



**First Progress Report
(15. 1. 2015 – 31. 12. 2015)**

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

February 2016



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0. Executive Summary

This Progress Report covers the first year of implementation of the “Eco-corridors Programme in the southern Caucasus” from 15th of January 2015 to 31st of December 312015, including the Inception phase.

Although the Inception phase took six months longer than initially planned, the main achievements of this period include:

- mobilisation of the programme team consisting of WWF¹ staff and consultant staff; establishment of three country programme offices, two of which are located within WWF offices;
- reaching agreement with the authorities in Azerbaijan on selecting the Eastern Greater Caucasus as the pilot corridor ;
- developing a broad understanding of the natural, socio-economic, political and legal context in the three corridors;
- developing a programme implementation methodology addressing nature conservation objectives and the socio-economic empowerment of local communities at the same time;
- contracting and training of Financial Participatory Approach (FPA) facilitators managing 12 FPA processes;
- developing a more detailed concept of ECF management and governance;
- GIS based mapping of the landscape and habitat suitability of the pilot corridors;
- initiating capacity building for WWF itself and for other key persons in the region regarding nature conservation outside protected areas, participatory planning and cooperation, and contract nature conservation.

In 2015, the programme team spent some 100 person-months in the implementation, of which 28 were contributed by WWF. Around 8% of the available Disposition Funds were contracted in 2015, mainly in the context of the Financial Participatory Approach (FPA).

The institutional, policy and programmatic context in the three countries proves to be quite differentiated. In Armenia, significant powers are delegated to local communities, which makes the communication with rural stakeholders easier. But the role of local communities in nature conservation is not yet recognised and supported in the nature conservation legislation. In Azerbaijan, decision making is centralised with low level of coordination between branches of government. This means that significant efforts will have to be invested in the coordination of different sectors in the rural regions. The work of ECF is further complicated by the restrictive rules regarding activities of foreign donors in the country. In Georgia, there is an abundance of ongoing government and donor programmes targeting rural development and conservation. Unfortunately the management institutions and policies for management of natural resources such as forests, pastures and wildlife are lagging behind the development of the protected area system.

Proposed changes to the work plan are based on the results of the Inception phase and subsequent activities, including more emphasis being put on capacity building. According to this plan, the results of the engagement with local communities through FPA and the landscape mapping and habitat analysis underway, will put the programme in position to start with land use planning and contract negotiation by mid-2016, catching up with the original schedule in 2017. In the meantime, a pilot conservation agreement in Gnishik in Armenia may also be ready for negotiation by mid 2016.

¹ Though it is formally WWF Caucasus Programme Office (WWF CauPO), for the ease of reading this report will only refer to it as „WWF“, and if not otherwise stated.

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Abbreviations

ADA	Austrian Development Agency
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
GPC	Georgia Pipeline Company
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 “Eco regional 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 consulting 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 First Progress Report of the “Eco-corridors Programme in the southern Caucasus”, covering the first year of programme implementation from January 15 to December 31, 2015. It covers both the Inception phase - the Inception Report that was presented on August 25 – and the remainder of the calendar year. The purpose of the report is to take account of the programme implementation during the reporting period, evaluate progress made and introduce any changes necessary to the future work plan.

The report covers the activities of the entire Programme Team, including the staff of the Consultant and of the 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

The initial assessment on the organization and management procedures of the ECF was carried out by the programme team during the inception process, involving WWF leadership and representatives of KfW. It was agreed that the ECF will be established within WWF, thus using the existing WWF structures and procedures.

Based on this initial concept, a short-term specialist (Mr Heinz Willems) was mobilized to develop the ECF governance and management procedures. He conducted his first mission in November and December 2015, visiting all three countries and discussing the relevant issues with WWF staff, national coordinators and other experts, including the Sparkassenstiftung team. He developed a refined concept paper that was shared with the WWF and KfW at the end of the mission. He prepared Terms of Reference (ToR) for the local legal and tax experts to analyse in early 2016 the national legal, taxation and institutional context and constraints for ECF operation in each of the three countries.

The second mission and final report, including ECF operational manual, is planned for spring 2016 once results on the tax and legal issues are available. Once the operational manual is adopted, the setup of the Steering Committee/Regional Consultative Forum and National Consultative Groups will be initiated, aiming to have the first meeting of the Steering Committee/Regional Consultative Forum before summer 2016. At this occasion, the first results of both the FPA and the corridor delineation and mapping will be presented and discussed.

2.1.2 ECF Communication Plan

An ECF communication strategy has been prepared by WWF as part of the Inception Report. It will secure consistent visibility of ECF as part of WWF with reference to German Development Cooperation and KfW as donor. For operational implementation, an ECF Communication Plan will be prepared as per work plan. As an element, a visibility package based on this strategy will be developed in early 2016 for all programme activities, including standard document templates (letter, report, presentation) in English, Armenian, Azeri and Georgian languages, and a leaflet in each of the four languages to serve as basic information about ECF when in contact with stakeholders.

2.1.3 Capacity building

Training needs assessments have been an integral part of the inception phase and all subsequent activities. In order to develop a better understanding of training needs of specific stakeholders, the Chief Technical Advisor (CTA) with the support of the National Coordinator (NC) of Georgia conducted a capacity building needs assessment of the Ajara Forest Agency, who is one of the key stakeholders for the implementation of the ECF in the Western Lesser Caucasus Corridor. In the meantime the following preliminary conclusions can be made:

- The idea of biodiversity conservation outside protected areas and of multipurpose natural resource management is relatively new in the Caucasus and it should not be assumed that all stakeholders accept or support them.
- Due to traditional lack of consensual communication between stakeholders in the three countries, there is a strong need for training in participatory management and

planning. The priority of most government agencies is to police and protect their domain as opposed to maximising the economic and social benefits provided by the resource they manage.

- In some areas, such as forest management, pasture management, wildlife management, biodiversity monitoring, Geographic Information System (GIS), there is a severe lack of trained professionals, who could actually implement conservation activities in the field.
- Local authorities and community organisations are institutionally weak and have difficulty performing their current tasks. This means that general institutional strengthening and capacity building is needed before they can be asked, or are willing to take on new and additional tasks.

This means that a significant share of the programme's activities will have to focus on, or at least involve, capacity building and training. In the local communities, the entry point for capacity building activities will be the FPA priming process. will be designed as the results and experiences of the FPA priming activities and landscape mapping will further specify training needs and related programmes for WWF and specific stakeholder groups.

But for other stakeholders, other formats of capacity building may be needed, such as:

- Methodological workshops and conferences,
- Specific formal and informal trainings,
- Study tours and field visits to other areas within and between the countries,
- Direct technical support.

Last, strong outward capacity building requires a competent programme team. This has been started through the regional FPA and habitat mapping workshops (regional workshops on FPA and habitat modelling; national workshops on FPA in Georgia and Armenia; national workshops on habitat modelling in Armenia and Azerbaijan) and an exposure visit to the EU. Other training included fundraising (provided by WWF Germany). Further, the offices of WWF in Tbilisi and Yerevan were upgraded as per planning.

For 2016, it is proposed to organise:

- training on stakeholder communication and negotiations,
- regional programme workshops for team exchange, training, of the results of the FPA and landscape mapping work,
- a study tour to Europe focusing on the conservation contracts and partnerships with farmers and local communities, and the workings of EU agricultural subsidies.

2.1.4 Exposure visit to EU

Between 15th and 22nd of November 2015, an exposure visit to Europe (State of Hessen, Germany) was conducted for the programme team (WWF, CTA, NCs and national focal points) to gain an understanding of the potential and constraints of contractual nature conservation and sustainable natural resource management. The visit was organised by Hessenforst, who was subcontracted for this by WWF. The topics of the visit covered: contractual nature conservation; nature conservation at landscape level (nature parks, biosphere reserves); management of forests with conservation objectives; management of wildlife; pasture and livestock management; integrated sustainable rural development in mountain areas.

The participants of the Study tour were:

- Mr Nugzar Zazanashvili; Conservation Director; WWF Georgia
- Mr Karen Manvelyan; Director; WWF Armenian Branch
- Mr Elshad Askerov; Director; WWF Azerbaijan
- Mr Tamaz Gamkrelidze; Operational Director; WWF Georgia

- Mr Fizuli Mammadov; Focal Point ; Ministry of Ecology and Natural Resources of Azerbaijan
- Ms Nona Khelaia; Main Specialist of Biodiversity Protection Service, Ministry representative; Ministry of Environment and Natural Resources Protection of Georgia
- Mr Jernej Stritih; Chief Technical Adviser; Eco-Corridor Programme,
- Mr Karen Jenderedjian; National Coordinator Armenia; Eco-Corridor Programme,
- Ms Malak Shukurova; National Coordinator Azerbaijan; Eco-Corridor Programme,
- Ms Rusudan Chochua; National Coordinator Georgia; Eco-Corridor Programme,

The Armenian focal point (Mr Ashot Hovhannisyan) cancelled his participation due to health reasons. During the visit, the group was escorted by Mr Christian Tunk, programme backstopper at GOPA and joined for two days by Mr. Andreas Weitzel from KfW.

The programme of the visit is presented in the table 4 below.

Table 1. Programme of the exposure visit to Hessen, Germany

Day	Programme
Sunday, 15 November 2015	Arrival Frankfurt Airport Transport to Kassel
Monday, 16 November 2015	Introduction to Hessen-Forst Multifunctional Forestry, Contracted Nature Conservation, Forest conservation in the framework of the Hessian Biodiversity strategy Introduction to Forestry Department Hessisch-Lichtenau Contract Nature Conservation Examples
Tuesday, 17 November 2015	Introduction to the National Park Kellerwald-Edersee Ecosystem preserves at the example of National park Kellerwald-Edersee, implementation and strategy of ecosystem preserves, hunting and wildlife management Excursion to park and game reserve
Wednesday, 18 November 2015	Introduction to the forestry department Burgwald Management plans in nature protection areas, Species and Habitat sponsorships, Natural Forest Reserves, non-managed forests
Thursday, 19 November 2015	Introduction to Hessische Landgesellschaft/Ökoagentur Examples of contracted nature conservation at Calden, compensating measures
Friday, 20 November 2015	Introduction and visit to nature protection area of Kühkopf-Knoblochsaue Visitor centre and field visit Group discussion - evaluation of the visit Visit of the Hessian Ministry of the Environment, Climate Protection, Agriculture and Consumer Protection Role of Nature Conservation in Hesse
Saturday, 21 November 2015	Departure from Frankfurt Airport

On the last day of the visit, an evaluation discussion was held during lunchtime. The participants expressed satisfaction with what they learned during the visit, such as the differences in legal and institutional context between Caucasus and Germany, but also the relevance of what they had seen for the Caucasus. The priority for future capacity building shall be on how to develop partnerships and negotiate with land owners/local farmers and with other stakeholders. In case another study visit is organised, it should be dedicated to examples of conservation contracts with private land owners and to the workings of agricultural subsidy mechanisms.

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

During the inception phase, all three pilot corridors were visited by the programme team (national coordinators, WWF coordinator, CTA). The purpose was to get a closer first-hand impression of landscape features, socio-economic conditions of local inhabitants, human-environment relationships and the attitude of local stakeholders to nature conservation. This was been done in form of informal interviews with farmers, hunters, herdsman, community leaders and representatives of regional administrations. To avoid any expectations the programme will not be able to meet, the rule was strictly to abide - no promises, no preliminary agreements. Further, relationships were established with parallel donor programmes working in the ecoregional corridors.

Several options were considered on how to proceed with landscape-level conservation planning needed for setting conservation objectives and designing conservation measures, to be funded later by the ECF. The approach finally chose was to combine:

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

The land cover mapping was contracted out to one service provider (LAND INFO Worldwide Mapping, Colorado USA) for all three corridors. The work should be finished early in 2016 with supervision and inputs from the WWF GIS experts that.

For habitat suitability modelling, the methodology previously used by WWF to check habitat suitability for gazelle in the Vashlovani – Gobustan region between Georgia and Azerbaijan was selected. The consultant Mr Christian Montalvo, former staff of WWF who worked on the gazelle study, was contracted to develop the methodology for the three corridors and to conduct a regional training workshop.

The methodology is based on computer modelling of habitat suitability using open source MaxEnt software. The input data include known actual observations or 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 the species presence and key environmental factors proposed by experts. 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 being planned or the species' natural spread is expected.

This will provide the basis for: setting geographic and sectorial priorities within pilot corridors; set conservation objectives; and start the process of more detailed participatory land use planning in the priority local communities.

Conducting this kind of modelling requires two types of experts: zoologists who are familiar with the target species, their ecological requirements and their current distribution; and GIS experts who can prepare the geographic data and run the software model.

At the start of the process, a regional workshop was held at the WWF office in Tbilisi on October 26 to explain the methodology to be followed and to agree with experts on how to proceed. A similar workshop was held in Baku on December 8 and in Yerevan on December 28 and 29. By the end of the year, the process of collecting information and modelling is under way and the results are expected by the end of March 2016.

The GIS work is being led by WWF specialists Giorgi Beruchashvili and Arman Kandaryan, but additional GIS specialists had to be contracted for the work on particular on land cover mapping and preparation of data for habitat modelling. Experienced zoologist Pavel Veinberg from Russia was contracted to assist with analysis of herbivore species in Armenia and Azerbaijan along with junior local zoologists, who can learn from him in the process.

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

2.3.1 Financial Participatory Approach

During the inception phase, the FPA approach was adopted to support the process of collective learning in the target communities. The aim is empowering local communities and developing conservation measures in a structured dialogue, and building their capacity to enter into conservation agreements and implement them. The methodology was adjusted to the needs of the programme based on the “FPA implementation manual & toolbox” prepared by the Transboundary Joint Secretariat (TJS) and outlined in the Inception report. It aims to reach the stage of the negotiation of long-term conservation contracts in a coordinated and participatory manner at minimum costs and maximum ownership.

The process of implementing FPA started with a regional FPA orientation and training workshop for programme staff (WWF and NCs) and was conducted by an international short-term expert (Mr Stefan Kanther) with support from the CTA and the NC of Georgia (nominated also FPA advisor for the whole programme). TJS National Coordinators also participated in order to familiarise themselves with the FPA concept. The main objective of the training was to get a common understanding of the participation process, main goals and steps of FPA implementation, project development in ECF, roles and responsibilities and to train national coordinators in FPA.

The training was rated useful and informative by the participants. It is envisaged that FPA will be initiated in four regions within each corridor and that a separate facilitator will be contracted for each region. This will provide wide coverage within the corridors and will make it possible to abandon one or more regions in case of severe problems. The details of implementation in each country are described in the following sections.

At the regional level, coordination with TJS was established, who is in charge of providing support and capacity building for FPA to all projects of German financial cooperation in the region. It was agreed that the programme team members and FPA facilitators will be involved in regional and national training events organised by TJS. Further, it was agreed that an external review/coaching/evaluation of FPA early on in programme implementation is necessary to identify weaknesses, methodological glitches and recommend improvements. Such a review will be conducted by Mr Jaap Vermaat (TJS) and Mr Christian Tunk (GOPA) in spring 2016.

2.3.1.1 ARMENIA

Based on the findings during the inception period, 29 communities were selected for implementation of FPA in Armenia (5 in Ararat Region, 17 in Vayots Dzor Region and 7 in Vayots Dzor Region). Vayots Dzor Region was divided into 2 sub-regions.

On 28th of August 2015, invitations to limited competitive bidding were sent out to eight potentially interested bidders. By the deadline of 15th of October, 2015 a total of 13 proposals were received from four bidders.

Grant contracts were signed with the following organizations:

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

During the reporting period two visits were paid to the communities of Syunik Region where the first pilot FPA interventions started in 2012-2013. These five communities (Chakaten, Shikahogh, Srashen, Tsav, Nerkin Hand) are associated with the Shikahogh State Reserve, which is part of the Open Programme financed by KfW. The purpose of these visits was to obtain a first impression of 1.) the attitude of local population to FPA and 2.) post-FPA results. Although at least 10 active groups developed various small scale economic activities, only textile production studio survived. In spite of this, most FPA participants judged the activities positively.

These observations were taken into account during the national FPA training workshop from 24th to 26th of December, 2015 organised for all four FPA facilitators. The last day was devoted to the site visit in community managed Gnihsik protected landscape. They pointed out the importance of synchronization of all activities in all four FPA sub-regions and agreed on joint quarterly meetings. The workshop was conducted by the NC in Armenia, the FPA advisor /NC of Georgia, and the Director of the WWF Armenia. The objective of the training was to get a common understanding of the participation process, main goals and steps of FPA implementation, roles and responsibilities.

2.3.1.2 **Azerbaijan**

The late tendering in Azerbaijan started in October 2015, due to the time needed to agree on pilot regions with the Ministry of Ecology and Natural Resources of Azerbaijan. The decision was taken to work in Guba, Gusar, Zagatala-Gakh and Gakh-Shaki-Oghuz regions, which are the main four gorges of the eco-corridor and thus important for interconnecting habitats and migratory tracks.

Invitation for bidding was posted on 12th of October 2015 in leading national web-portals such as www.azerweb.com and www.jobsearch.az. The deadline for submission of proposals was November 2, 2015.

Four organizations submitted proposals and on 11th of November, 2015 and two organisations were offered service contracts:

- OIKOS Consulting and Training MMC for Zagatala – Gakh and for Gakh – Shaki – Oghuz region;
- The Regional Environmental Centre for the Caucasus, Azerbaijan Branch, for Guba and for Gusar region.

The evaluation report has been submitted for non-objection to KfW. It is expected to sign the service contracts in January 2016 and the priming activities to start in February 2016.

In Azerbaijan, a service contract with FPA facilitators was chosen instead of a grant agreement (as is the case of Armenia and Georgia) due to the complicated status of donor granting in Azerbaijan. The government suspended all grant agreements in Azerbaijan until procedures for international donors providing grants on the territory of Azerbaijan are in place.

A new regulation was issued on 22nd of October 2015, regulating the rule for obtaining the right to provide grants in the territory of the Republic of Azerbaijan by international organizations and their representatives. As per new regulation, international donor organizations have to obtain first the opinion of the Ministry of Finance of the Republic of Azerbaijan on the feasibility of obtaining the right of grant provision. For that to happen, they have to submit draft grant agreements showing the purpose, the amount, the recipient and other project documents.

It is not clear yet how new regulations will work in practice, and therefore service contracts with FPA facilitators remain the more favorable option to avoid any delays in programme implementation even though a tax of up to 6 % will apply. It is estimated that the registration of a grant programme in Azerbaijan can take from 6 month to several years. It is also proposed to register this programme as such, and later the ECF once designed, and propose to involve KfW in Azerbaijan in supporting WWF Azerbaijan to do so.

2.3.1.3 **Georgia**

FPA has been started in four municipalities within the corridor – Keda, Shuakhevi, Khulo and Adigeni. The market survey of possible service providers has been conducted during the

inception phase, identifying suitable organizations with adequate professional and financial capacity and with experience in international projects and public participation.

On 10th of September, 2015, invitations to limited competitive bidding were sent out to eight bidders with a deadline on 5th of October 2015. A total 12 proposals were received from four organisations, and three received contracts:

- CENN in consortium with the local Association Flora and Fauna (Tbilisi, Batumi) for the Keda Municipality and for the Shuakhevi Municipality
- Black Sea Eco Academy (Batumi) for the Khulo Municipality
- Toleranti (Akhaltikhe) for the Adigeni Municipality.

A national orientation and training workshop was conducted for the local NGO/facilitators on 15th-16th of December 2015, and also attended by representative of SPPA. The workshop was aimed to train the facilitators in FPA approach and to explain and discuss all steps of project implementation. The training was conducted by the FPA advisor/NC of Georgia with the support from the CTA.

To help with communication and media coverage of FPA, co-financing of a natural documentary film on Adjara Region was agreed. The film will be produced in 2016 and will be used in environmental education and may also be used in fundraising for ECF

2.3.2 Preparation of the pilot conservation agreement in Gnishik

During the inception phase, the opportunity was recognised to prepare a pilot conservation agreement with the Gnishik Intercommunity Environmental Foundation, established by Areni, Gnishik and Khachik communities in Armenia for community management of the Gnishik Protected Landscape.

The first step was to coordinate with KfW and CNF to avoid duplication in funding from CNF and ECF. CNF is already funding top up of salaries and some material costs on an annual basis like in other protected areas. So, it was decided that this community management scheme is eligible for funding under both CNF and ECF, so possible modalities and guiding principles were discussed, so that double funding should not be allowed and that any joint funding should be transparent and clearly attributable. An advantage for ECF when funding the same partners is that CNF has already introduced transparent accounting to all organisations it funds. In case of Gnishik, two basic and possible funding modalities were identified:

1. ECF provides the core funding for the community conservation area management for, say, 5 -10 years based on a request from the communities and a business plan that clearly shows the expected performance and a longer term sustainability plan. One element of this plan could also be an extension of the conservation area, but at the moment, the future core funding for this area is not secured. CNF continues until now with top up funding on an annual basis.
2. ECF develops a conservation agreement outside of the conservation area, but in the territory of the support zone of Gnishik PL with the same local communities plus Agarakadzor, which has territory within the support zone. Activities to fund could include pasture grassland conservation and/or wildlife game reserve management. This would mean that the communities could also use the funds for the protected area as long as they would meet the requirements of the conservation agreement. In such case, the division of labor would clearly be that CNF works inside the protected areas, and ECF outside.

In consultation with KfW, the second modality was selected as the way forward.

Once this agreement was clear, a visit was paid to the Gnishik region by the CTA, the international expert on ECF setup, NC and Director of WWF Armenia to discuss the opportunities for conservation measures in the (cattle-grazing) support zone of the Gnishik. Grazing is done on community owned land and the land for grazing is mainly being leased by local inhabitants, following traditional grazing areas of individual families. Some other lands are being leased by nomadic shepherds from Ararat Valley.

During the visit, four main threats to biodiversity conservation in the buffer zone were identified:

- Overgrazing, especially the release of cattle to the pastures in late winter/early spring before grass can grow properly and resulting in a destruction of grass turf, erosion and a loss of productivity;
- Over-collection and/or not proper collection (evulsion) of herb species (mainly edible plants and for flower trade);
- Plant succession towards bushland on abandoned fields and hay meadows leading to loss of grassland biodiversity;
- Poaching, especially of bezoar goats.

The mechanisms behind these threats were discussed with the representative of the Gnishik Foundation and local professionals with a good understanding of the current animal husbandry and farming practices. It seems that the problem of early grazing is linked to inability of farmers to secure enough hay to feed the cattle all winter. They seem to lack manpower and equipment to cut grass in the summer, and cash to buy hay from elsewhere. Abandoning hay making also threatens a large portion of grasslands with succession. Poaching is not a major threat at the present, due to protected landscape management and rangers, but in the long term it depends on the goodwill of local people towards the protected landscape management and their economic prosperity.

Out of these considerations, the possible scope for conservation measure is in supporting the maintenance of high conservation value hay meadows and using the hay produced in this way by the farmers to feed and keep cattle in the stables during the winter and early spring. The benefits of such a measure would include preservation of flowering meadows, preventing early grazing by cattle, improving the supply of grass available to wild herbivores in the winter, tourist attraction of flowering meadows in the spring and improved goodwill of the local farmers.

The measure ("menu") would include identification of priority meadows to be maintained, determining the appropriate timing and methods of cutting the grass, securing the necessary equipment and paying for the costs of annual hay making. This can be done by farmers with suitable equipment and/or using the hay. The next step is to develop a land use plan for maintenance of meadows and hay making, which would identify suitable areas, cost structure of hay making and quantity of hay that can be produced. The land use plan will be the basis for one or more conservation agreements will be negotiated with the beneficiaries identified in the planning process

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

2.4.1 Fundraising Strategy Development

During 2015, the activities related to fundraising were limited. On May 2nd 2015 the ECF was presented at a side event of the Asian Development Bank annual meeting in Baku.

By the end of the year, the TOR for the short-term international expert on fundraising were prepared and possible qualified candidates identified. They contain:

- Based on existing information, critically assess the concept of the ECF outlined above from the point of view of raising additional funding;
- Assess the existing and future fundraising opportunities and identify main potential target funding sources and donors for ECF at the national, regional and international level;
- Propose the most advantageous mode of operation of ECF in in order to attract additional funding;
- Propose the organisation of the fundraising function of the ECF;
- Identify what "products" and "services" the ECF could provide to the potential donors, or what donor objectives it can fulfil;
- Prepare a concise fundraising strategy with a list of actions to be taken in 2016/17
- Deliver a training workshop to WWF

The assignment will start in the beginning of 2016.

Before the detailed strategy is finalised, two opportunities for presenting and promoting the ECF by WWF to potential donors have been identified in 2016:

- “Environment for Europe Conference” in Batumi on June 8-10: a side event to present German Cooperation in the Caucasus will be organised and among other KfW funded projects, ECF will be presented to donors interested in biodiversity conservation in the Caucasus;
- IUCN World Conservation Congress in Hawaii on September 1-10: a paper can be prepared and presented to leading conservation professionals outlining the innovative character and importance of the ECF approach in the Caucasus Global Biodiversity hotspot

3. Review and revision of the work plan

3.1 Summary progress review and changes to the workplan

Compared to the annual operational plan for 2015, the majority of activities are three to six months behind schedule. The main reason is that the Inception phase took six months because the programme design overlooked several crucial details. However, all essential preparatory activities are under way, meaning that by mid-2016, the programme will be in position to start with land use planning and contract negotiation.

The phase of engagement with local communities through FPA has just started and the landscape mapping and habitat analysis has not been finished yet, so that uncertainties remain regarding the geographic and sectorial scope of the land use/resource use plans. To define that scope, two regional programme team workshops are planned in the first half of 2016. Next progress report on June 30, 2016 should therefore provide a more certain and detailed plan for the remaining phases and steps.

Some changes to the workplan are being proposed based on the results of the inception phase and subsequent activities, including more emphasis being put on capacity building including one more study tour to EU and specific trainings organized for the WWF and the programme team.

Compared to the Annual Operational Plan 2015, the following changes are proposed:

- First meeting of ECF Steering Committee will only be convened after the work on ECF Management procedures is finalised and its exact role has been agreed between WWF and KFW;
- The ECF communication plan will be complemented with standard documents and information leaflets in the first half of 2016
- Framework agreements with the national ministries will be finalised after the work on ECF Management procedures is finalised and the exact role of the Ministries in the ECF is agreed;
- WWF and other stakeholder needs assessments will be finalised in the first half of 2016 after the initial experience with FPA is evaluated and the results of landscape mapping and analysis are reviewed and summarised within the programme team;
- FPA priming activities will be conducted and regional working groups established in the first half of 2016;
- Fundraising strategy will be prepared in the first half of 2016, in the meantime opportunities for presentations of the programme to potential donors and global public at international events in 2016 will be explored