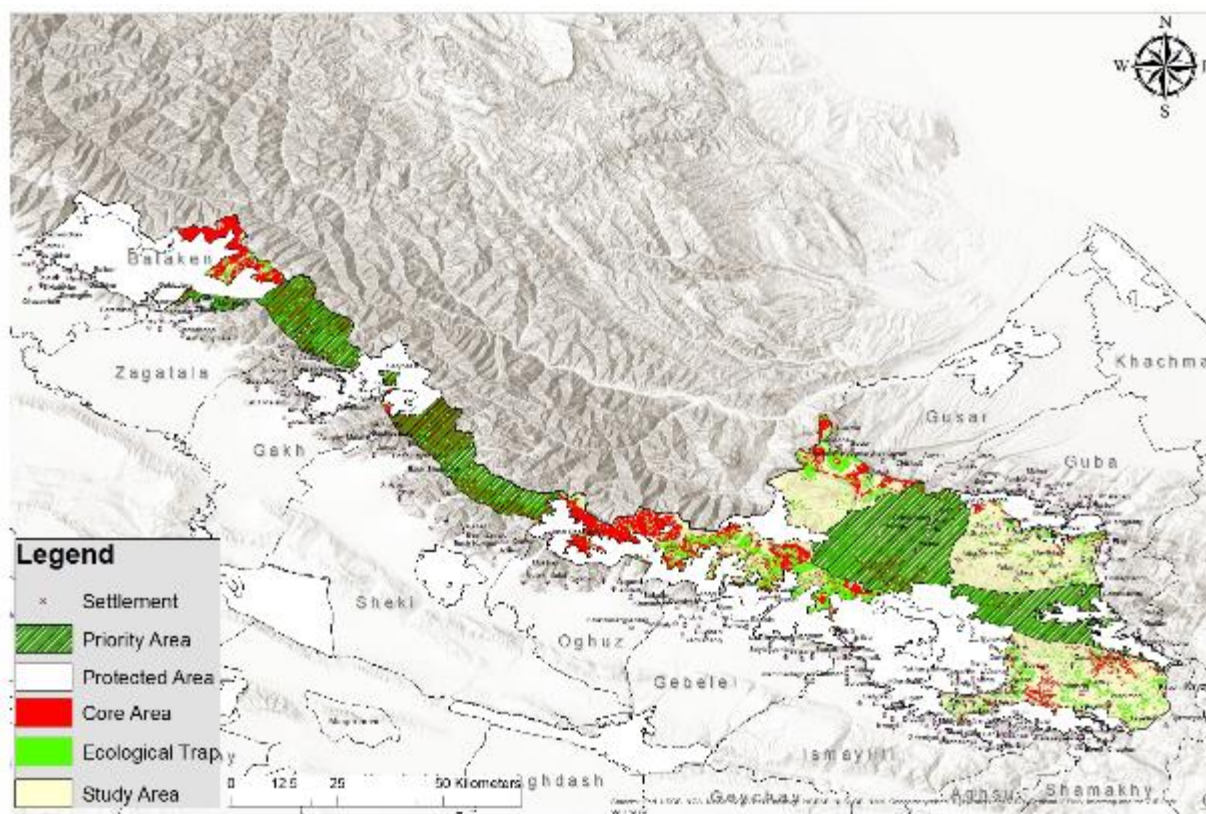
Areas categorised as Core Areas and Ecological Traps became Priority Conservation Areas.

Draft habitat suitability maps for each species and draft priority conservation areas' maps were presented to stakeholders on 8th April 2016 in Baku during a national workshop. The workshop was attended by the representatives of GIZ, Ministry of Environment, Azerbaijan Zoology Institute, UNDP, KFW, German Embassy and independent experts.

The results of the habitat suitability study have then been presented at a regional workshop on 13th April 2016 in Tbilisi.

In the end, four priority conservation areas within the corridor study area and the conservation objectives for the key indicative species. The final model determined that the most part of the study area can be considered as a suitable habitat for the Brown Bear and Lynx. The target communities have been identified by project implementation unit based on habitat modelling results. The summary results of this analysis are presented in the map below.

Figure 2. Habitat suitability categories and proposed priority areas in the Eastern Greater Caucasus Corridor (existing protected areas are shown blank)



For the Southern slope of the study area, two Priority Areas for Conservation Action are suggested: 1) between Zagatala and Ilisu NR and 2) between Gakh NS and Shakhdagh NP areas.

For the Shakhdagh area also two Priority Areas are suggested: 3) connecting Shakhdagh Mnt. massif with the standalone part of the NP situated between Gyryzdahna and Firig Villages (Khinalig gorge) and 4) stretching from the part of Shakhdagh NP near Garavalustu, Muchu and Ulug Villages in the east, towards Babadagh Mnt. massif and meeting with the first Priority Area (Gonaghkend gorge).

Based on result of modelling study and the results of the land use planning workshop held on 30 May – 1 June 2016 in Kachreti, the conservation objectives and measures per species have been identified as presented in the table below.

Table 2. Conservation objectives for the Eastern Greater Caucasus Corridor (Azerbaijan)

| Target Species | Conservation objective | What it needs | Applicable area | Possible conservation measures | Conservation agreement partners | Other partners |
|----------------|--|--|-----------------------------|---|---|--|
| Red Deer | Increase the population and expand the range to the Gonaghkend gorge | Protection from poaching Livestock free forests and grassland | From Zagatala to Gonaghkend | Set up community based wildlife management areas Preventing livestock from | Local hunters' associations Livestock keepers (associations) | Forest agency Protected area authorities Ministry of Agriculture |

| | | | | | | |
|-------------------------------|--|--|---|--|---|--|
| | | Corridors through gorge areas | | free forest grazing Dedicate mountain grassland to red deer | Forest user associations | State fund Municipalities |
| Chamois Tur | Provide more habitat for Tur and Chamois | Protection from poaching Livestock free grassland and rocky areas | Khinalig gorge area (also all other areas) | Set up community based wildlife management areas Dedicate mountain grassland and rocky areas | Local hunters' associations Livestock keepers (associations) | Forest agency Protected area authorities Ministry of Agriculture State fund Municipalities |
| Brown bear | Reduce damage caused by bears | Introduce measures by state agencies | Entire corridor | Capacity building regarding human wildlife conflict Awareness raising Dedicate habitat areas | | Forest agency |
| High value landscape elements | Conservation or restoration | Individual measures as needed | Within other intervention areas Holy sites | Community conservation area depending on needs | Partners of conservation agreements in the area | Municipalities |

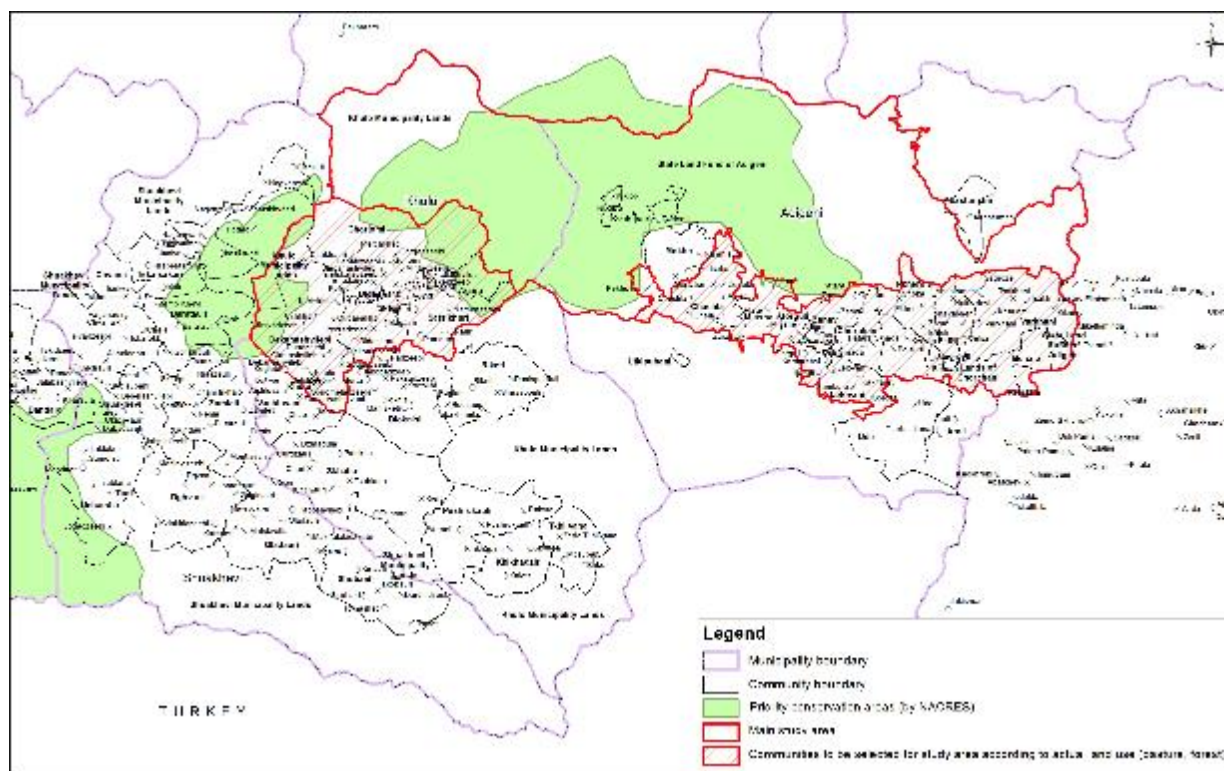
Based on the results of the habitat modelling, the Azerbaijan programme team decided to select Zagatala section south slope and Shahdag section (Khinalig and Gonagkend gorges) on the north slope of the corridor for detailed field analysis. The international zoologist has been engaged to analyse these areas and recommend priority areas for intervention. He will conduct field analysis in July 2016.

As soon as the prioritization will be finalized, a detailed assessment of priority conservation areas will be conducted to identify intervention areas and target communities willing to cooperate and identify conservation measures

A team of short terms expert has been identified (zoologist, GIS expert, grassland expert, land tenure expert, botanist and forest specialist) to start detailed field analysis in July 2016.

2.2.1.3 Georgia

Habitat suitability models were conducted for three target species: Red Deer, Brown Bear and Chamois. Based on the results of the study, the experts were able to identify 9 priority sites within the corridor study area. The national workshop discussing the habitat suitability study was conducted on March 22, 2016. The proposed priority areas are presented in the map below, along with habitat suitability for the three species. The most important findings of the study is that suitable brown bear and chamois habitats are widely distributed across the entire corridor area, and that suitable habitats for red deer are limited to the eastern part of the corridor (Khulo and Adigeni). This means that it cannot be expected that red deer will expand from Borjomi Kharagauli NP to the entire corridor region.

Figure 1. Proposed priority areas in the Western Lesser Caucasus Corridor (Georgia)

The most important priority areas selected is the area of Adigeni Municipality in Samtskhe-Javakheti Region and the Khulo Municipality in Adjara Autonomous Republic. This is an area including the core habitats for all three target species. According to the local population both Bear and Chamois occur in this site and occasionally Red Deer is also found there. This suggests that a natural expansion of Red Deer is possible from east to west, from Adigeni to Khulo municipality.

Another important area is also situated in Adjara, covering the parts of Khulo and Shuakhevi municipalities and adjacent to the area described above. It contains suitable habitats for Chamois and Brown Bear and also small patches of habitats for Red Deer. The site is considered an important stepping stone between the Protected Areas in Borjomi-Kharagauli and Adjara.

The conservation objectives per species identified are presented in the table below.

Table 3. Conservation objectives for the Western Lesser Caucasus Corridor

| Target Species | Conservation objective | What it needs | Applicable area | Possible conservation measures | Conservation agreement partners | Other partners |
|----------------|--|--|-----------------------|--|---|--|
| Red Deer | Increase the population number and expand the range to Khulo | Protection from poaching Livestock free forests and grassland Open forest stand habitats | From Borjomi to Khulo | Set up community based wildlife management areas Preventing livestock from free forest grazing – providing sustainable supply of fodder | Local hunters' associations Livestock keepers (associations) Forest user associations | Forest agency Local self government |

| | | | | | | |
|-------------------------------|---|---|---|--|---|--|
| | | | | Forest management to prevent undergrowth | | |
| Chamois | Increase number of Chamois by providing more disturbance free habitat | Protection from poaching Livestock free habitats | Entire corridor | Set up community based wildlife management areas Dedicate disturbance free habitats Preventing livestock from free forest grazing – providing sustainable supply of fodder | Local hunters' associations Livestock keepers (associations) | Forest agency Local self government |
| Brown bear | Reduce damage caused by bears | Introduce measures by state agencies | Entire corridor | Capacity building regarding human wildlife conflict Awareness raising Dedicate habitat areas | | Forest agency Local self government |
| High value landscape elements | Conservation or restoration | Individual measures as needed | Within other intervention areas Holy sites | Community conservation area depending on needs | Partners of conservation agreements in the area | Forest agency Local self government |
| | | | | | | |

A more detailed assessment will be conducted in the two priority areas with the intention to identify the intervention areas and the target communities willing and able to cooperate with the project. The baseline information needed for the future monitoring will also be collected at that time here.

2.3 Output 3: Based on land use plans, concrete measures have been agreed upon and are implemented

2.3.1 Financial Participatory Approach

In Armenia and Georgia the FPA facilitators were contracted in 2015 and in Azerbaijan, due to more complex administrative issues in 2016. At the regional level, coordination with TJS continued, with TJS providing support and capacity building for FPA to all projects of German financial cooperation in the region. ECF programme team members and FPA facilitators took part in the regional training organised by TJS in February in Tbilisi. Further, an external review/coaching/evaluation of FPA early on in programme implementation was conducted by Mr Jaap Vermaat (TJS) in April/May 2016 to identify weaknesses, methodological glitches and recommend improvements.

The findings of the mission were discussed during the Kachreti regional workshop and are being taken into account by national teams in planning and implementation of the FPA processes.

2.3.1.1 Armenia

Limited competitive bidding for Facilitation Service for Implementation of FPA was announced on 28 August 2015. Four NGOs were selected by the Evaluation Committee on 23 October 2015:

- Fund for Biodiversity Conservation of Armenian Highland NGO - Ararat region, Vedi sub-region (communities Lanjanist, Lusashogh, Shaghap, Urtsadzor, Zangakatun)
- Vayots Dzor Regional Development Agency NGO - Vayots Dzor region, Yeghegnadzor sub-region (communities Aghavnadzor, Chiva, Elpin, Hors, Rind, Shatin, Taratumb)
- Work and Motherland NGO - Vayots Dzor region, Vayk sub-region (communities Artavan, Bardzruni, Gomk, Khndzorut, Martiros, Nor Aznvaberd, Sers)
- Khustup NGO - Syunik region, Sisian sub-region (communities Arevis, Brnakot, Mutsk, Salvard, Shaghat, Tanahat, Tasik)

Prior to FPA implementation, the National Coordinator (NC) Armenia and Director WWF-Armenia participated in the FPA Facilitation Workshop held in Tbilisi on 28-30 September 2015. FPA facilitators were then trained during a National FPA Workshop held in Vaik on 23-25 December 2015 and another training organized by TJS III in Tbilisi on 8-11 February 2016.

Rapid Rural Appraisals (RRA) were conducted during January-February 2016. Summarising the findings, incomes are received from organic food and agricultural products, remittances of relatives living abroad; only 20% of communities have stable populations, the remaining are ageing villages; main problems are lack of market, machinery, pesticides and fertilizers, bad irrigation and potable water supply. Main human wildlife conflicts are damaging of bee hives by bears, killing of livestock by wolves. People feel that a protected area may restrict their access to economic resources; people also accept and realize the positive role of a protected area. Big interest and willingness of participation in FPA program activities were noticed.

Village Working Groups (VWG) and Regional Working Groups (RWG) were established with the responsibilities announce contest (title and conditions, number of awards and amount, consultation date, deadline date), collect contest materials, select contest jury, resolve disputes.

Three contests were announced at the priming phase: for individuals separate for adults and children (human-wildlife interaction), family and community levels (how to improve family/community livelihood conditions in a sustainable manner). The awarded prize funds (total €12000 per sub-region) were the following: 1st contest €2000, 2nd contest €4000, 3rd contest €6000 (except for Vaik where award fund was: 1st contest €2000, 2nd contest €7000, 3rd contest €3000). The award funds for individual and family contests were divided between the communities equally. More details regarding these contests are presented in Table 4 below.

Table 4. FPA Contests, number of participants and number of awards in South Eastern Lesser Caucasus in the first half of 2016

| Title of FPA contest | Location | Number of participants | Number of prizes awarded |
|--|---|------------------------|--|
| FPA 1 Individual Contest "Traditions, legends, history, and nature of our village" (for adults); "Our village, our nature" (for children) | Ararat Province, Vedi sub-region | 84 individuals | 40, besides, the rest participants received "incentive prizes" |
| | Vayots Dzor Province, Yeghegnadzor sub-region | 127 individuals | 48 |
| | Vayots Dzor Province, Vaik sub-region | 80 individuals | 42, besides, the rest participants received "incentive prizes" |
| | Syunik Province, Sisian sub-region | 127 individuals | 52 |

| | | | |
|--|---|---|---|
| | Eco-corridor (total) | 418 individuals | 182 |
| FPA 2 Family Contest “Better commercialization and improvement of marketability of family production in a sustainable manner” | Ararat Province, Vedi sub-region | 56 families with total 280 family members | 10, besides, the remaining families received “incentive prizes” |
| | Vayots Dzor Province, Yeghegnadzor sub-region | 102 families with total 518 family members | 41 |
| | Vayots Dzor Province, Vaik sub-region | 160 families with total 830 family members | 60 |
| | Syunik Province, Sisian sub-region | 98 families with total 469 family members | 33 |
| | Eco-corridor (total) | 416 families with total 2,097 family members | 144 |
| FPA 3 Community Contest “How to improve community livelihood conditions in a sustainable manner; to resolve human-wildlife conflicts; to harmonize livelihood activities with the conservation of key species” | Ararat Province, Vedi sub-region | 5 communities with total population 6,439 people | 5 awards (between 2.000 and 500 EUR) |
| | Vayots Dzor Province, Yeghegnadzor sub-region | 6 communities with total population 8,391 people | 6 awards (between 2.000 and 500 EUR) |
| | Vayots Dzor Province, Vaik sub-region | 7 communities with total population 2,594 people | 7 awards (between 2.000 and 500 EUR) |
| | Syunik Province, Sisian sub-region | 7 communities with total population 4,258 people | 7 awards (between 2.000 and 500 EUR) |
| | Eco-corridor (total) | 25 communities with total population 21,682 people | 25 awards |

2.3.1.2 Azerbaijan

Implementation of FPA in Azerbaijan commenced on 7th March 2016 with OIKOS Consulting and Training LLC in Zagatala, Gakh and Shaki regions and on 13 June 2016 with REC Azerbaijan in Guba region for Gonaghkend and Khinalig gorges. The late commencement of the FPA activities in Guba region was caused by project registration issues in Azerbaijan.

The FPA facilitators and the national coordinator took part in a regional training organized by TJS on 8-11 February 2016 in Tbilisi covering the FPA methodology, implementation principles, tools and steps and FPA facilitation techniques.

To further strengthen obtained skills from the regional workshop, a national training on FPA was organized for the FPA facilitators on 11 March in Baku. The training has been coached by the National Coordinator of Azerbaijan and Georgia. The training focused on FPA process facilitation requirements and skills, RRA implementation, RRA data analysis and detailed planning of FPA activities including budgeting. Also, the Kazbegi FPA case has been introduced.

Similar trainings have been conducted for the RWG members of Zagatala, Gakh and Shaki regions by facilitators and coached by national coordinator.

Target communities for implementation of FPA were selected based on conservation priorities within the corridor area. They are:

Zagatala: Axaxdere, Meshlesh, Cincimax, Ezgili, Galal, Garchay, Tarixler, Agdam Galal

Gakh: Saribash, Lekit Kotuklu, Armudlu, Gashgachay

Shaki: Kish, Bash Shabalid, Shin, Bash Layski, Varazat, Oxud, Bash Keldek, Bash Kunduk, Oraban, Cunud, Bash Goynuk

Gonaghkend gorge, Guba: Gonagkend, Garovulustu, Cimi, Nohurduzu, Dark, Yerfi, Talysh, Sohub, Kusnut Gazma, Daliqaya, Andikand, Khyrt, Atuch, Utug

Khinalig gorge, Guba: Khinalig, Galay Khudat, Haput, Cek, Griz, Elik, Griz Dahna, Adur, Garkhun, Ruk, Zeyid, Buduq, Dagustu

The Regional Working Group for Zagatala, Gakh and Shaki regions has been established. The RWG of Khinalig and Gonaghkend gorges of Guba region are in the stage of finalization. Further, meetings with Chairs of Executive Authorities of each regions have been conducted to inform them about the project, its goals and FPA.

The Rapid Rural Assessments for Zagatala, Gakh and Shaki regions give a comprehensive information on the region, with particular focus on target communities such as; socio-economic situation of target communities, need assessment of target communities, stakeholders analysis and recommendations for improvement the wellbeing of communities. RRAs of for Khinalig and Gonaghkend gorges of Guba regions is under preparation and planned to be delivered by August.

During a meeting with RWG members, a short introduction of the FPA manual was given and the first contests planned. RWG members were requested to select topics and the format of the first contests which will recognize the need and importance of living in harmony with nature, traditional knowledge of human wildlife interaction and data on the current socio-economic and environmental state of communities.

It was agreed that the topic of the first round of contests will be as about “Mutual relations between human and wildlife” for Shaki region and “Impact of the environment on communities” for Zagatala and Gakh regions. RWG members decided not to fix age limitation for the participants of the 1st round and keep the individual level format. Moreover, the RWG took a decision to organize a 1st contest in each village between individuals so that communities get familiar with rules of the “game”. The details regarding the contests implemented before the end of June are presented in Table 5 below.

Table 5. FPA Contests, number of participants and number of awards in Eastern Greater Caucasus in the first half of 2016

| Title of FPA contest | Location | Number of participants | Prizes awarded |
|--|--|------------------------|--|
| Stories on “Mutual relations between human and wildlife in the villages” | Shaki, Azerbaijan Communities: Bash Keldek, Oraban, Bash Kungut | 36 | 1st place – 450 Euro 2nd place – 300 Euro 3rd place – 150 Euro |
| Stories on “Mutual relations between human and wildlife in the village” | Shaki, Azerbaijan Communities: Shin, Bash Shabalid, Bash Layski, Bash Goynuk, Cunud | 49 | 1st place – 750 Euro 2nd place – 500 Euro 3rd place – 250 Euro |
| Stories on “Impact of environment on communities” | Zagatala, Azerbaijan Communities: Axaxdere, Meshlesh and Tarixler communities | 32 | 1st place – 450 Euro 2nd place – 300 Euro 3rd place – 150 Euro |

The stories submitted for the 1st round talked about agriculture and cattle breeding as central to the target communities, that poaching for income generation occurs, and that illegal cutting of forests for heating, construction, and fencing are concerns. The evaluations were done in popular areas, such as chay khana a day before the awarding ceremony by an independent jury comprised of specialists, “akksakkals” of the village and teachers based on the criteria identified and announced by RWG.

2.3.1.3 Georgia

Based on the discussion with working group members and community representatives, the NGOs have found that in some cases the name of FPA was not clearly understood by the local population. Because of that reason, it was agreed to use the local name “participatory development initiatives” for implementation of FPA activities.

Municipal Working Groups have been established by NGO/facilitators in each municipality, to support and coordinate FPA implementation. The working group members were nominated by NGOs, based on the discussions carried out with different stakeholders. The groups are composed by the representatives of local authorities, non-governmental organisations, community members and other stakeholders. The working group members agreed to principles on a voluntary bases, acknowledged by each group member in each municipality.

Rapid Rural Appraisal (RRA) has been conducted in each municipality by FPA NGO/facilitators through the support of working groups. The draft RRA documents already available for each municipality, including assessment of situation and stakeholder analyses. The final version of the document including the part of recommendations and the plan for next phases will be available upon finishing the FPA inception phase.

The first competition has been conducted at the municipality level in parallel to the habitat modelling study and is the first opportunity to communicate with local communities for selecting priority areas and communities. During the competition the members of local communities provided the stories and their experience related to human-wildlife interactions. The areas identified by locals were mapped and overlapped with the habitat modelling results. More details regarding these contests are presented in Table 5 below.

Table 6. FPA Contests, number of participants and number of awards in Western Lesser Caucasus in the first half of 2016

| Title of FPA contest | Location | Number of participants | Prizes awarded |
|---|-----------|---|--|
| Documented stories from the own experience regarding Deer, Bear and Chamois (mapping the areas) | Adigeni | 22 contest participant | 5 main prizes 15 incentive prizes 2 prizes for youngest and oldest participant 2 prizes for singers from local community during the competition |
| Documented stories from the own experience regarding Deer, Bear and Chamois (mapping the areas) | Khulo | 18 contest participant and schoolchildren | 3 main prizes 15 incentive prizes 10 prizes for schoolchildren for best drawing of Bear, Red Deer, Chamois |
| Documented stories from the own experience regarding Deer, Bear and Chamois (mapping the areas) | Shuakhevi | 25 contest participant | 3 main prizes 22 incentive prizes |
| Documented stories from the own experience regarding Deer, Bear and Chamois (mapping the areas) | Keda | 20 contest participant | 3 main prizes 17 incentive prizes |

The next two competitions will be conducted with communities already identified by working group members based on the habitat modelling results and priority areas. Based on the discussions with working group members, the next two competitions will provide the opportunity for local population to receive

small grants for proposed projects and based on ideas how to protect the habitats of the target species and also improve their conditions. The third competition will be conducted between the communities and/or villages.

Based on the results of the habitat suitability modelling, RRA and initial results of the FPA priming phase, communities and villages for the “zooming in” of the priming phase were selected in Khulo and Adigeni. These are:

- Khulo: Gorjomi Community - Mekeidzeebi, Mekhalashvilebi, Vashakmadzeebi, Vanadzebi; Satsikhuri community - Satsikhuri, Agara, Namonastrevi, Gelauri; Dekanashvilebi community – Dekanashvilebi, Dzirkvadzeebi, Okruashvilebi, Uchkho, Kurtskhali, Diakonidzeebi, Gudasakho.
- Adigeni: Mokhe Community – Mokhe, Tsikhisubani, Naminauri, Dertseli, Kikibo; Chorchani Community – Chorchani, Didi (big) Smada, Patara (small) Smada; Pkhero Community – Pkhero, Zemo (upper) Entheli, Shoka; Chechla Community – Chechla, Gortubani, Kekhovani, Apieti, Zedubani; Zanavi Community – Didi (big) Zanavi, Patara (small) Zanavi, Gomaro; Mlashe Community – Plate, Arzne; Bolajuri Community – Bolajuri; Benara Community – Khevasheni, Nakurdevi.

Planned activities in communities and villages in Keda and Shuakhevi are under review as they are of lower priority.

Several trainings on FPA implementation have been conducted, attended by the project team, NGO/facilitators and the working group members.

2.4 Output 4: Acquisition of additional financial resources for the Eco-Regional Corridor Fund

2.4.1 Fundraising Strategy Development

Tobin Aldrich of Aldrich consulting was contracted to develop a fundraising strategy of the ECF in order to achieve the objective that at least 10% of the financial resources available to the fund in 2017 are from sources beyond BMZ. Mr. Aldrich conducted the first visit to WWF in May in order to start the development of the strategy. The necessary steps in this strategy are:

- Analysis of potential opportunities, barriers and challenges
- Identification of funding sources and identifying key requirements and expectations of potential donors
- Identification of key advocates who will champion the appeal to their networks.
- Developing a clear and compelling “Case for Support”, targeted to the specific needs of key funders.
- Developing a plan to reach out to and engage potential funders (including communication tools such as website, leaflets, handouts, conferences etc.) .
- Establishing an effective and suitably resourced fundraising function (staff members) to implement the fundraising plan.
- Identifying key performance indicators to track and monitor progress against plan.
- Ensuring that all key stakeholders are engaged with and bought into the strategy.

Based on the analysis, the consultants and the programme team are in the process of developing the “Case for Support” tailored to specific funder audiences. Institutional funders will require more detail, particularly on budgets and outcomes and will be more tolerant of technical language. General public audiences will respond to simpler, more emotive messaging. Corporate audiences will be somewhere between the two poles. Some donors will be more interested in the nature conservation impacts of the programme (others more in addressing rural poverty, or climate aspects). Audiences in each of the South

Caucasus countries will most likely only be interested in the aspects of the project that relate to them and their heritage.

An important aspect of the strategy is developing WWF's capacity to conduct fundraising. For this purpose, a two-day fundraising training was organised in July involving the Programme team and other key persons from the three WWF Caucasus offices. The training focused on developing the "Case for Support". The Strategy is due to be finished in September 2016.

In parallel, the WWF applied for an EU tender under the ENPARD programme dedicated to rural development projects in Georgia. One of the lots was tendered out for the district of Khulo offering up to 2 million Euro for a long term rural development programme modelled on the EU LEADER approach. As Khulo includes the priority section of the Western Lesser Caucasus Corridor, WWF applied for this lot in consortium with the Black Sea Eco-academy (the contracted FPA facilitator for Khulo) and PRC - Soča River Valley Development Centre (EU partner from Slovenia). WWF was invited to present a full proposal in the second round of applications. The results of the tender will be known by the end of the year.

As a part of German Cooperation in the Caucasus, the Eco-Corridor Programme, participated in the side event organised by the German Embassy at the "Eighth Environment for Europe Ministerial Conference" conducted on 7-10 June in Batum. GOPA's chief technical advisor delivered the short speech. The side event was attended by different stakeholders and high level governmental representatives, including the Minister of Environment and Natural Protection of Georgia.

3. Review and revision of the work plan

3.1 Summary progress review and changes to the work plan

Changes to the work plan are based on the actual progress of activities, results of the KfW mission to the corridor sites and decisions taken at the Kachreti regional workshop in May/June. Main changes to the work plan may be summarised as follows:

- ECF Steering Committee was renamed to Regional Consultative Forum in the ECF Operational Manual. It was decided that the forum would meet annually, starting at the end of 2016.
- Due to increasing complexity of communication of the ECF at different levels (local, national, international) it was agreed that an international short term consultant would be mobilised to develop an overall communication strategy and to support and coach the programme team on an intermittent basis for the remaining duration of the programme.
- To establish the cooperation with the banks, where savings accounts will be open, it was agreed to engage a regional non-profit organisation focusing on access to banking services and financial literacy in the second half of 2016.
- Training needs assessment of WWF and stakeholders has turned out to be an ongoing task of the programme team and the training programmes need to be designed and implemented in an adaptive manner based on the arising needs of the ECF and the willingness of the target audiences.
- Due to other priorities it is not possible to implement the second study tour to Germany in 2016. It was rescheduled to first half of 2017.
- A special institutional development and capacity building programme was initiated with the Adjara Forest Agency, being a key partner for implementation of conservation measures in the Western Lesser Caucasus. A Memorandum of Understanding is being prepared providing for capacity building and the support of the Agency in setting up and implementation of Conservation agreements. This programme may serve as a pilot for similar agencies and organisations in other corridors.
- In view of prioritisation within each corridor and of actual progress of FPA on the ground, the time schedule of FPA activities were extended to 2017 with differentiated time schedule of different processes.
- In the dialogue with the stakeholders it turned out that development of formal land use plans does not make sense in view of legal requirements and insufficient capacity to develop high quality plans that would answer the needs of ECF. Because of this, participatory land use plans will be prepared as the key element of prospective Conservation Agreements, involving the beneficiaries and relevant authorities. They will be developed in participatory process facilitated by the FPA facilitators and Programme Team. External experts will be mobilised as needed.
- Before commencing the land use planning and conservation agreement negotiation, the programme team will prepare Individual Conservation Measure Proposals, setting conservation objectives and justifying the intervention of ECF. These proposals will be reviewed and approved by KfW before the opportunity of conservation agreement is offered to the potential beneficiaries.