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Financial Participatory Approach Resource Book Case stories from the Caucasus December 2020

Executive agency:



Consultants:



The Transboundary Joint Secretariat (TJS) promotes cooperation in nature conservation in the South Caucasus. TJS was founded in 2007 and is currently in its third phase, which runs from 2015 to 2020. It is being implemented by WWF Caucasus Programme Office with the support of the implementation consultant AHT and REC Caucasus. This phase aims to further develop the Ecoregional Conservation Plan (ECP) and to improve its implementation status.

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Prepared by:	Vanessa Boas, Jaap Vermaat, Servi Nabuurs
Regional Project Leader:	Dr Giorgi Sanadiradze
Team Leader:	Servi Nabuurs
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Abbreviations

AHT	AHT GROUP AG
APA	Agency of Protected Areas of Georgia
B&B	Bed and Breakfast
BMZ	German Ministry for Economic Cooperation and Development
CNF	Caucasus Nature Fund
ECF	Eco-Corridor Fund
FPA	Financial Participatory Approach
KfW	KfW Development Bank - German Bank for Reconstruction and Development (Kreditanstalt für Wiederaufbau)
LCF	Local Capitalisation Fund
NGO	Non-Governmental Organisation
NP	National Park
OECD	Organisation for Economic Cooperation and Development
PA	Protected Area
RAC	Regional Advisory Council (created by SPPA to advise the project and the PA planning and management)
RECC	Regional Environmental Centre for the Caucasus
RWG	Regional Working Group
SNCO	State Non-Commercial Organisation
SPPA	Support Programme for Protected Areas (in Georgia and Armenia)
SR	State Reserve
TJS	Transboundary Joint Secretariat
WWF	Worldwide Fund for Nature

Introduction

The Financial Participatory Approach (FPA) uses direct financial resources to mobilise local populations to take control of their own socio-economic development. The funds are made available as small incentive "seed-funding" to participate in specific activities, and as prize awards in competitions. The FPA also finances learning and training activities and uses media to publicise activities and results.

The FPA was first implemented in the Caucasus from 2012 until 2014 by the Transboundary Joint Secretariat (TJS) for the Southern Caucasus, financed by the German Ministry of Economic Cooperation and Development (BMZ), through KfW. The objective of these FPA activities was to test participatory socio-economic development approaches in communities adjacent to protected areas. Often the nature protection regimes of protected areas restrict traditional use of natural resources, leading to tensions between the communities and the protected areas. The pilot areas were Shikahogh State Reserve, in Syunik Region in South-Armenia and in Kazbegi National Park in North-Georgia. Tensions between the protected areas and the local communities were apparent in both places. Participation on the FPA activities was high, and people became more aware of their livelihood issues and potentials to improve them. They were proud of their achievements, showed high ownership and invested own resources. A key achievement was also the improved trust between the communities and the protected areas.

After the successful pilots, the KfW asked other nature protection programmes in the South Caucasus to use the methodology for their socio-economic development activities. These are the Support Programme for Protected Areas (SPPA) and the Eco-Corridor Programme/Fund (ECF). The SPPA invests

in the development of protected areas, while also financing socio-economic development in adjacent communities. The ECF uses participatory methods to engage with communities in priority eco-corridor areas, prepare land use plans and finances through the Eco-Corridor Fund conservation agreements with the communities.

FPA practitioners from the different programmes were trained in the FPA methodology and implemented it in all three South Caucasus countries. In a workshop in November 2017 the FPA practitioners from the different programmes shared their experiences, revealing a big variety of FPA activities and different uses of the FPA tools.

Due to its demand-driven and flexible nature, the FPA is difficult to explain to persons that have not experienced it. Therefore, selected FPA activities from these three projects were compiled in this sourcebook to illustrate the rich experiences and possibilities of this non-traditional participatory development approach. Chapter 2 gives a short introduction to FPA principles, organisation, and tools, to provide a basic understanding of this development approach. Chapter 3 gives an overview of the cases and a reader guide. In the final chapters are final remarks and lessons learned.

The authors thank all the FPA practitioners and participants that shared their experiences and hope that the reader will grasp an understanding of the process and the potential of this approach. The FPA methodology and the different implementation steps are explained in detail in the FPA Manual and Toolkit that can be downloaded from the TJS website.



Figure 1. FPA practitioner workshop, November 2017

FPA principles, tools, process, and organisation

The FPA is based on the principles of cognitive development learning. The four FPA tools help people to actively discover and try out “development actions” themselves and integrate them into their lives through discussions and a perceived positive impact. Experts do not determine the development actions, but, as facilitators, guide the beneficiaries through a development discovery process.

The FPA adheres to the following **implementation principles**:

1. All initiatives come from the people;
2. The FPA is inclusive and equitable;
3. Cooperative competition generates best ideas and practices;
4. Direct financing supports successful generation and implementation of best ideas;
5. Mobilization of learning, knowledge, and experience;
6. Media exposure reinforces the impact of FPA;
7. The FPA is transparent and accountable.

General FPA Implementation Guidelines include:

1. The role of the FPA and its project staff is limited to facilitation;
2. The FPA makes constructive use of tensions;
3. The FPA steers clear from political or religious contentious content;
4. The FPA progresses through cumulative cycles;
5. The FPA keep themes and activities within the scope of the project; and
6. Make FPA events lively with cultural and festive elements.

The four FPA tools are:

1. Contests and Awards;
2. Capitalisation;
3. Exchange and Learning;
4. Media Involvement.

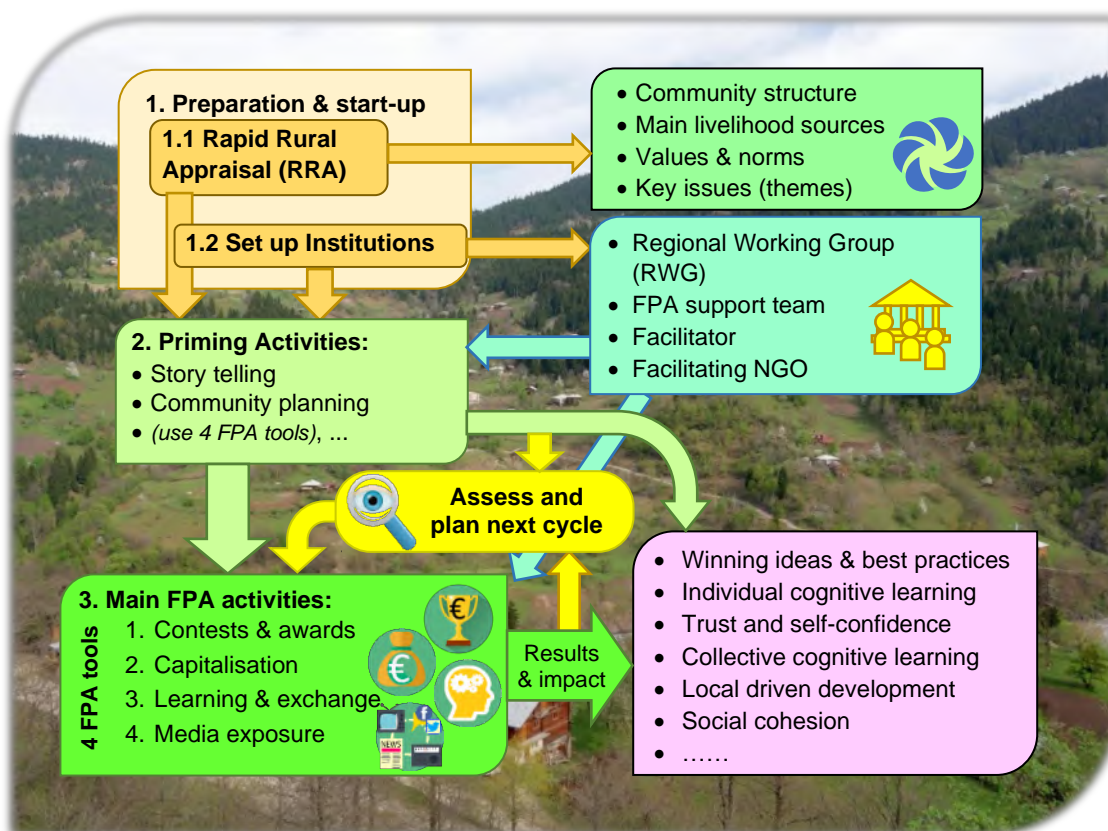


Figure 2. FPA phases, main processes, and outcomes in each phase

Contests and awards: the FPA organises contests on topics related to the livelihoods between people, households, groups, businesses, and communities. Contests are announced in advance with information on the topic, eligibility for participation, time frame and judging criteria. Juries will be established that can include local dignitaries, but also technical specialists. Juries should be impartial, explain in an understandable manner in public judging events how they applied the judging criteria and awarded the prizes. This keeps the process transparent and accountable.

Capitalisation provides funds directly to the beneficiaries in different forms, such as:

- **Seed-money** to finance the participation and group formation;
- **Co-funding** to further develop plans and to implement activities;
- **Saving and investment** funding to stimulate collective savings and revolving funds; and
- **Prize awards** in the cooperative contests.

The FPA does not impose conditions on the spending of the money that is handed over, as a sign of trust. Experience shows that participants usually invest the capitalisation funds in developing and implementing their ideas and add substantial own resources in cash and kind to realise their plans.

Exchange and learning is demand-driven and uses exchange visits and specific training on topics that are relevant to the contests, or that address other learning needs of the people.

Media are used to announce the FPA process, the FPA events and the results of FPA contests and

learning activities in local and national media. It supports dissemination of best ideas and practices and is a source of local pride, to get into the news. It increases ownership.

FPA Process and organisation

At the start of the FPA process a rapid rural appraisal (RRA) is conducted to identify key livelihood issues, possible tensions, and basic information. In parallel the "FPA institutions" are set up, which comprise a support team, consisting of the team leader, a socio-economic expert a facilitating NGO (for process logistics and handling finances) and an FPA facilitator. A Regional Working Group (RWG, by some projects also named Regional Advisory Council/RAC), is established with representatives from the local administrations and communities, and other stakeholders, for taking all relevant management decisions. In an area with many and larger communities also Village Working Groups (VWGs) can be established to coordinate the FPA activities in the villages.

Next RWG members are trained in the basics of participatory socio-economic development, FPA principles, the FPA process, and discuss the first FPA activities. Topics, types of activities, use of the tools, timing and budgets are set for priming activities, which are mostly contests on best ideas or stories related to livelihoods and the relation with nature. The priming activities allow the RWG and the participants to gain experience in using the FPA tools, and to better understand the actual FPA process. This prepares them better for the next FPA cycles.

The experiences and results of the first cycle are assessed and used to identify topics and activities for the subsequent FPA cycles.

Overview of the cases

This section gives a brief overview of the cases and key points from each case. This allows the readers to quickly find particular information on FPA institutions, the four FPA tools or themes.

§4: Our Community yesterday, today, and tomorrow, Syunik Region, Armenia

A priming contest between five communities to reflect on their history, present situation, and the development potential. The winning presentation called for greater community cohesion. Working harder to achieve their development potential and to protect nature, to develop ecotourism. The prize money was used to rehabilitate the village square. The case describes the FPA Implementation institutions and use of the four FPA tools.

§5 Women's groups in Shikahogh, Armenia

Women were given seed money to join a women group and to start income generating activities. A business contest was held for the best income generating plans. The winning groups started sewing business and invested the prize money in a sewing machine. The women discovered collective decision making and new leadership skills. The case shows an example of judging criteria and the variety of income generating ideas.

§6 Community development priority in Ararat Region, Armenia

Communities were asked to develop three community development project ideas and then select the idea that would generate most benefits for all community members. Zangakatun village selected street lights, because then people could move at night without torches. They used the funds and own labour to implement it. Positive side-benefits were less predators entering the village in night time, community cohesion and collective learning.

§7 Business plan contest in Brnakot (Sisian) in Southern Armenia

In a Business plan contest among individuals, a local economist with a background in agriculture won with his plan for a greenhouse tunnel to grow organic vegetables. He had this idea he had for a long time. His tunnel works well, and other villagers are copying it. The case highlights the use of media to announce the contest and to broadcast winning ideas.

§8 Business Contest in Artavan village, Armenia

A contest in two stages for business ideas and secondly for business plan for individual entrepreneurs was held in Artavan village in Vayots Dzor Region. It

was won by a widow, whose grown-up children had left the house, where she now wanted to run a Bead & Breakfast. She used the prize money to upgrade the bathroom. When visitors came, neighbours started horse riding services, vehicle transport, and another B&B. Interest in eco-tourism had been stimulated in the village through participation on an exchange visit, an eco-camp, and an eco-tourism festival.

§9 Business Contest in Vayots Dzor Region, Armenia

In a business planning contest in seven communities in Vayots Dzor Region 50 proposals were submitted and judged anonymously. One young lady won a prize for her poultry business proposal. She used the prize money to purchase chicks and equipment. Despite setbacks the poultry keeping became successful and she learned also new skills like bookkeeping and farming. She now advises others on poultry keeping and on preparing business plans. Jury members learned from the contest on markets and business potentials.

§10 Festive FPA events

In the FPA training practitioners were told that one of the names of FPA in Quechua language is "Raymi", meaning "festival". This case shows how facilitators added festive and cultural activities to FPA events in Urtsadzor, in Armenia and in Adigeni in Georgia. This stimulated active participation and appreciation with a larger part of the communities.

§11 Priming Phase - Story Telling Contest in Sheki Region, Azerbaijan

A priming activity in Sheki Region was a story contest about the relationship between humans and nature. The preparation of the stories and hearing them, made people more aware of the value of nature and of solutions to overcome livelihood problems. The contest and the FPA improved relationship between PA and communities.

§12 Business contest in Sheki Region, Azerbaijan

In Sheki Region a community level business contest in two stage was held for 8 villages. Communities were tasked to consider ecological problems, alternative sources of income and sustainable development. The winning plan was for a walnut plantation on a severely eroded slope, with clear rules for sharing benefits among the workers and the community. The prize money was used to plant the trees and to establish a watering system.

§13 Three-stage business contest in Salyan District, Azerbaijan

In communities next to Shirvan NP in Azerbaijan, a business plan contest was held in three stages. First different business ideas were solicited. Followed by technical training on the most frequent ideas (tree nurseries, olive trees, and rural tourism). In the second stage ideas had to be refined on sustainability and economic viability. In the third stage detailed implementation plans were judged. The winning idea was olive cultivation, that is now implemented successfully. The FPA also improved the relations between the Shirvan NP and the local communities.

§14 Women Groups in communities next to Ag Göl NP in Azerbaijan

In communities with very little opportunities for women to engage in economic activities, the FPA set up women groups and held a contest for income generating activities. The winning proposal was to start chick incubation. An incubator was purchased with the prize money, which now generates income. Relations between the NP and the communities improved.

§15 Business contest in Kazbegi Region, Georgia

In five communities in Kazbegi Region in Georgia a two-stage business contest was held for individuals. In total 256 business ideas were submitted. From the 50 selected for the second round 42 business plans were submitted. One winning plan was for women that wanted to start a bakery for passing drivers on the main road and for villagers. They bought an oven, sell bread, and expanded to selling also other groceries.

§16 Contest between communities in Algeti, Georgia

In communities adjacent to Algeti NP in Georgia a contest was held to address pressing social needs. The winning proposal in one village was to improve the roofs. The prize money was used to purchase materials and the people cooperated in the implementation. The cooperation and trust between communities and the NP improved.

§17 Contest between communities in Adigeni, Georgia

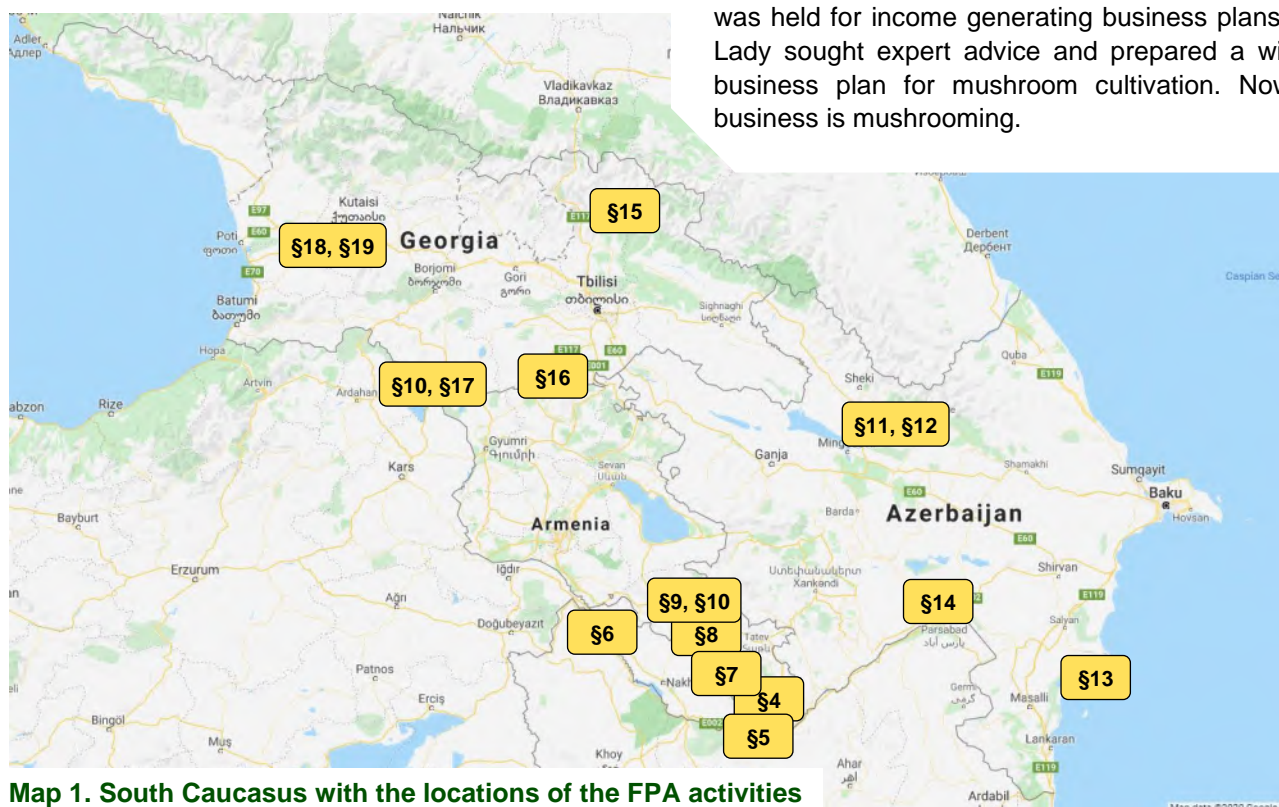
In Adigeni area in Georgia a contest was held between communities how they could improve their livelihoods in harmony with nature. Concise and clear judging criteria were used. One winning idea was to establish water reservoirs in remote grazing areas to graze livestock there and thus reduce the grazing pressure in forest areas. The joint planning and implementation helped the community to organise itself and to develop skills for formulating local development actions and for grant applications.

§18 Community contest in Martvili, Georgia

A contest between communities in Martvili area in Georgia was held on solutions for priority social needs. One winning idea was new hygienic school toilets. Prize money and own labour was used to build the toilets. The FPA increased social cohesion in the village.

§19 Business Contest in Martvili, Georgia

In three villages in Martvili area in Georgia a contest was held for income generating business plans. One Lady sought expert advice and prepared a winning business plan for mushroom cultivation. Now her business is mushrooming.



Map 1. South Caucasus with the locations of the FPA activities

Our Community yesterday, today, and tomorrow, Syunik Region, Armenia

The first contest in the FPA pilot in 2012 (in TJS Phase II) in Syunik Region in South Armenia was a participatory planning contest amongst five villages (Chakaten, Shikahogh, Srashen, Tsav and Nerkin Hand) located adjacent to the Shikahogh State Reserve.

The communities were invited to present their community's history, the current situation in the village and the prospects of its future development under the title "Our Community - Yesterday, Today, and Tomorrow". This was a priming activity to encourage the communities to reflect on their social and economic development while considering the future path they wished to follow.

Each community was given approximately 150 Euros as "seed money" for preparing their presentations. All communities submitted posters, three communities held a PowerPoint presentation, and one community staged a theatrical performance. A total of 1,000 people took part in the contest and all age groups were represented.

The jury was made up of members of the Regional Working Group, staff of the Syunik Governorate, school representatives, donors and of NGOs. Jury members were not allowed to rate the contributions of their own villages.



Figure 3. Contest Poster from Shikahogh Village

The contest was won by Shikahogh – a community of under 200 individuals. While the other communities prepared presentations, school classes from Shikahogh stood out as they developed a two-scene drama play.

Their piece reflected on the differences in village life during the Soviet Union and the present, depicting

Context:

This first FPA pilot activity set out to test the FPA methodology, previously used in Latin America, in communities adjacent to the Shikahogh State Reserve (Shikahogh SR) in South Armenia. The Shikahogh SR has high value biodiversity and was selected for a future KfW funded SPPA programme. There were conflicts between the protected area administration and the local population. The FPA was tested to see if it could help the local population to find alternative livelihood sources and thus reduce the pressure on the natural resources.

existing challenges such as unemployment and emigration. The children called for greater community cohesion and harder work as a means for achieving economic development. At the same time, they also recognised the importance of nature protection as a prerequisite for tourism. They reasoned that tourism would provide a source of revenue, making it possible to no longer fell trees for firewood.

Shikahogh village was awarded € 1,000 for their presentation and play. The Governorate, acting on its



Figure 4. Scene from the school children play

own initiative, subsequently doubled the award with another € 1,000. Shikahogh used the funds to improve their village square and the rehabilitation of a World War-II monument on the square. The square symbolised strong community cohesion for them.

The other communities were awarded prizes between € 200 to € 750 that were invested into small infrastructure upgrades in each village.

All participants deemed the contest as a positive experience. The planning contest had greatly strengthened their enthusiasm for the FPA. Initial reluctance and hostility towards the State Reserve dissipated over time. The FPA had helped them to

FPA Implementation Institutions:

The Regional Working Group (RWG) was set up at the start of the FPA pilot and was composed of representatives from local organisations. It was headed by the Head of Development of the Projects Division of Syunik Governorate; members were the President of a local Environmental NGO, the Head of the OECD Kapan Office, the local coordinator of the AARHUS Centre of Kapan and the Chief Accountant of the Shikahogh State Reserve SNCO. Members were trained in participatory socio-economic development and FPA. The RWG tasks comprised: 1) discussing and determining the schedule of planned activities, 2) appointing jury members, 3) defining criteria for contests and 4) organising media coverage. It had 4,000 Euros at its disposal for operational costs.

Village Working Groups (VWGs) were set up to manage FPA activities at village level. The VWG - composed of Village Heads and socially engaged individuals. The VWGs played an important role in announcing meeting and competitions (hanging up posters, spreading information via word-of-mouth), and mobilising people for the FPA events, such as trainings and judging events.

The regional working group met four times a year and worked in close cooperation with the Village Working Group's heads, who made sure that information on the contests was also spread via word of mouth.

One national socio-economic expert was hired as facilitator and one NGO with experience in participatory rural development and nature protection handled the logistics, finances (payment of seed money and prizes), organised trainings and communication. One experienced international FPA expert planned and coached the process.

cooperate more intensely and efficiently at community level. The planning contest forced them to think about their core values and where the communities were headed. After further FPA cycles villagers stressed that the FPA had strengthened their faith in the future and motivated them not to emigrate.

FPA Tools used:

Competition: among communities with well-defined criteria; local jury members with a clear rule that jury members could not vote for their own villages.



Figure 5. Jury of watching the presentations

Capitalisation: seed money for preparing the presentations and as motivational incentive; prize awards

Exchange and learning: not used, but participants learned from the participation experience itself

Media: the competition was announced locally, and the judging event was covered by local media.

Communication and use of media:

The RWG used different channels to spread awareness about the contest. Information about the contest was published on the website of the Syunik Governorate, in local media (the local newspaper) and on two regional tv channels. Furthermore, announcements were hung up in every village at places where people tended to congregate such as shops, the bus stop, the municipal building, and hair dressing salons. In this way all communities knew about the upcoming contests and could participate.

Final items:

One objective of this competition was also to select three communities for the next FPA pilot activities (to test FPA at a small scale); the 4th and 5th ranking villages were disappointed that they missed the next FPA activities. The FPA experience in the first year was very good and therefore these two villages were included again in the second year. The two villages had monitored the FPA activities in the first three villages closely in the first year. They participated with great enthusiasm in the second year.

FPA was thus highly innovative and activating, as these communities had previously adopted a rather passive approach to their economic development and had not acted by themselves. In addition, the relationship between the protected area administration and the local population also significantly improved thanks to the FPA.

Women's groups in Shikahogh, Armenia

Another contest between was implemented in 2012 in the Shikahogh area for women's groups (WGs) in the three winning villages of the participatory planning contest in the previous case: Shikahogh, Tsav and Srasheh.

In these villages a large proportion of local male population works abroad. Women are deemed good stewards of family resources and considered to have a heightened ability to grasp existing potentials, but they remained largely dependent on remittances from migrant workers due to limited local economic opportunities.

The key purpose of this competition for women's groups was to empower the female population and reduce their dependence on external sources of income. Incentives were given to women to form women groups and to initiate new income generating initiatives through a range of contests. A "Local Capitalisation Fund (LCF)", was used to give "seed money" to women who had organised themselves into groups. The LCF was managed by the village working groups (VWGs) and thereby ensured high local ownership.

In all, 67 women in the three villages organized themselves into nine groups. These groups received €70 for each participating woman from the LCF and were tasked with collectively setting up group rules and managing the seed money and their own contributions. All groups had to create business plans and were given a month to start their business. After a month, a contest took place between all the groups on their business plans and start-up activities, and a winning group was selected, which was awarded extra funds to further develop their activities.

The jury – which was made up of business men, representatives from the agricultural sphere and members of the local administration – awarded a women's group from Tsav with the first prize. The winning group had put forward the proposal of opening a sewing workshop and received a total of € 500. They invested the seed money and the prize money into buying a sewing machine. This proposal scored highly because it met key criteria set by the RWG such as visibility, low risk and existing local demand.

Prior to starting this business, only one woman in the village had had an old sewing machine. With the prize money, a new sewing machine and fabric were bought. This was employed to sew bed linen (covers and sheets), which could be sold at the local market. Later,



Figure 6. Women presenting their products

Increased interest and success in the 2nd cycle

In 2013 the pilot expanded and included all five villages that participated in the original participatory planning contest. In the second year another 70 women organised themselves into women groups to participate in income generating activity contests.

Criteria then included:

1. Ecological impact: what is the activity's environmental impact?
2. Community Impact: to what extent the idea contributes to the development of the community?
3. Participation: to what extent all members of the certain WG participate in the activity?
4. Creativeness to what extent is the activity creative and innovative?
5. Potential; what is the activity's potential to become a real business?
6. Market: how the market potential identifies and what are the potential product sales?
7. Finances: to what extent is the project financially viable?
8. Contribution: how much and in what form is the WG's contribution in the activity?

Winning business ideas in this second cycle included:

- Reopening of the Tsav school buffet/cafeteria;
- Flower growing and decoration business in Srasen;
- Blackberry wine production in Shikahogh;
- Wool processing in Tsav; and
- Starting a mini cannery in Tsav.

during a subsequent stage of the contest, additional prize money was utilised to expand their activities and start selling these items in Kapan (a city situated 40 km from their village). Once they had sold more products, they could afford to buy another sewing machine and more fabric. The revenues from the extra sales was used to expand their business even more.

In 2013, the sewing group affirmed that it was functioning without additional financial means. Within one year, the group had managed to double the value of the amount that was initially invested.

During the formation stage of the group the women had been anxious as to how they would work together. However, it turned out that they got along very well, and that with the soft approach of a few informal leaders, deliberations and ensuing joint decision-making went smoothly. Participants noted that leadership processes were coming to life and new leadership skills emerged that they had not been aware of. They felt confident about their own technical and social skills and looked towards the future with positivity. The contest therefore equipped the women with the necessary confidence and skills to continue

their business endeavours on their own, and to be proactive about changing their living conditions.

When the pilot came to an end, the women groups wanted to expand even further and asked the project whether they could receive training assistance to deal with issues of financing, the paying of taxes and legal registration. These results show that the objectives to empower women and to decrease their dependence on external sources of income were achieved.

Besides having had an impact on their women's economic wellbeing and their own self-confidence, the FPA has reduced the pressure on the protected area as families diversified their livelihoods and increased their income, and there was less need for felling trees illegally or poaching in the nearby protected area. The entire relationship with the Shikahogh SR has changed as the local communities now see alternatives for income generation independent of the protected area's natural resources. This illustrates how economic development can be achieved in harmony with nature protection, and that the FPA is a very appropriate tool for this.

Community development priority in Ararat Region, Armenia

Context Eco-Corridor Fund and FPA:

The Eco-corridor Fund (ECF) Programme set out to secure conservation and sustainable use of biodiversity in priority ecological corridors in the South Caucasus. The ECF uses FPA to actively engage local rural communities (beneficiaries) in finding manners to improve their livelihoods, while also at the same time promoting sustainable land-use in-line with better eco-corridor functionality.

The local FPA institutions and the FPA activities for writing project proposal are exercises that develop local capacity for land use planning and collaborative management of natural resources. These capacities are conducive for preparing Conservation Agreements, their implementation and for managing the Conservation Agreement Funds. Some communities used these new skills to prepare grant applications for other programmes and empowered them to take more initiatives and control over their own development.

(See also FPA usage by ECF in §17)

Zangakatun village in the Ararat region of Armenia, is located in the target area of the Eco-Corridor Programme. The village lies close to the border with Nakhchivan Autonomous Region of Azerbaijan and on the road to Yerghnadzor. The village has a population of 1,200; the sources of income are agriculture and animal husbandry.

Three contests were organised in this village, namely, a painting, drawing and poetry contest (for children), a contest between villages and a business plan contest. In addition, the community was also given the possibility of starting a community project, which was rather innovative, with one large “prize” for investing in a community project that would benefit the community as a whole, rather than individual persons or households. The working group was asked to make three project suggestions, which would be beneficial for the entire community. The available budget was € 15.400.

Given that there was no street lighting in the village, the community proposed installing basic street lighting. This proposal was the most popular of the three since

it was feasible with the available budget and it was in everyone’s interest.

The decision to have street lighting has had a substantial impact on village life. Firstly, villagers are now free to move around the village at night without torches. Secondly, the lighting has led to a reduction of the previous human wildlife conflict, as wild animals (bears and wolves) no longer enter the village as they try to stay away from light. Thirdly, FPA has greatly strengthened community cohesion. In an interview in 2018, the head of the village stated: “This is the first time since the fall of the Soviet Union that we have achieved something as a community. The FPA had brought the community closer together”. This has also resulted in greater optimism about the future as the local community is seeing that an actual action was implemented that addressed a common need and priority.



Figure 7. New streetlights in Zangakatun village

This contest funded community projects in all participating villages and thus was a contest without “winners take it all” and losers. Nevertheless, it had the intended effect of stimulating awareness on common issues in the villages, cognitive learning on jointly planning and implementing community projects, and community cohesion.

Business plan contest in Brnakot (Sisian) in Southern Armenia

The high mountain village of Brnakot, in Sisian Region in Southern Armenia, is inside the target area of the Eco Corridor Programme (ECF) in Armenia. The village hosts approximately 2,500 people who largely earn their living with agriculture and animal husbandry. In 2016 ECF organised a business plan competition that illustrates how FPA promotes innovation and serves the development of entire communities without harming the environment.

The villagers were invited to submit business proposals, which were later evaluated by the jury in Sisian. The jury was made up of a representative from the local governorate, civil society, a journalist, the head of the village and the regional chapter of World Vision. The whole FPA cycle was overseen by the RWG, which was composed of the governor of the Marz (Regional Administration), the OSCE, two representatives from civil society organisations and a journalist. Prior to the start of the contest, they defined a range of criteria, which the jury should use to select the winner; these were: “How feasible is the proposal?”, “Will it be sustainable?”, “Is there an in-kind contribution?”, “What will happen if there is force majeure?”, “Will it create jobs for others?”, “How will the business impact the social development of the family?”, and finally, “Does the business harm the environment?”. In total, the jury received 21 proposals. After having applied the above-mentioned criteria, the jury awarded 5 contestants with prizes of 1,000 Euros each.

One winner was a local economist who had a background in agriculture. He proposed the building of a greenhouse, which would permit him to grow tomatoes and cucumbers in the winter. As the winters in the village are long and harsh, this proposal offered the prospect of cultivating vegetables during the colder times of the year. In his proposal, he noted that both his family and the local community would benefit from this. This stems from the fact that vegetables cultivated in greenhouses ripen faster and can therefore be sold on the market earlier and at higher prices. The greenhouse would also ensure sufficient production to cover the consumption of his own family and part of the village demand as well.

In his proposal, he also committed to making the undertaking environmental-friendly, by ensuring that his produce was organic (using manure and no chemical fertilisers). During the contest, the jury reasoned that this proposal should win as it was highly innovative given that it relied on the heating up of the greenhouse using biomass (manure). As the winner

did not require firewood for heating, the pressure on the local forest could be reduced in this fashion.

While the prize money was sufficient for an initial investment, the winner also invested his own funds (in-kind contribution). It is interesting to note that he had had the idea of building a greenhouse for a long time but lacked the necessary funds to get started. FPA really kickstarted the process and motivated him to take the risk of investing in his business idea.

Communication and media use

To ensure that all inhabitants would be aware of the upcoming contests, all announcements were put up in places frequented by the local community such as schools, the bus stop, and the local medical centre.

After the contest, the local media were also involved: the Sosi TV channel came and interviewed the winners. This was very exciting for the local community and helped spread awareness about FPA at the regional level.

Moreover, the greenhouse stirred up a lot of interest locally and other villagers started replicating his idea. Now, two years after the contest, there are several villagers selling organic, greenhouse-grown, vegetables in the village. His endeavour has therefore had a ripple effect on the community at large, allowing a greater number of people to benefit from the initial business contest.



Figure 8. Greenhouse tunnel in Brnakot



Figure 9. Vegetables in the greenhouse tunnel

Business Contest in Artavan village, Vayots Dzor Region, Armenia

The ability for FPA to foster economic development in harmony with nature protection is illustrated through the 2016 FPA activities conducted in the village of Artavan by the Eco-Corridor Programme.

Artavan is a typical Armenian village with 200 residents and an economy mainly based on agriculture, it boasts large potential both in terms of eco-tourism and biodiversity conservation. The FPA contests sought to utilise this potential by engaging the local community and awakening their interest in their surroundings.

The residents of the village of Artavan participated first in priming activities, followed by main stage FPA activities. A priming contest was organised in the form of a contest between families. Participants were asked to reflect on means of improving their livelihoods. In total, 23 families took part, and 7 winners were chosen by the jury, which was composed of representatives from the nature protection sector, NGOs, a local development centre and a local school.

While there was a range of interesting ideas, the first prize went to a widowed lady with four children who presented her idea of opening a B&B in her house. During the contest, she explained that she had sufficient space for a Bed & Breakfast (B&B) at home as three of her children had moved out, but that the bathroom of the house was not in a state that would be acceptable to guests. She pledged to use the prize money to improve her bathroom. These arguments convinced the jury, and she was awarded 280 Euros.

Subsequently, a business contest was organised for the seven villages taking part in FPA in the area. In total, five proposals were submitted. Again, the same lady won the first prize with her B&B idea. She was awarded 1,000 Euros, which she used to finalise the works on her bathroom.

After the works were completed, she started receiving guests. Since opening her guesthouse, she has hosted guests from all over the world and has earned 2,000 Dollars. This has resulted in a diversification of her livelihood and a great improvement in the economic situation of her family.

She now has the possibility of offering food and accommodation, and cooking meals with ecological products produced on her farm. In addition, the community at large has benefitted from her business as her neighbour now offers horseback riding services to tourists and another community member drives

FPA Tool 3: Exchange and learning

The facilitator organised a study tour from Vayots Dzor region to Syunik region-Shikahogh reserve and from Vayots Dzor region to Ararat region-Khosrov Forest State Reserve for VWG members, Local Government's representatives from 2 Program clusters: Vayk and Yeghegnadzor. In total, there were 80 participants.

Secondly the facilitator organised ECOCAMPS on ecological and civic education for VWG members, Local Government's representatives from 4 Program clusters: Vedi, Sisian, Vayk, Yeghegnadzor. In total, 60 participants took part. This created enhanced awareness about the region, the environment and motivation for implementation the planned eco-corridors.



Figure 10. Bedroom in Bread & Breakfast

tourists to a nearby lake at a small charge. These new sources of income have pushed villagers to put off emigration and have helped them to see a future in their village.

During an interview conducted in 2018, the owner of the B&B told that for a long time she had had the idea of setting up a B&B, but that she lacked the courage. Without the support of FPA, she would not have taken the risk, but the FPA prize money allowed her to realise her own idea. This shows that people often have sound ideas how to improve their own livelihood, but that they need some initial support. Now that the business is going well, the owner of the B&B is interested in gaining greater management and accounting skills. In addition, she has started learning English.

Other benefits to the community are the horseback riding services and transport services run by other villagers for the B&B guests, and another B&B opened up nearby.

In 2017, an eco-tourism festival was organised in the village by WWF and the Young Biologists Association

of Armenia. This further stimulated interest in eco-tourism. The community at large is now thinking collectively about what other potentials it can tap into. Some of the planned steps include the setting up of signposts in the village and the organisation of English classes. This will make the village more attractive to tourists.

On top of promoting economic development, the FPA was a confidence building instrument. While the villagers were initially hesitant and did not have confidence in the FPA process, greater faith in the process and in their ability to change their community was noted after the first round of the contest. Moreover, their general attitude to nature protection also changed substantially. During the interview, the owner of the B&B stressed that “I stop people from shooting animals because I know that poaching will stop tourists from coming”. The FPA thus achieved its objective of combining economic development with nature protection with the help of the local community.

FPA Tool 4: Media

The facilitator employed social media in the form of VAYKINFOTUN (info-house) on Facebook to spread information and to create more awareness.

The achievements were:

1. About 25 Articles about Project activities (trainings, award ceremonies, eco-camping);
2. More than 1,000 followers in local people and diaspora from Vayk region.
3. A few hundred likes and shares.



Business Contest in Vayots Dzor, Armenia

Vayots Dzor Region of Armenia is famous for its historical sites and outstanding nature. It is located in the target area of the Eco Corridor Fund Project (ECF). In October 2016, a business contest was organised in seven communities in the region (Aghavnadzor, Chiva, Hors, Rind, Shatin, Taratoumb and Yelpin) to trigger greater economic dynamism in the villages surrounding the provincial capital, Yeghegnadzor.

Information about the contests was published in the local newspaper as there is no local TV channel. In addition, local communities were informed about upcoming events via word of mouth with the help of the Village Working Groups. The Regional Working Group, which was comprised of the Deputy Governor, NGO members and the heads of 7 communities (a total of 11 people), elected the jury, decided the criteria of the contest and the prizes to be given.

The jury worked with ease, as good criteria had been defined by the RWG. The jury worked unbiased, as it did not know the names of the people it was voting for. At the same time, outsiders did not know who would sit on the jury prior to the contest date. This meant that the jury could not be influenced in any way. To avoid resentments on the prize awards, the jury explained how the winner had met the criteria and how he was selected.

From all 7 communities, 50 proposals were submitted. The jury selected 5 winners who received each 1,000 USD, based on the following criteria:

1. A well-structured business plan;
2. Reflection of the relationship between humans and nature;
3. Job creation potential;
4. An in-kind contribution;
5. A realistic budget;
6. The existence of a market for the product; and finally,
7. The sustainability of the business idea.

In the village of Taratoumd, a young lady won a prize for her poultry business proposal. She was employed as an Armenian teacher at the time of the contest and wanted to supplement her income by selling eggs. With the prize money, she bought over 100 hens and opened her business. The prize money was almost sufficient to cover all her expenses (feed, vet visits, transportation, purchasing of hens). Unfortunately, she faced several challenges such as being supplied with sick hens and having some hens poisoned.

FPA Tool 3: Learning and exchange

The Regional and Village Working Group members had the opportunity of attending an eco-camp, which helped them learn more about eco-tourism and FPA implementation. In addition, they took part in an exchange visit with participants from other regions and had the opportunity of sharing lessons learnt, including local business development.

Nevertheless, she had managed to earn about 500 Euros six months after she started her business. She now sells her eggs on the local market – she is the only person who produces eggs locally. Moreover, as she got married shortly after the contest, she was also able to bring some chickens to her husband's village and sell eggs there. If her hens had not been sick, she would have produced 3,000 eggs per month, which would have provided substantial more income since eggs can be sold at 50 or 60 Dram each (about € 0.10).

Despite the challenges related to the health of the hens, the lady continues to implement her business idea with great love and is very optimistic about the future. At the beginning, she relied on advice from her



Figure 11. The chickens which were purchased

parents on how to handle chickens and implement her business, but now she is already advising others on proposal writing and business plans for similar businesses. Her own business has taught her much about bookkeeping and farming, skills that will stay with her for life and equally benefit her community. For example, she has helped other community members write business plans and apply for funds from Armenian donors.

The jury members also benefitted from the judging experience. A local hotel employee, who sat on the jury, stressed that “this was an excellent opportunity for me to get to know the eco-tourism potential of the villages and it has also strengthened the ties with

remote communities and the regional capital”. The head of the jury, who is employed as the Head of the Department of Development Projects and Eco-Tourism at the local municipality, recalled that it was especially interesting to see how the FPA indirectly consolidated relations between the government and the non-governmental sector. In addition, he added that the FPA had made it easier for the government to understand the conditions on the ground and the needs of the people. This case is as an excellent example of how entire communities, the private sector and government structures can be constructively involved in FPA-triggered local development.

Festive FPA events

FPA origin and original name

FPA originated from South America, where it is known under different names. One common name is "Raymi", which means "festival" in Quechua language¹. In Latin America FPA gatherings are often festive village gatherings, where competitions are judged, prizes are awarded, and people celebrate the winners and the new development opportunities. This was explained during the practitioner training and they were encouraged to apply this, in an appropriate manner during FPA implementation.

¹ *Quechua: indigenous language of Peruvian Andes area.*

In the Urtsadzor cluster of ECF, near to Khosrov Forest SR, an essay competition for youths on the theme of environment and local life had been organised. The Regional Working Group and the FPA facilitator organised a prize awarding event with an entertaining highlight in the local theatre in April 2016. About 200 villagers attended. Before the prizes were awarded, school children performed a play of an adapted Armenian Folk tale about "the Fox that lost its tail". The story was as follows:

A fox was hungry and tried to steal food. He was caught in the act by a lady from the village and she took his tail. The fox was very sad that he lost his tail, which was his pride and personality, and he asked to get his tail back. The lady told him that the village had a problem, because the water was dirty, and the surroundings were polluted with litter. She told the fox that he could earn his tail back if he would clean up the environment.

The fox was desperate to get his tail back and he started cleaning the environment. The other animals in



Figure 14. Audience in Urtsadzor

the forest normally were annoyed by the fox, but now they liked what the fox was doing. They started helping in the cleaning up, which made the work easy and fast. Soon the environment and water were cleaned up and all were happy.



Figure 12. Children's play: the fox gets its tail back

The lady was so happy with the clean surroundings and water that the fox got his tail back, and even food. All were happy because now they also had a clean environment and clean water. All had learned that by working together the environment can be kept clean in an easy manner, giving joy to all.

The audience loved the play; the children were given sweets and the teacher a flower bouquet. Villagers had helped to make the costumes and the story itself had a clear awareness raising message on keeping the environment clean.



Figure 13. Prize award in Urtsadzor

Afterwards the audience was also enthusiastic about the prizes that were awarded. This event contributed to create a good and festive atmosphere, cohesion in the village, and more awareness on keeping the environment clean.

In that same month, the ECF Georgia had organised an FPA competition among locals on best stories of wildlife encounters, to gain insight in the human-wildlife conflict in the corridor area. The RWG in Adigeni Area in Georgia organised the judging event for these stories with cultural entertainment in the programming.

The contestants recited their stories in front of an audience and a local jury. In-between story recitals local children were singing songs. On a side in the same hall local producers displayed and promoted their own products. This made the event livelier and more festive. It gave a more variable experience and captivated the audience.



Figure 15. Prize award in Adigeni



Figure 16. Children singing in Adigeni



Figure 17. Local products on display in Adigeni

Priming Phase - Story Telling Contest in Sheki Region, Azerbaijan

Sheki Region is located in the Shahdagh - Illisu corridor in the Greater Caucasus, which is part of the ECF target corridor area in Azerbaijan. When the FPA was started, a "story telling contest" was conducted in 2016 as a priming activity in the villages Bash Keldek, Bash Kunduk and Oraban, in the Sheki Region.

The theme of the competition, selected by the RWG, focused on the relationship between humans and nature. Villagers were asked to write short stories about their problems with nature as well as possible solutions, as a means of dealing with these issues; they were also tasked with considering which of the suggested activities could really be implemented in practice. There were no restrictions on the age of the participants.

In total, 81 participants signed up for the contest and 50 submitted stories. A large part of the stories that were submitted, concentrated on agriculture and cattle breeding as examples of interaction with nature. They identified poaching, illegal felling of trees and fencing as existing problems.

The jury was made up of village leaders, young specialists, municipality members and representatives from protected area administrations. They received the stories anonymously. The jury was given the following criteria for rating the stories and had to allocate points for each criterion separately:

1. The story should focus on conservation and sustainable development;
2. The story should consider the interaction between villagers and the environment;
3. The story should be based on reality;
4. It should not be submitted after the deadline; and
5. It should not be longer than two pages.

The judging went smoothly because clear criteria had been defined by the RWG, which the jury could rely on and apply. The jury composition made it easier for the communities to trust and accept the judgements on the quality of the stories and the allocation of prizes.

The story scoring the highest number of points was granted first prize. The prizes awarded had values of 150, 100 and 50 euros. The evaluations were carried out in public, so that everyone would be informed transparently of the result.

FPA Tools used:

Competition: stories contest among community members on human - nature conflicts and on possible solutions, with well-defined criteria and a local jury.

Capitalisation: prize awards for the stories with the highest ratings.

Exchange and learning:

- Trainings for communities organized on apiculture, poultry farming & sericulture;
- Regional study tour to Georgia on eco-tourism organized (Vashlovani & Signagi) for farmers, activists, youth of communities, etc.

Media:

- Cooperation with Heydar Aliyev Foundation & presentation of ECF activities during presentation of documental film "Under the Sun";
- Broadcasting of FPA events (competitions, meetings & trainings) on regional TV channels;
- Dissemination of announcements, meetings' results, activities, events & photos on FPA Azerbaijan page.

The contest was deemed a success as it opened the minds of the communities and they started understanding the value of nature and grasped that they too had ideas that mattered. The contest was highly innovative for the villagers because they were forced to think about their livelihoods and had to come up with potential solutions. This made participants more aware of environmental problems in their surroundings. In addition, the contest also changed their relationship with the protected area (PA) administration. Prior to the FPA, the communities felt that they had only faced restrictions from the PA administration. With the FPA they were given the feeling that they as a community could solve their own problems too and communicate with the PA about their concerns. This resulted in increased community empowerment and confidence in the future.



Figure 18. Posting on the Azerbaijani FPA Facebook pages

Business contest in Sheki Region, Azerbaijan

After the priming activities in Sheki area (see § 11), a business contest was organised between the following eight villages: Bash Keldek, Bash Kungut, Oraban, Verezet, Bash Layski, Bash Shabalid, Shin, Bash Goynuk. The communities competed for one large prize for the best entry. The competition consisted of two stages.

The first stage competition was at community-level on ecological problems and sustainable socio-economic development. Participants were tasked to look for alternative sources of income. Subsequently, an intercommunity competition was held in which detailed business plans had to be submitted. Participants were given 5,000 Manats (about € 2,600) to prepare their proposals.

The first place of the business contest was awarded to the Bash Keldek Community – a community of under 800 individuals. The community members proposed the establishment of a community orchard consisting of 340 walnut trees. In the proposal, the community members explained that the trees would be planted on 4 ha of severely eroded slope, which had been deforested for fuelwood by locals. Soil erosion had resulted in mud avalanches during the rainy season, causing large damage to roads, houses, and gardens. It was proposed that those families who were generating their income from hunting and the illegal felling of trees, would be involved in the management of the orchard, and work on the planting, and making the watering system. Ultimately, they would get revenue from the orchard, but also 30% of the proceeds of the orchard would go to community services to facilitate local development and community cohesion. This proposal was granted first place due to the clear positive environmental, social, and economic impact it would have on the community.



Figure 19. The orchard plantation



Figure 20. Watering system for the orchard

Three-stage business contest in Salyan District, Azerbaijan

Shirvan National Park in the Salyan district had frequent problems with trespassers from four adjacent communities. Villagers entered the park for grazing their livestock or even went poaching. The Ministry of Ecology and Natural resources asked TJS to conduct FPA activities to ease the tensions.



Figure 21. Gazelles at Shirvan National Park

In 2017 an FPA cycle was started with priming contests for storytelling and a drawing contest for school children. In a later cycle **a three-stage contest for business plans** was launched to stimulate people to find alternative sources of income, next to livestock or illegal use of NP resources. All communities partook in this competition in which only one winner was awarded a prize.

The jury was nominated by the Regional Working Group (RWG) from the communities and used the following specific criteria: the business ideas should:

1. Be ecologically friendly and be related to the adjacent national park;
2. Be realistic and implementable;
3. Not require big investments;
4. Contribute to the protection of the environment in the communities

During the first stage business ideas were collected from community members. About 55 persons participated and the ten best ideas were awarded prizes of 500 Manats (about € 260) each for the top seven winners and another three receiving each 200 Manats (about € 105).

The business ideas were numbered, and jury members did not know whose ideas they were judging to ensure fair judging and selection of the best ideas.

The seven highest ranking ideas were on olive tree cultivation, rural tourism, and tree nurseries, as these

adhered best to the criteria and would be useful for all communities. Subsequently the participants were given training on the business plan preparation and technical trainings in olive tree cultivation, rural tourism, and tree nurseries.

In the second competition stage extra criteria were added that proposals should promote sustainable development and be economically viable. The jury assessed the seven proposals and selected the three best proposals.

In the third round the contestants had to prepare implementation plans for the three selected business plans. An additional criterion was added: the implementation should directly or indirectly improve the ecological situation of the community. The final winner was a proposal for an olive tree garden. The winner received 3,000 Manats (about € 1,560) and used these funds to purchase trees and to construct a watering system. The trees are now growing well, and the watering system is working. The olive garden will generate income for the owner and at the same time, the communities will benefit as they will have low-cost olives available nearby. Other farmers are also planning on planting olive trees after having benefited from the training provided by the FPA.



Figure 22. Olive tree plantation in Salyan

The FPA activities had strengthened contacts between the National Park and the local communities. The FPA contributed to trust building, apart from stimulating self-initiatives for local economic development in harmony with nature protection. The local population was happy with the result as they could all benefit from the business idea. The National Park reported fewer trespassing problems.

FPA Implementation Structure and communication

The RWG was composed of individuals who had been selected by the communities themselves and thus enjoyed their esteem. In the end, the RWG was composed of the head of the municipality, two employees from the national park, local activists, local farmers, the head of the local water supply entity, the head of the local gas supply entity, and school teachers. A budget of € 1,250 had been set aside for RWG activities, such as meetings, local transport, and announcements. The RWG played an important role in this contest, they decided the theme of the contest and met every week during competitions. They made sure that the communities were aware of the contest by hanging up announcements (with the date, the location, and the criteria for each stage) in schools, government buildings, streets, and in stores.

After one year of FPA activities the trust between the communities and the NP had increased and tensions had reduced.



Figure 23. Regional Working Group meeting in Salyan

Women Groups in communities next to Ag Göl NP in Azerbaijan



Figure 24. Water birds in Ag Göl National Park

Context:

The landscape of the Ag Göl National Park (NP) in Azerbaijan is characterised by lakes, marshes, and steppes. It is a habitat for over 300 bird species, but also for gazelles and for other mammals. Around the NP are villages with farmers living from crops and livestock. North of the NP are 10 scattered settlements, so-called *obalar*, with internally displaced persons, living from crops and livestock. They often trespass with the animals in the NP for grazing. Also, livestock owners from villages southeast of the NP enter with their animals. Apart from illegal grazing also a few persons enter for hunting (mainly water fowls). Hunting is prohibited in the NP.

Due to increasing tensions between the communities and the NPs the Ministry of Ecology and Natural Resources asked TJS to conduct FPA in the concerned communities to create a better relation between the NP and the communities. The focus was on conducting FPA in the ten settlements north of the NP.

At the start of the FPA a Rapid Rural Appraisal was conducted and main themes for FPA activities were identified. Then a Regional Working Group (RWG) was established and brought to Sheki area for an exchange visit to learn about experiences there with FPA. After that priming activities were conducted and main FPA competitions were started.

In the hamlets north of the NP were very few economic opportunities for women. Therefore, the ladies of the participating area were encouraged to form women's groups and submit proposals to increase their family income. The contest consisted of two stages. For the

first stage, the women's groups were created. The second stage involved preparing business plans. The business plans had to look at how to improve the situation of the community while considering environmental factors. 3,000 Manats (approximately € 1,500) were made available to each group as well as training in business planning. The judging criteria for the business plans were the following:

1. Be environmentally friendly and contribute to the development of the income of the entire community
2. Be realistic and detailed
3. Contain an in-kind contribution from the community

In total, about 50 women took part, forming six women's groups of 7-8 women per group. The jury – which was composed of men and women from other settlements - selected a total of three winning women's groups from all hamlets. The first prize was 3,000 Manat (approximately € 1,500) and it was given to a group who proposed to start incubating chicks and poultry keeping. This was an out-of-the-box proposal as it allowed the group's members to hatch their own chicks and to sell their eggs from the hens, thereby increasing their income.



Figure 25. The chick incubator

This proposal has brought direct income to the community as everyone can use the incubator to hatch chicks. Moreover, the ladies sell the chicks at a lower price than those sold at the market, which means that the community at large benefits from the business because they can now buy chicks at a lower price. Having more eggs available and alternative income resources will reduce the human pressure on the protected area and is also likely to reduce trespassing in the NP and illegal activities. The active participation of NP staff in the RWG and in the FPA activities made that the NP was no longer seen as a restricting institution, but also as an entity that supports the communities. It has improved the relationship with the

authorities as these communities no longer feel forgotten and excluded from local resources.

The announcements were hung up on buildings and in schools by the RWG. The RWG was made up of well-educated and well-known individuals who are also respected at community level (seven members representing the National Park, local authorities, municipality, school, and a community-based organization). As the RWG included the director of the biggest school and an informal leader of the *obalar*, it was relatively easy to spread awareness about the contests. Moreover, the local media was involved. Both the local newsletter “Novator” and the regional TV channel reported on the contest.



Figure 26. Sheep grazing near to Ag Göl NP

Business contest in Kazbegi Region, Georgia

Context:

Stepantsminda (former name Kazbegi) is a small town in the Mtskheta-Mtianeti region in Georgia. The Georgian Military Highway passes through the area to the Russian border. Communities have strong oral traditions about the way they manage their lives, villages, and towns. The relationship between the Agency of Protected Areas of Georgia (APA), which manages the Kazbegi National Park (NP), and the local communities was considered tense. The TJS FPA pilots in 2013 helped to build better trust between the communities and the National Park. The SPPA-Georgia Programme started in 2014 to improve the management of the Kazbegi NP. Because community land had been included in the support zone of the Kazbegi NP fears re-rose that new restrictive grazing and hunting regulations would rein in their historic access to natural resources. The SPPA-Georgia used the FPA for its second objective to improve the socio-economic situation of rural communities adjacent to the Kazbegi NP.

SPPA-Georgia Programme organised in 2015 a business contest in the Kazbegi municipality for residents from five communities, composed of approximately five to six villages each. They were invited to participate in a business planning contest in two stages.

The contest aimed for multiple goals, as it wanted to:

- encourage the local communities to think about how they could ignite economic development and enhance own income, without harming nature; and
- enhance local appreciation for nature protection and protected areas.

An implicit goal of the FPA was also to improve the relationship with the Kazbegi NP and the Agency of Protected Areas (APA).

In a region characterised by harsh climatic conditions (heavy snowfall), geographic hurdles (mountains) and limited road connections to several villages, home-grown, tailor-made business proposals were deemed the most effective way of dealing with local development challenges. The proximity to the Georgian Military Highway to Russia, with much traffic, and the Kazbegi NP, visited by many tourists, offered business opportunities that could be tapped into.

The contest was conducted in two stages. During the first stage, participants were asked to present their

business ideas. The fifty best ideas entered in a second stage contest, where the ideas were developed into business plans. Contestants and the general public were invited to attend the two judging events. It was the role of the jury – which was made up of community representatives, the national park administration, and the local government - to examine the plans and to allocate scores. To receive high scores, plans had to be environmentally friendly, innovative, feasible, realistic, sustainable, free from religious or political issues, practical, easy to implement and include meaningful own contributions. The results were announced during the contest in the local community building and later also via social media.

In total, 256 business ideas were submitted from the 5 communities in the first round. Fifty ideas selected for the second round, from which 42 were developed into business plans. In this second round fifteen were awarded a prize. While there were many interesting plans, a plan from Almasiani – a small village on 1,970 m elevation, located along the Georgian Military Highway - was awarded second prize, with a grant of 8,000 GEL (about € 3,200). It was an outstanding business plan from two ladies to open a bakery. They used the prize money to purchase bread-baking ovens. In addition, they used their own funds to buy the necessary ingredients for baking the bread, cakes, and pastry. Their main target market were truck drivers

FPA Institutions

The Regional Advisory Council Kazbegi (RAC) played the role of the Regional Working Group but also in other participatory processes of the SPPA programme, related to the NP development. The RAC was composed of representatives from the regional and local government, communities / villages, local church, border police, schools, and NGOs.

Tasks related to NP development included participation in the development of the NP management plan, expansion of NP area, NP border demarcation, review different strategies and plans, etc.

Their role in the FPA process was reviewing and approving the FPA annual programme (including activities and budgeting), distributing information on contests in communities, nominating juries and participation as jury members, or observers during contests (in some cases).

passing the highway and locals. The local community also profited from having fresh bread available during all four seasons, because previously there had been no bakery in the village. This new business sold bread and other bakery products to the local villages and to shepherds, monks, soldiers, and lorry drivers passing along the road. This ensured the ladies a steady income throughout the year and they could stay in their village.

Media involvement was actively ensured throughout the cycle and considered a great source of pride. Not only were the contests advertised on Facebook and in the local newspaper. Representatives of the local council visited each community and distributed information about the contests. The Kazbegi NP Friends Association hung up announcements to make sure everyone would be aware of the upcoming contest. As Facebook is not widely used in these communities, word of mouth was considered the most effective means of communication.

The bakery has been so successful that the owners now opened a small shop, contributing further to their economic wellbeing. The experience allowed them to develop their business skills and empowered them to gain better control over their own development. This success sets a good example for other community members to think about their needs and opportunities, and that sound own businesses ideas can be successful. The Kazbegi National Park management was an active partner in the FPA process, as member of the RWG/RAC (Regional Advisory Council), as well as active involvement in communication and in the FPA events. This constructive participation improved the image of the National Park management and beneficiaries started understanding the benefits of nature protection. It can thus be stated that both the local population and the Protected Area benefitted from the FPA.



Figure 27. Almasiani Bakery



Figure 28. New oven in Almasiani Bakery

Contest between communities in Algeti, Georgia

The Algeti National Park (NP) is about 60 km West of Tbilisi. It is a mountainous landscape with forests, Algeti river valley and ridges. The settlements in the area are Manglisi township and nine small villages adjacent to the National Park. For these villages, subsistence agriculture is the main source of livelihoods and infrastructure remains poor. Algeti NP was part of the SPPA-Georgia Programme, that invested in NPs and in socio-economic development in communities adjacent to the NPs; for the latter FPA was applied.



Figure 29. Algeti National Park landscape

For forming the Regional Advisory Council (RAC) villagers were asked to consider local leaders, farmers and representatives from the communities and authorities who they trusted. As the villages were very small there was no necessity for village Working Groups (VWGs). In terms of media involvement, information was published on the Facebook page of Algeti Friends Association and some articles were printed in the local newspaper.

After the first FPA cycle, it became clear that the livelihood conditions and the needs of village populations and of the township were very different and it was decided to organise separate FPA contests for these distinct target groups.

To address the challenges of subsistence agriculture and poor infrastructure, a social contest between villages was organised in 2015 for which, each village was requested to discuss its social needs and to present their main problems and possible solutions. The total population of the villages was 168 people in 57 households.

The jury was made up of 4 people: a representative of the national park, a representative of the governor, a representative of the local mayor and a representative of another national park friends' association.

The contest criteria were as follows: sustainability, number of beneficiaries, how well the project (solution) was presented and prepared, innovativeness, own (community) contribution, involvement of local population and environmental impact. The participants were given a form to help them structure their ideas in line with those criteria. This also made it easier for the jury to systematically judge for each criterion and to make their decision more transparent.

The contest judging took place in the house of a local resident and was attended by 30 people.

Five villages out of nine were then selected and awarded with prizes. The first prize (10,000 Lari; approximately € 3,850) was awarded to the village of Napilnari, which proposed the repair of the roofs of the village's 14 houses.

The reason for the poor state of the roofs was that people could collect firewood from National Park territory, but tree cutting for timber, such as for roof construction or repairs was not allowed. The place to get such roofing timber was very far. Therefore, the Napilnari village used the prize money to pay for the transportation of roofing material and used their own labour to fix their own roofs. This greatly united the villagers as they met their goal together and experienced tangible benefits. Such cooperation was new for them as they had not transported and renovated roofs together before. This active involvement also resulted in very high ownership and pride that the community could bring about positive change for themselves through good cooperation.

When the FPA activities were started the community had been very suspicious and did not know what the future would bring. The facilitator noticed that the involvement of the communities increased over time as they became familiar with the activities. They have become more confident and have learnt how to present their problems and find solutions. Their attitude towards FPA and towards the project have improved much.

The FPA fostered cooperation and trust between the communities and the National Park. Moreover, in 2017 adjacent villages asked the NP to include 1,000 ha of local pastures into the NP territory, because they think that the NP will be better able to protect the pastures than they can do themselves.



Figure 30. House with renovated roof in Napilnari village

Contest between communities in Adigeni, Georgia

The target area of the Eco-Corridor Programme (ECF) in Georgia was the Western Lesser Caucasus Corridor, following the Meskheti Mountain Range that connects important conservation areas in Georgia and Turkey. It is a landscape of mountain forests, alpine meadows and a dense network of rivers and streams with high biological diversity. The livelihoods of the small communities in the landscape are based on agriculture and animal husbandry, with little other economic opportunities. The ECF used the FPA to engage with the communities to develop and implement conservation agreements for sustainable use of the corridor habitats.

FPA usage by the Eco-Corridor Programme (ECF)

The Financial Participatory Approach (FPA) was initiated in each eco-corridor to establish relationship and support collective learning within local communities using important habitats. FPA is a participatory process that uses financial incentives for planning and taking actions by communities themselves.

The FPA process aims to:

- empower local communities to become decision makers and stewards of their natural resources;
- develop conservation measures and build the capacity to implement them based on existing knowledge in the community;
- foster a positive, trust-based relationship between the ECF and community members;
- identify which communities are ready - from district-level to community-level - to enter into Conservation Agreements.

The FPA was also seen as a means of fostering local economic development. In 2016 the ECF organised a contest between communities in the Adigeni municipality in Southern Georgia. The contest focused on nature conservation and targeted groups of villages (Kikibo, Dertseli; Mokhe, Tsikhisubani, Naminauri and Gortubani, Zedubani, Apieti). Village Working Groups were tasked with preparing concept notes on how local livelihoods could be improved in harmony with nature protection. They were given 2 weeks to complete the proposals after having received training on proposal writing. Approximately 1300 individuals were involved in the contest in some form.

All proposals concerned the conservation of habitats of selected species and the improvement of livelihoods.

Each group of villages received 8,000 GEL (appr. € 3,300) for their proposal. One interesting proposal was a plan for sustainable land use and grazing management in an abandoned area by constructing a water reservoir for watering livestock there. At the time of submission, the land, which was proposed for the endeavour, was lying fallow, and was covered with weeds and grasses, with no water to be found nearby. The proposed reservoir was to make it possible for villagers to take their animals to the fallow land to graze. This would reduce uncontrolled forest grazing and prevent key species from being disturbed in the forest by cattle. After receiving the prize money, the villagers went ahead and built the reservoir.

The whole FPA process was managed by the Municipal Working Group, which was made up of a land use expert, several locals from other villages, the municipality and NGO representatives. They met before and after each competition to plan the event and look at the lessons learnt. The main criteria for selecting Municipal Working Group members were as follows: knowledge of the local context, being a local and having knowledge of nature conservation. At the same time, an age and gender balance was also considered.

Media and publicity

Information about the competition was made public by local media representatives, and social media networks were also used. The municipality and local governors were equally very active in spreading the information.

The jury was selected by the Municipal Working Group members; participants of contests were also invited to comment on the jury composition to ensure full acceptance; once agreed the jury's decisions could not be questioned. Each jury member had a special sheet with the specific criteria provided by the Municipal Working Group. The criteria were:

- Is the idea in harmony with nature and does it foster nature conservation?
- Does the proposal help to improve the living conditions of the village/community?
- How many beneficiaries are there?

Jury members filled the forms individually for unbiased judgement of each proposal. After that, the scores were added to decide which proposal had the highest ratings and would win.

Through this FPA contest, cooperation between villages was promoted. At the same time, the communities also learnt how to generate and formulate local development projects and to manage budgets jointly. In addition, it increased their awareness for their own environment and the benefits of nature protection, which will greatly help with the planned conservation agreements in the area. Submitting successful ideas and proposals augmented their confidence in their own skills and made them believe in the future. Some of the proposals were co-financed from own means, which demonstrates local ownership and commitment to the proposed ideas.

Community contest in Martvili, Georgia

Context:

Gochkadlisi Canyon in Martvili Municipality is a very attractive karst canyon where local villages had started a lucrative business with rubber boats. This was very welcome in an area with declining economy, high unemployment, and out-migrating residents. The boating services and waste disposal were uncontrolled.

In 2014 the Canyon had been declared a Natural Monument and subsequently came under control of the Agency of Protected Areas (APA) of Georgia. APA wanted better nature protection, including cleaning the site and stop uncontrolled littering, controlling the boating services (stop illegal boating, limiting boat numbers, and introducing visitor safety measures), as well as generating revenues. Villagers feared that their livelihoods would be threatened. Some had invested substantial funds in the rubber boats, that might now result in financial losses. Therefore, they strongly opposed the control of the APA, which resulted in a tense situation. The APA therefore asked TJS to implement FPA to diffuse the tensions, to build trust and to give local people perspectives to sustainable income opportunities.



Figure 31. Gochkadlisi Canyon in Martvili

This FPA activity in the Martvili municipality in Western Georgia aimed for conflict resolution and stimulating socio-economic development, through finding and

developing alternative sources of income, and to strengthen community cohesion. Target communities were the three villages Balda, Inchkuri and Gachedili, adjacent to the Gochkadlisi Canyon, and home to approximately 6000 people.

A “contest between villages” was organised on social needs, which was supposed to help generate ideas (main phase) and solve serious collective infrastructure problems. The population was tasked with identifying the most pressing problem for the village collectively and proposing solutions. Innovative ideas were welcomed, but proposals had also to adhere to general FPA criteria such as generating overall community benefits, reaching many beneficiaries, being environmentally friendly, and including an in-kind contribution.

The RWG was composed of representatives from schools, public institutions, NGOs, villages, the Martvili Protected Area Administration, and local businesses. The RWG assisted the process by organising pre-contest meetings on the development of proposals and by defining the above-mentioned contest selection criteria. To ensure sufficient transparency, the RWG developed a manual in which the procedures for announcements, jury selection, public meetings and sources of information were described. It also stated that the jury had to understand the local context and vote independently. To this end, representatives from the Protected Area Administration, an NGO and the local municipality were selected as jury members to evaluate the ideas. All three villages could improve their socio-economic conditions, as each village would be given a prize to avoid resentments and divide, but the amount would be according to their ranking. The prizes would be 7,000 GEL (€ 2,750), 6,000 GEL (€ 2,350), and 4,000 GEL (€ 1,550).

Information about the contest was spread in schools and local NGOs went to all villages, knocking on each door. RWG members and APA representatives also took part in these information campaigns. In addition, the RWG made the information available on a noticeboard at the local market and inside the municipality building. The local newspaper announced the contest as well, and there was a post on Facebook. At the end, an article was also written about the winner, which further popularised FPA.

The village which won the second place (Balda) decided to construct modern, hygienic toilets at the local school. Previously, there had only been shared latrines for staff and all school children - these were so

dysfunctional that they were considered a serious health threat. The proposal foresaw the construction of separate toilets for boys and girls. After obtaining the price award, the plan was implemented professionally, with great enthusiasm and with help of many hands from the community.

The importance of this proposal cannot be underestimated because it greatly increased village hygiene levels. In fact, the contest made people think of their most pressing common concern, which in this case was the wellbeing of their children and of the community at large. This raised the community cohesion. It is very unlikely that external development projects would have considered the school toilets a development priority in the way the villagers did. The construction was implemented by using local labour, as their in-kind contribution. The fact that there was consent on the priority and the selected solution, along with their own construction labour, contributed strongly to the local ownership and commitment.

Business Contest in Martvili, Georgia

In a next FPA cycle in the three villagers next to the Gochkadili Canyon in Martvili Municipality (see also §18) the residents were invited to a two-stage business planning contest. During the first stage, participants were asked to present ideas for income generation. A jury evaluated these ideas and selected a total of five promising ideas per village. Each contestant was then given seed money (150 GEL, about € 60) to write a business plan and the participants were given a training on business plan writing. In the second round the business plans were evaluated. The two best business plans from each village were awarded with prize money: 3,000 GEL (about € 1,175) for the 1st ranking and 2,000 GEL (about € 785) for the 2nd prize.

Judging criteria:

The criteria for the contests were made public to ensure maximum transparency and avoid criticism of possible favouritism.

The criteria in the first step (idea) contest were 1. Innovation, 2. Being in line with local market demand, 3. Being sustainable, 4. Financial or in-kind contribution, 5. Feasibility related to available budget, 6. Environmental friendliness, 7. No religious or political issues, 8. Location, 9. Local job creation, 10. Practical application.

In the business plan contest the criteria were 1. Clarity of the proposal, 2. Sustainability of the planned business and possibility of expansion, 3. Financial calculations / viability, 4. Contribution (financial and/or in kind), 5. Feasibility of idea in accordance with proposed budget, 6. The person's experience, 7. Practical implementability, 8. Number of project users (beneficiaries), 9. Possibility of hiring additional people, 10. Environmental friendliness, and 11. Innovation.

For this contest, the jury was composed of representatives from the local protected area, the local municipality, and a local NGO (3 people).

One winning business plan was from a lady from Inchkhuri village. She proposed to grow mushrooms in her garage, which she would then sell locally. Prior to the contest, she had little experience with mushrooms, but she had noticed that mushrooms were not cultivated locally, and local restaurants had been buying mushrooms from the surrounding cities. She prepared herself well, sought expert advice and created an excellent business plan. The idea and

business plan scored high on the innovation criterion. She pledged to use the prize money to buy the necessary equipment for the growing of mushrooms and to contribute her own labour and their own garage. She started her mushroom business, started selling to local restaurants and even expanded production to sell at markets in nearby cities.



Figure 32. Farmer harvesting mushrooms

Her husband initially could not believe that she could do it, but in the end, he was very happy about her success. In this case the FPA contributed to women empowerment, and it also showed the community that there are other means of earning money apart from boating. Overall greater trust was noted towards the authorities and tensions were diffused. Furthermore, people were extremely proud of their achievements and this contest instilled greater trust in their own capacities to solve their problems themselves.

FPA Implementation Structure

The whole process was planned and supervised by the Regional Working Group composed of 12 representatives from local institutions (school directors, a representative of the local municipality, school teachers, a business sector representative, a community representative, a protected area representative and an NGO representative). They were trained on FPA principles and were taken to Kazbegi, where business ideas contests had been implemented there during the pilot phase in 2013. The exchange visit gave RWG members a better idea how FPA and business plan competitions could be implemented. Subsequently, the RWG set the criteria for the contests, defined the criteria for the jury members and based on these, selected the jury members, and elaborated the announcement paper which stated where and when pre-contest meetings would place.

Final remarks and learning points

Sound initial Rapid Rural Appraisal helped to identify key livelihood issues and causes for conflicts between nature protection and communities. Appropriate priming activities, such as story-telling contests on such topics and potential solutions make people think deeper on the topic and increase their awareness on the value of nature and on possibilities for socio-economic development in harmony with nature protection (e.g., §4, 11, and 17). With proper facilitation and incentives, such as contests on business plans that are in harmony with nature protection, will guide the communities and the people to find and implement themselves suitable and sustainable income generation activities (e.g., § 7, 8, 9, 12, 15 and 19).

Once the dialogue was started between villagers and the park administrations, a lot of common interests and concerns were identified. Pursuing common activities, such as sitting on the jury, helped forging long-lasting ties, which smoothed tensions and ensured more effective communication and cooperation (e.g., §4, 11, 13, 16, and 18).

In many cases, villagers had had ideas prior to the contest but lacked the courage to implement these. The FPA provided them with the necessary guidance and courage to embark on their proposed business endeavours (e.g., §7, and 8).

Villagers often know how to lift themselves out of poverty but frequently lack the initial starting capital to embark on these endeavours. Seed and prize money helped villagers to have sufficient funds to start their businesses (e.g., 8, and 9).

Winners were often willing to share their acquired know-how with the larger community and encouraged others to try similar endeavours. They wanted the community at large to benefit from their success and to share their insights to start the same, or similar businesses (e.g., § 7, 8, and 9).

Women's contests empower females to play an active role in local development in societies where men are still traditionally seen as the main breadwinners.

Women groups developed successful income generating activities (e.g., § 5, and 14). In addition, in contests where women were not specifically targeted, women frequently presented winning business plans, demonstrating that women have a good understanding of local opportunities and needs, and can start businesses successfully (e.g., §8, 9, 15, and 19).

Participants at all levels were proud of their involvement and contributions to local development (e.g., §6, 15, 16, and 18). They felt that the FPA enabled them to play an active role and support their communities in improving their living conditions. The FPA thereby contributed to a general feeling of community cohesion and greater optimism about the future (e.g., §4, 6, 7, 16, and 18).

Many contests were on finding manners to improve livelihoods at community level and for income generating activities for women groups and for individuals. Demand-driven training on technical aspects of main business ideas (e.g., §13) and on business planning helped participants to formulate technically sound and economically viable business plans. Providing contestants with structured forms for business plans and with points that are judging criteria will help contestants further to prepare complete proposals that are comparable and that are easier to judge. This will also contribute to more balanced and transparent judging.

These cases show that communities and individuals have a good understanding of their problems and possible solutions. Good facilitation and implementing the FPA activities stepwise that follow the interests and priorities of the people, will allow people discover their solutions by themselves. This will increase self-confidence, ownership, and sustainability. Good facilitation and avoiding the role of the expert that knows the problems and solutions had been a key topic in the FPA practitioner training. The cases show that FPA practitioners have applied this "let go" facilitation, resulting in these many and diverse success stories.





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