

Ex post evaluation – Caucasus (international)

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Sector: 41030 Biodiversity
Project: Transboundary Joint Secretariat, Phase II (TJS II) – Eco-regional programme, BMZ no. 2008 65 550*
Implementing agency: Transboundary Joint Secretariat**



Ex post evaluation report: 2018

		Project (Planned)	Project (Actual)
Investment costs (total)	EUR million	3.50	3.50
Counterpart contribution	EUR million	0.00	0.00
Funding	EUR million	3.50	3.50
of which BMZ budget funds (FC-C)	EUR million	3.50	3.50

*) Random sample 2017

**) Financed by KfW according to programme proposal with direct contribution

Summary: The module evaluated here, the financing of the second phase of the Transboundary Joint Secretariat (TJS) (end of 2010 – early 2015), is one of four pillars in the environment protection programme in the southern Caucasus. The TJS has been coordinating the measures from the other three pillars with an international approach in Georgia, Armenia and Azerbaijan since 2007: (1) Specific (individual) investments in conservation zones; (2) Caucasus Nature Fund (CNF) for financing operating costs; (3) Creation of eco-corridors between existing conservation zones. The TJS supports the environment ministries in advancing an eco-regional conservation strategy for preserving biodiversity in the southern Caucasus. Around two thirds of the funds for this project were attributed to consulting services and TJS running costs, while the other third was spent on a range of smaller activities, such as tourism promotion, promotion measures for the neighbouring population, preparation for the resettlement of extinct species in national parks.

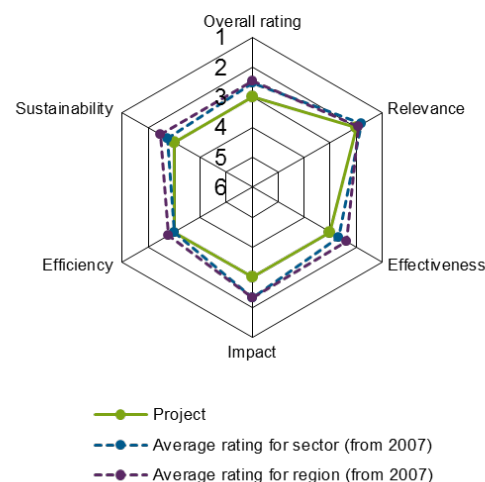
Development objectives: The overarching development objective (impact) was to contribute to the preservation of biodiversity in the southern Caucasus without reducing the incomes of poor rural households over the long term. As part of the Caucasus Initiative, a secondary objective was to support conflict resolution and crisis prevention by contributing to regional sectoral dialogue. At module level (outcome), the aim was to support the environment ministries in implementing and advancing an eco-regional conservation strategy for preserving biodiversity in the southern Caucasus.

Target group: The project's direct target group was the environment ministries, while the wider target group was the poorer rural households living in the promoted regions. Forest conservation and the preservation of biodiversity generate global benefits.

Overall rating: 3

Rationale: The TJS successfully fulfilled its role as a catalyst for intergovernmental cooperation for the protection of the forests in the southern Caucasus. Individual TJS activities, such as regular meetings with partner institutions, seminars, advanced training, studies, trade fair attendance and digital red lists of endangered species have been collectively defined by the participating partners from the start of the first phase in 2007 through to the current phase III. However, the goals concerning implementation of a standardised eco-regional conservation strategy have only been partially met due to a limited use of funds. The TJS was needed to encourage the harmonisation of national environmental policies in the sense of an eco-regional approach (at the very least) and to efficiently coordinate the FC's large number of individual measures in the three countries.

Highlights: The TJS provided impetus for updated sector policies and intergovernmental dialogue.



Rating according to DAC criteria

Overall rating: 3

General conditions and classification of the project

The three countries in the project region cover a total area of 186,000 km² (18,600,000 ha)¹, 4,328,200 ha or 23% of which was covered by forest in 2015 (Armenia: 11% of the area, 327,800 ha; Azerbaijan 14%, 1,212,400 ha; Georgia 40%, 2,788,000 ha).

The TJS project was closely coordinated with the TC programme “Preservation and sustainable use of natural resources in the southern Caucasus” and other donor-financed programmes within the focus area. It contributed to the Millennium Development Goals (MDG 7) and the Convention on Biological Diversity (CBD).

This project is not a typical FC-financed physical investment. Instead, it was a coordination measure that was deemed necessary and useful for the implementation of other FC promotion measures related to conservation in the region. In 2015 – the final year of the term for this project (TJS II) – the FC's total commitment to conservation in the three aforementioned Caucasus states amounted to 10 projects with a total volume of around EUR 44 million. The TJS was designed as a “bracket” around the FC portfolio and is referred to as an “FC complementary measure” in development cooperation terminology, though it did not accompany a specific investment but instead supported and coordinated a whole group of national and regional investment programmes. As such, two thirds of the project's total costs were attributed to consultancy costs and TJS running costs, while the other third was spent on a range of specific programme activities, such as tourism promotion, promotion measures for the neighbouring population, pilot projects, studies on the resettlement of extinct species in national parks, etc.

Relevance

In geographical and biological terms, the Caucasus and its eight different eco-regions are regarded as an important melting pot with influences from Asia, Europe and, in some areas, North Africa. As part of “The Global 200” initiative of the World Wide Fund for Nature (WWF), the forests of the Caucasus were named as one of the top 200 most important areas for global biodiversity. In the temperate climate zones, the forests are one of the regions with the highest proportion of endemic species. Against this background, biodiversity protection in the Caucasus is worthy to promote.

Various individual projects for protecting biodiversity and the forests of the southern Caucasus have been financed under the FC since the mid-1990s. The border conflict between Armenia and Azerbaijan resulted in regional cooperation problems, meaning that cross-country conservation concepts required from an ecological perspective could not be implemented. Furthermore, the conservation strategies of the three countries needed to be further developed in a harmonised manner in line with the German Federal Government's “Caucasus Initiative”. The FC for the focus area of environment in the three countries is based on a “4-pillar concept”: (1) specific (individual) investment programmes to promote conservation zones and neighbouring areas; (2) the Caucasus Nature Fund (CNF) as a trust model whose capital earnings are to be used as sustainable financing for the conservation zones' running costs; and (3) the TJS evaluated here. The fourth pillar was added later: (4) the promotion of eco-corridors between existing conservation zones. The purpose of the TJS is to coordinate the various elements of the FC promotional measures, to act as a think tank for regional biodiversity protection, and to initiate promotional measures with a regional focus. To this end, as already mentioned, the TJS running costs were also financed using the module presented here.

In view of the political tensions between Armenia and Azerbaijan and the absence of a suitable regional intergovernmental organisation in the environmental sector, the creation of a regional coordination body was a suitable approach for achieving the targets. The TJS is able to exert a direct influence on the goal of advancing harmonised environmental policies in an eco-regional sense. To achieve the overarching

¹ Including Abkhazia and South Ossetia

development objective of contributing to the preservation of biodiversity in the southern Caucasus without reducing the incomes of poor rural households over the long term, all four pillars must be implemented. Conservation projects inherently contain a conflict of objectives, balancing socio-economic development driven by the use of natural resources with the protection of the very same resources. The TJS measures therefore included the development of approaches for balancing the neighbouring population's interests and the selective implementation of pilot measures for generating income.

From today's perspective, the creation of the TJS in 2007 and its ongoing support during phase II (early 2011 – early 2015) were logical additions to the resource protection projects originally implemented at the same time in the southern Caucasus region. They were logical in that they helped to promote the projects' implementation in the three countries and also supported and harmonised the decisions required from the three governments. The TJS worked at a cross-border, national and local level. The outlined results logic for an inter-country coordination body designed to promote biodiversity preservation is still regarded as plausible and relevant when viewed in the context of the overall commitment through the four pillars.

Relevance rating: 2 (good)

Effectiveness

At outcome level (module objective), the aim of the TJS II project was to support the environment ministries in implementing and advancing an eco-regional conservation strategy as a mission statement for preserving biodiversity in the southern Caucasus. From today's perspective, this goal is still regarded as appropriate. Target achievement at outcome level is summarised as follows using the indicators defined during the project appraisal (PA):

Indicator	Status PA, Target value PA	Ex post evaluation
(1) The national sectoral policies contain concepts that are in line with international standards and are geared towards a regional mission statement for conservation.	Since no coordinated concepts were in place during the PA, the introduction of 2 concepts was specified as a target value.	This indicator is met by the two following concepts, the implementation of which was supported by TJS II: 1. Financial Participatory Approach (FPA) for income-generating measures for poorer households and 2. Eco-regional Conservation Plan (ECP), which is recognised as a regional sectoral strategy and is taken into account in national strategies.
(2) Increase in the budget available to the conservation zones' management teams compared to the appraisal	Budgets in EUR million: Armenia 2009: 1.012 Azerbaijan 2009: 1.721 Georgia 2009: 3.166 (Source: TJS Final Report, 2/2015)	Actual budgets in EUR million (nominal): Armenia 2014: 1.505 +49% (cumulative inflation for 2009–2014 approx. 30%) Azerbaijan 2014: 3.552 +106% (cumulative inflation for 2009–2014 approx. 20%) Georgia 2014: 4.090 +29% (cumulative inflation for 2009–2014 approx. 16.5%) (Source: TJS Final Report, 2/2015) The indicator has therefore been met.

The various points of contact between the TJS and other donors or relevant specialist institutions suggest that it has been successfully accepted in its role as coordinator. While this service function had already been successfully executed in phase II in the interests of biodiversity conservation, only a few specific measures could be identified regarding the introduction of overarching conservation concepts or international standards for conservation areas. These ambitious targets for the TJS were carried over into phase

III from 2014/2015. During phase II, promotion was focused on the (re)settlement of individual species (red deer, Bezoar ibex, European bison), for example, as well as marketing the region as a tourist destination and supporting the conservation zones' administrative teams in applying for funds from the Caucasus Nature Fund (CNF). Thanks to the project's support, Shirvan Natural Park was awarded the status of Wetlands of International Importance under the Ramsar Convention².

In summary, it should be noted that the selected indicators serve more as output indicators than outcome ones. The budget developments (indicator 2) are based on information from the relevant ministries. The positive budget developments can be regarded as a proxy indicator for the fact that environmental and biodiversity conservation have retained their importance at government level. However, the budgets on their own reveal little about the actual effectiveness of management in the established conservation zones. Within the parks infrastructure such as park administrators, information centres, rangers and management plans exist. Ideally, the indicator values should record the additional amount provided by the countries themselves alongside the donor financing. However, only partial information is available on this. Nevertheless, financing for the conservation zones in all three countries appears to be secure thanks to a combination of budget funds and donor financing. However, it has also been reported that budget shortages arose in 2015 and 2016 as a result of the fall in commodity prices (e.g. crude oil, gas) and these shortages had to be balanced out using donor funds. The effectiveness of the TJS II programme can therefore only be assessed to a limited extent, even though the majority of the indicators have been formally achieved. Based on the situation as a whole, a satisfactory rating for effectiveness appears more or less justified.

Effectiveness rating: 3 (satisfactory)

Efficiency

The countless individual measures executed as part of the TJS II programme were enacted during the partner ministries' approximately five-year execution period and were all implemented as planned by the TJS. The period was in line with specifications and the results were positive according to current reports, which include the final reviews for the individual measures. This confirms the overall impression that the contracted consulting firm managed to implement the coordination measure efficiently despite the difficulties caused by the conflict between two out of the three partner countries. The creation of a flexible contingency fund proved to be helpful for implementing the individual measures. This fund was used to finance activities (e.g. tourism fairs, creation of brochures and films, reintegration studies for the aforementioned species, study trips) and made an important contribution to improving cooperation between the three countries in the field of the environment.

Assessing allocation efficiency is more difficult as there is no comparable reference data for this type of coordination programme. For a micro- and macroeconomic evaluation not only expenditure would have to be recorded quantitatively, but also, and most importantly, revenue. The amount of work required to do this would not be justifiable for a project that aims to establish regional conservation concepts. However, it can be assumed that the environmental protection programme in the southern Caucasus was implemented more efficiently thanks to the TJS management of the programme components (pillars). In view of this situation, the efficiency is rated as satisfactory overall.

Efficiency rating: 3 (satisfactory)

Impact

The overarching development objective (impact) was to contribute to the preservation of biodiversity in the southern Caucasus without reducing the income of poor rural households over the long term. As part of the Caucasus Initiative, a secondary objective was to support conflict resolution and crisis prevention by contributing to regional sectoral dialogue.

While the indicators formulated for the achievement of the overarching development objective are specific and measurable, they can only be attributed indirectly to the implemented programme elements. The de-

² The Ramsar Convention is the short name given to the Convention on Wetlands of International Importance especially as Waterfowl Habitat.

velopments since the project appraisal have therefore been examined and the plausibility of their relationship to the project has been assessed. The impact indicators are evaluated as follows:

Indicator	Status PA, Target value PA	Ex post evaluation
(1) From the population's own perspective, the standard of living has not fallen as a result of the creation and management of the conservation zones.	No baseline data is available that could be used to evaluate the original situation.	Statements made by residents and official representatives of the conservation zones' administrative bodies or ministries suggest that the standard of living has not dropped. In some pilot locations, the population has increased its income as a result of the project (tourism, souvenir sales, honey, agricultural products).
(2) Measured over a 10-year period the number of indicator species has not fallen.	No baseline data is available that could be used to evaluate the original situation.	The only data available confirms an increase in endangered species numbers for some species of bird in Georgia. According to a qualitative assessment by a WWF expert, the conservation of biodiversity has improved since the crisis following independence in the early 1990s. However, this stance remains purely speculative without any data. Furthermore, TJS II's contribution to this positive development is questionable.
(3) The conflict-sensitive development and implementation of a regional communications strategy for the sector has led to participation by representatives from all three countries for 50% of the corresponding measures.	The goal was for half of the events to be attended by representatives from all three countries: i.e. 50%.	When phase II came to an end, the political situation between Armenia and Azerbaijan was still strained. Nevertheless, the measure was able to encourage participants from all three countries to take part in many events (workshops, work group meetings, study trips). The final percentage was specified as 30%, with participants from two countries taking part in a further 10% of measures. The indicator was therefore only partially met.

While the economic crisis that followed the three countries' independence (early 1990s) posed a major threat to biodiversity (deforestation, illegal use), experts say that the current situation clearly improved, a development which can be traced back to factors such as the promotion of conservation zones by German DC programmes on the one hand and economic development on the other. The TJS also contributed to the former factor and has helped to reinforce biodiversity preservation and the ministries responsible for this issue in all three countries.

One important finding from phase II was the importance of income-generating measures for poorer households in the areas surrounding the conservation zones (Financial Participatory Approach, FPA). These measures range from using natural resources (honey, sheep's wool) through to promoting tourism. There are no measurable results available for this area and an unjustifiable amount of effort would be required to obtain such results. However, a limited positive contribution is plausible. The measures have received positive feedback and resident's acceptance of the creation of new conservation zones increased. The FPA measures were enhanced during phase III.

It is also plausible that the joint work meetings, trips and seminars have improved cross-border cooperation at a working level within the sector. This can be regarded as a modest contribution to conflict resolu-

tion and crisis prevention. The cross-border cooperation of the conservation zones Lake Arpi and Javakheti, which is meaningful for biodiversity conservation, is an example of successful cooperation at the working level.

Impact rating: 3 (satisfactory)

Sustainability

The assessment of the project's sustainability does not relate to ongoing existence of the TJS itself. Since the TJS relies almost exclusively on donor financing (from the Federal Ministry for Economic Cooperation and Development), from the beginning it has been intended to exist for a limited period. Although it is still in place for the current phase III, it plays a minor role for the sustainability of the effects achieved. Other evaluation indicators must be defined for this aspect.

In this case, the indicator formulated for sustainability during a TJS workshop in 2014 shall be applied: adequate understanding and the dissemination of relevant biodiversity conservation concepts are necessary prerequisites for the long-term preservation of biodiversity in the three countries. The Eco-regional Conservation Plan (ECP), which is acknowledged as a regional sectoral strategy and taken into account in the national strategies, has played a particularly important role in advancing sectoral policy and generating sustainable positive impetus. There is hope that due to the TJS work understanding has improved among the governments in the partner countries and among the population affected for the need to protect valuable biodiversity and use it sustainably for tourism, for example. Nevertheless, short-term economic interests could still destroy the conservation efforts in individual cases (e.g. mining, timber use). However, the TJS work in all three countries combined with the FPA measures also increases the chances for the sustainable protection of biodiversity. The perceptible support for the TJS from the responsible ministries in the current phase III supports this argument.

Sustainability rating: 3 (satisfactory)

Notes on the methods used to evaluate project success (project rating)

Projects are evaluated on a six-point scale, the criteria being **relevance, effectiveness, efficiency** and **overarching developmental impact**. The ratings are also used to arrive at a **final assessment** of a project's overall developmental efficacy. The scale is as follows:

Level 1	Very good result that clearly exceeds expectations
Level 2	Good result, fully in line with expectations and without any significant shortcomings
Level 3	Satisfactory result – project falls short of expectations but the positive results dominate
Level 4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
Level 5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
Level 6	The project has no impact or the situation has actually deteriorated

Rating levels 1-3 denote a positive assessment or successful project while rating levels 4-6 denote a negative assessment.

Sustainability is evaluated according to the following four-point scale:

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The **overall rating** on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Rating levels 1-3 of the overall rating denote a "successful" project while rating levels 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (level 3).