

Transboundary Joint Secretariat for the Southern Caucasus

Promoting cooperation in nature conservation



Identifying a support package for the Ministry of Environment and Protected Areas (Georgia) and the Ministry of Nature Protection (Armenia) to access and manage funds of the Caucasus Nature Fund (CNF)



MISSION REPORT

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Above left: Typical habitat of wild Bezoar Goat (*Capra aegagrus*), a key species for conservation, in Khosrov State Reserve, Armenia

Above right: Kaspegi mountain range in Northern Georgia

Below left: Entrance gate of Khosrov State Reserve

Below right: River course in Khosrov State Reserve

Acronyms and abbreviations

AHT	Company of AHT Group AG consultant services, Essen, Germany
APA	Agency of Protected Areas (within MEPNR Georgia)
BMA	Biodiversity management agency in MNP Armenia
BMZ	Bundesministerium für wirtschaftliche Zusammenarbeit
BPD	Biodiversity policy division in MoNP Armenia
CNA	Conservation Needs Assessment
CNF	Caucasus Nature Fund
CPAF	Caucasus Protected Areas Fund
CEPF	Critical Ecosystem Partnership Fund
ECP	Eco-regional Conservation Plan
GEF	Global Environmental Facilities
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
IUCN	International Union for Conservation of Nature
KfW	Kreditanstalt für Wiederaufbau
KPMG	Company name of international advisory services
MEP	Ministry for Environmental Protection (Georgia)
METT	Management Effectiveness Tracking Tool
MoNP	Ministry of Nature Protection (Armenia)
NGO	Non-Governmental Organization
NP	National Park
OMP	Operational Management Plan
PA	Protected area
PPA	Priority Protected Area
RAPPAM	Rapid Assessment and Prioritization of Protected Area Management
RECC	Regional Environmental Centre Caucasus
TJS	Trans-boundary Joint Secretariat
UNDP	United Nations Development Program
WWF	World Wide Fund for Nature

Резюме

Для оказания помощи Трансграничному Совместному Секретариату (ТСС) в дальнейшем изучении и разработке тем для поддержки Природного Фонда для Кавказа (ПФК), нынешняя миссия заключается в выявлении нужд и составлении соответствующих пакетов финансирования, которые помогут Министерствам и Особо Охраняемым Природным Территориям (ООПТ) получить более широкий доступ к грантам ПФК и более легкое управление ресурсами. Для этой цели были рассмотрены имеющиеся финансовые и технические механизмы министерств отвечающих за ООПТ в Грузии и Армении для управления грантами ПФК. Были изложены и обсуждены результаты и пути совершенствования форматов и процедур по адресной поддержке ТСС. Для улучшения эффективного бюджетирования ПФК и создания последствий финансирования деятельности на проектных участках предлагается создать более тесные связи между финансовым и техническим управлениями.

В резюме доклада говорится, что министерства и агентства имеют затруднения в подаче заявок на гранты, в разработке бюджетов и отчетности. Это особенно ярко выражено в Армении по сравнению с Грузией. В докладе отмечается, что это отчасти связано с тем, что существующие процедуры ПФК не всегда четко воспринимается, что порой приводит к замешательству в министерствах и агентствах. В то же время в докладе делается вывод, что это связано с вопросами кадрового потенциала, которые также должны быть рассмотрены. Процедуры ПФК не являются сложными, и есть не так много возможностей, чтобы сделать их простыми, не подвергая опасности в то же время минимальные элементарные и основные принципы стабильного бюджетирования и качественной отчетности. Существует, однако возможности для их сближения к существующим национальным отчетным процедурам.

В настоящее время ООПТ полагаются частично на внешнюю поддержку со стороны НПО, такие как Всемирный Фонд дикой природы, который заполнит существующие пробелы.

Эта неформальная резервная система отчасти стремится консолидировать существующие слабые стороны, поскольку имея своевременную поддержку, всегда есть отсутствие слабого импульса, чтобы самостоятельно действовать.

ПФК недавно начал финансирование операционных расходов ООПТ (с 2009) и медленно движется по возрастающей на следующий этап, которые требуют консолидации достигнутых успехов и проходит минимальную стандартизацию, без которой расширение было бы вполне трудно достичь. С этой точки зрения поддержка ТСС является предметом соответствующего интереса и своевременного предоставления нужд.

Поэтому в докладе предоставляется финансируемые и осуществляемые ТСС проекты;

1. Практическая поддержка министерств, агентств и ООПТ, в течении периода от 6 до 9 месяцев, не позднее конца апреля 2012 года.

2. В то же время будут внесены поправки в процедуры и формат для облегчения процесс подачи заявок. Поправки будут составлены на основе национальных процедур и процедур ПФК не подвергая изменению качества основных принципов процесса. Этап должен завершиться к концу сентября 2011 года.

3. Тренинг программы по применению процедур ПФК для широкого круга сотрудников министерств и агентств вовлеченных в работу ООПТ (директоров ООПТ, должностных лиц и сотрудников министерств и агентств) будут разработаны и осуществлены ТСС в период с сентября 2011 года до января 2012 года, обеспечив тем самым профессиональной устойчивости во всем регионе.

4. Учебные материалы используемые и усовершенствованные в ходе реализации программы обучения, а также опыт, накопленный за период практической поддержки будет предоставлять полезные компоненты для разработки конкретного руководства по управлению грантами ПФК. Разработка данного руководства будет завершена в январе 2012 года.

5. К концу "практической помощи", с усовершенствованными процедурами и обученными сотрудниками, ООПТ и министерства будут самостоятельно подавать заявки на гранты ПФК. Имея при этом тренерскую поддержку ТСС в течение приблизительно одного года. Это поддержка будет постепенно сокращаться и заменена на службу поддержки для оказания помощи в случае чрезвычайных ситуаций.

Этот пакет будет обеспечивать дальнейший своевременный вывод необходимых результатов. Однако по мере развития потенциала будет постепенно сокращена поддержка ТСС по совершенствованию процедур и улучшению устойчивого местного потенциала. Полагается, что программа по наращиванию потенциала создаст в министерствах ключевые центры навыков ПФК, которым могут воспользоваться в будущем ООПТ.

Все рекомендации приводятся в приложении 14.

Executive Summary

To assist the Transboundary Joint Secretariat (TJS) in further exploring and developing support themes to CNF, the present mission was to identify support needs and to design a respective support package which would help Ministries and Protected Areas (PAs) to obtain **better access to CNF grants and for easier fund management**. For this purpose, current financial and technical CNF grant management of Ministries involved and PAs in Georgia and Armenia have been examined. Results and ways to improve formats and procedures by targeted TJS support are outlined and discussed. Closer linkages between financial and technical management are suggested in order to better develop more efficient CNF budgets and to create impacts of the funding activities on site.

In summary the report concludes that with the Ministries and agencies, more so in Armenia than in Georgia, there is some backlog in applying for grants, in developing budgets and in reporting. The report finds that this is partly due to the fact that current CNF procedures are not always perceived as clear and at times cause some extent of confusion at Ministries and agencies involved. At the same time the report concludes that there are staff capacity issues that have to be dealt with. CNF procedures are not very complicated and there is not much room to make them simpler without jeopardizing at the same time minimal elementary and basic principles of sound budgeting and reporting. There is, however, some room to render them closer to existing national, ministerial reporting procedures. At present PAs rely in part on external support from NGOs, such as WWF, who fill in the gaps. This informal back-up system in part tends to consolidate the existing weaknesses, as with this kind of support always around the corner, there is no strong impetus to start “doing it yourself”.

CNF has only recently started funding PA operational costs (since 2009) and is slowly growing out of its pioneering phase and moving in to the next one, which require consolidating the gains made and going through a minimal kind of standardization without which expansion would be quite difficult to achieve. From that perspective the TJS support is a matter of appropriate present interest and timely indeed.

Consequently the report proposes the following TJS funded and implemented and implemented support package:

1. Hands-on support to Ministries, agencies and PAs to help get rid of the back log for a period of not more than 6 to 9 months, to end not later than April 2012.
2. At the same time procedures and formats will be amended to allow for easy application, closely related to national procedures as well as with CNF basic requirements, without jeopardizing quality. This is to be completed by September 2011.
3. A training programme on the application of CNF related procedures for a wide range of staff officers at all levels involved (PA managers, officers and staff of Ministries and Agencies) will be developed and implemented by TJS between September 2011 and January 2012, thus assuring professional sustainability throughout the region.
4. The training material used and perfected during the implementation of the training programme, as well as the experiences gained during the hands-on support period will provide useful ingredients for the development of country specific CNF grant fund operational manuals. The manuals will be finalized in January 2012.

5. At the end of the “hands-on support”, with procedures refined, and staff duly trained, the PAs and Ministries will apply all procedures of grant application and management themselves, however with coaching support still available from TJS, for about one year. This coaching support will be gradually reduced and replaced by a helpdesk to assist in case of emergencies.

This package will ensure continued timely output of required deliverables, while perfecting procedures, building and consolidating sustained local capacity, with TJS support being gradually reduced as capacity develops. It is intended that the capacity building programme will create a core centre of CNF related skills within the Ministries, from which PAs can draw in future.

All recommendations are compiled in ANNEX 14.

1 Introduction

With its exceptional location at the crossroads of Europe and Asia and between the largest inland sea and the largest inland water body of the world – the Black and the Caspian Sea –, with its extremes in altitude, climate, soil and vegetation variations, the Caucasus hosts a unique flora and fauna. Its broad range of landscapes and habitats is matched by high levels of species diversity. The region's three core countries – Armenia, Azerbaijan and Georgia – provide refuges for the remaining forests and more than 50 species of globally threatened animals in around 80 protected areas (PAs).

As a major contribution to help and consolidate their management, the Caucasus Nature Fund (CNF) provides grants to support the PAs' essential running costs (up to a maximum of 50% of the State budget) including staff salary supplements and training costs, fuel costs for patrolling and monitoring, equipment, vehicles and supplies, office running costs, maintenance of infrastructure, applied research and costs for public information dissemination and awareness raising. It also provides financial aid to government or non-governmental organizations for specific types of activities related to nature conservation. The CNF has been established over a period of four years (2004-07), with phase 1 for extensive stakeholder consultations in the Caucasus region and financial and legal / institutional framework analysis and phase 2 for design of the Trust Fund structure, drafting legal documents and for registering it as a tax-exempt foundation in Germany. Finally, its board of directors and an executive director were appointed. Funding is fuelled by revenues from an endowment fund and additional sources¹. On-site support to Ministries, Agencies and PAs to help with grant access and grant management is provided by the KFW financed Transboundary Joint Secretariat (TJS) for the Southern Caucasus. First regular CNF grants started in 2010 in the Borjomi-Kharaugiali PAs (Georgia) and in the Khosrov State Forest (Armenia). New grant applications have been submitted and signed in early 2011 for Arevik NP and Shikahogh State Reserve (Armenia) and Lagodekhi PAs (Georgia).

¹ For details on fund contributors see: http://www.caucasus-naturefund.org/partners__support

2 Purpose of the Mission

In the context of TJS support to the Ministries / PAs involved in acquiring and managing funds from CNF and in building the necessary capacity for these tasks, a short-term mission of two international experts, one in financial and administrative systems and one in protected area management, was sent to Georgia and Armenia in April 2011 since only these two countries in the Caucasus have received grant funds so far. The mission was to assess present budget procedures and formats of CNF for Protected Areas, accounting systems and work planning procedures and formats. Where appropriate, needs and requirements for more streamlined design and amendments were to be pointed out. This was to include design needs for a monitoring programme and an electronic tracking system for CNF and the Ministries / PAs to assess effective and efficient use of grant funds. To enable the Ministries / PAs to apply improved procedures and formats as well as monitoring and tracking programmes, the mission was to outline a respective support programme (including capacity building), acceptable to Ministries and PA management involved.

Specific tasks for the financial and administrative expert also included assessing current Ministry accounting / budgeting software, to assess the requirements to adapt to more useful formats and software, to outline a basic PA accounting system including appropriate record keeping / labelling / inventory and to examine the possibility of monitoring by financial sustainability scorecards.

Specific tasks for the protected area management expert included the assessment of the possibilities to integrate METT monitoring principles into a general effectiveness and efficiency monitoring system and, if positively assessed, the proposal of an appropriate METT based monitoring system.

The mission's complete Terms of Reference are attached as ANNEX 1.

3 Approach and Implementation

The mission approach is guided by the overall goal to contribute to better access to and easier management of CNF grants with TJS support. Since TJS has started its phase II, it was considered to build on progress already achieved and experiences gained under phase I as well as to take into account current capacities of PAs and ministerial staff. The mission has taken great care to avoid adding inappropriate work loads and keeping suggestions for support activities and format amendments simple and applicable. Mission proposals should neither affect current country procedures nor CNF procedures which have been proven successful so far. Nevertheless a holistic set of support activities has been proposed including tailor-made capacity building to strengthen PAs and Ministries in gaining full ownership of CNF procedures, allowing them become independent from outside helpers including TJS. Consequently, TJS support is proposed in more intensive ways only at the start of its phase II with hands-on support to Ministries, Agencies and PAs to be reduced step by step after targeted trainings of PAs and ministerial staff for all CNF procedures have been implemented. These also aim for creating a core centre of skills within the Ministries which will be able to fully support PAs after the departure of TJS. After the trainings, TJS support will consist of limited coaching activities to Ministries, Agencies and PAs ensuring continued and timely delivery of required outputs. In this way, tentatively around three additional CNF grant proposals are to be prepared and implemented each year in each of the countries, on top of the running grant funding activities.

The mission was prepared by studying relevant documents of CNF and the involved PAs prior to its departure for a 3-weeks mission in Georgia and in Armenia. After its arrival in the region, a full-day kick-off meeting was held with the TJS Team Leader in Tbilisi. This was followed by a five-day's stay in Armenia. Meetings were held with involved Ministry staff of various MoNP departments and divisions, PA managers of sites currently receiving CNF grant support, UNDP-GEF representatives, KPMG and WWF staff. A list of persons / stakeholders met is attached in ANNEX 02. The meetings were used for intensive, detailed interviews on currently used CNF formats and procedures as well as on technical aspects of grant and PA management. A field visit was conducted to Khosrov State Reserve with interviews in the managers' headquarters and a field trip on the grounds.

The mission continued its work in Georgia with meetings in the MEP's Agency of Protected Areas (APA) and in the UNDP office. The mission also participated in the TJS Inception Workshop with a Power Point presentation of its preliminary findings and support proposals which were discussed with the participants. A field visit was conducted to the Borjomi-Kharagauli PA complex with an interview of the site managers at the Borjomi headquarters. Whereas the Financial Specialist had to return to Germany, the Protected Area Specialist continued three more days in Tbilisi, meeting representatives of WWF, GIZ and NACRES. He held a wrap-up meeting with TJS Team Leader and TJS National Coordinator Georgia at the end of his stay. The following time back in Germany served for evaluation of collected data and report drafting. The financial specialist returned to Georgia for a second visit in early May 2011. A mission calendar is provided in ANNEX 03.

4 Results

4.1 Grant Application

4.1.1 Current Formats / Procedures

Access to and management of CNF grants are to be performed as regulated by the bilateral national framework agreements between CNF and the Governments of Armenia and Georgia, represented by the Ministries involved (CNF 2008, 2009²). In Armenia, grant applications are submitted to CNF jointly by the PAs and MoNP, in Georgia by the PAs and within MEP. On the part of CNF, the Executive Director is coordinating proposal reviews before submission to the Board of Directors (see CNF Operational Manual 2009). Budget preparation procedures including flow charts are explained in chapter 4.2.1. A format for the grant application has been provided by CNF, and applications have been submitted accordingly. The Grant Application format is structured into six main chapters:

1. Eligibility
2. Basic PA information
3. Conservation Significance/Status of PA
4. Management Plan and Operating Plan Documentation
5. Budget Documentation
6. Background Information on Budget and Operation.

The current Grant Application sample format is attached as ANNEX 04. The application is signed by the Ministry (in Armenia) or by the Agency of Protected Areas (in Georgia) and the Director of the PAs concerned. Before approval by the MoNP Armenia, the grant application is screened for technical aspects by BMA and examined by ministerial departments as well as by the Ministry of Finance. In Georgia, the procedures are more centralized by involvement and responsibilities of APA within the MEP (see also chapter 4.2.1). Basically APA is in charge of the procedure and its implementation, calling for additional in requesting information from PAs as necessary.

CNF financial support covers costs for the following items and activities³:

- Staff salaries and training costs,
- Fuel costs for patrolling and monitoring on a regular basis,
- Purchase and replacement of necessary equipment and supplies, including vehicles for patrolling and monitoring,
- Office running costs,
- Costs of maintaining existing infrastructure and equipment,
- Research relating to PA management activities,
- Costs for public information dissemination and awareness raising.

After approval of the grant application, an agreement between the parties is written and signed. Grant application and agreement is performed only one time before the beginning of a three years project period. Separately from this, there is an annual budgeting, planning and reporting requirement during the entire period of grant implementation. More details on these annual procedures are provided in chapter 4.2.

² A list of references may be found in chapter 5.

³ See: www.caucasus-naturefund.org & <http://toolkit.conservationfinance.org>

4.1.2 Design / Amendment Needs

The current grant application format has a clear structure, and no complaints are known so far from the part of CNF as regards the information provided in the submitted application forms. However, there is considerable variation in the latter ones, some providing rather detailed information while others are less professional and kept more general. In spite of the relatively simple format, PA staff in Armenia does not prepare grant applications by itself, but is relying on capacity from outside, e.g. NGOs such as WWF. Draft budget plans have furthermore to be processed and improved by ministerial divisions which is causing additional work loads and slowing down grant approval. PA management in Georgia is more centralized within APA, which consequently strongly coordinates and steers the development of grant applications, though be it with considerable information support from the PAs. Several officers at ministerial levels, both in Georgia and Armenia, have expressed their wish for a stronger role and involvement of PA managers in grant application.

The eligible costs for funding are considered to be clearly defined. In addition to running costs, etc., funds are also provided for elaboration of management plans if these do not exist or are not updated at the moment of the application⁴. However, the Mission considers that at present grant applications submitted do not provide sufficient insight into the relationship between the technical planning (annual work plans as based on MPs) and the ways in which the annual budgets are established. The required links between planned activities and the way the financial resources are identified to implement them are not clear. Consequently it remains difficult to assess to what extent the funds which are budgeted will serve the purpose of implementing concrete work plans or are in support of achieving MP objectives.

4.1.3 Suggestions / Recommendations

For easier access to CNF grants, several PAs under the next candidates need support and training to draft grant applications without external aid in future. This would facilitate the application procedure, improve the PA's involvement and create a basis for their necessary ownership of the grant management. A step-by-step assistance could be facilitated by hands-on support at the first stage and streamlining formats and procedures, followed by capacity-building through respective training workshops and finally coaching by TJS in a later stage.

Activities of the work plan must be better defined and explicitly linked to budget lines in order to ensure that funds serve the purpose of implementing activities as required as well as for monitoring purposes. Budget lines should as far as possible be self-explanatory to understand how the budget was calculated. However in several present budget formats, only summarized subtotals are provided, e.g. for office supplies, administrative equipment, etc. without further details which would be necessary for budget understanding. This does not allow observations and suggestions for financial management and streamlining respective formats are provided in chapter 4.2.

⁴ It is a requirement for a PA to have a valid management in order to be eligible for CNF funds. In actual practice CNF provides funds to develop or help update MPs when this criterion is not fulfilled when applying for a grant.

4.2 Financial Planning, Budget Management and Monitoring

At this stage, the relevant content of the ToR is shortly recalled in order to compare mission tasks with concrete results:

1. CNF procedures to acquire, manage, account and monitor related grants were to be assessed with emphasis on budgeting and accounting.
2. Based on this, relationship/compatibility with the state budget formats and related processes was to be analyzed.
3. Further on, ministerial accounting and budgeting software was to be analyzed, also regarding analytical accounting.
4. As a result of the three activities above, existing formats were to be investigated in order to assess possibilities and requirements for potential amendments and adaptations. As highlighted in the ToR, one objective regarding this activity is the integration of planning and monitoring tools in a coherent and systematic approach.
5. In addition, linkages between a) formats and processes for budgeting, accounting and monitoring, and b) work planning were to be investigated.

The assessment of procedures and formats for the preparation of the CNF 3-years rolling budget preparation (as one element of the CNF grant application) was based on interviews conducted with staffs from relevant institutions and entities as well as the analysis of relevant documents.

Objective of this exercise was the identification of the budgeting, accounting and financial monitoring processes, outlining existing responsibilities, processes and procedures. Strengths, weaknesses, opportunities and threats were identified and discussed with the relevant stakeholders in order to confirm amendments needs and develop an action plan for CNF and TJS support measures. Objective of these support measures is improving PAs access to grant money, while simultaneously contributing to improved administrative and technical management of these grants.

The paragraphs below describe related steps of these processes and the assessment findings per respective country.

4.2.1 Armenia

a) Assessment details

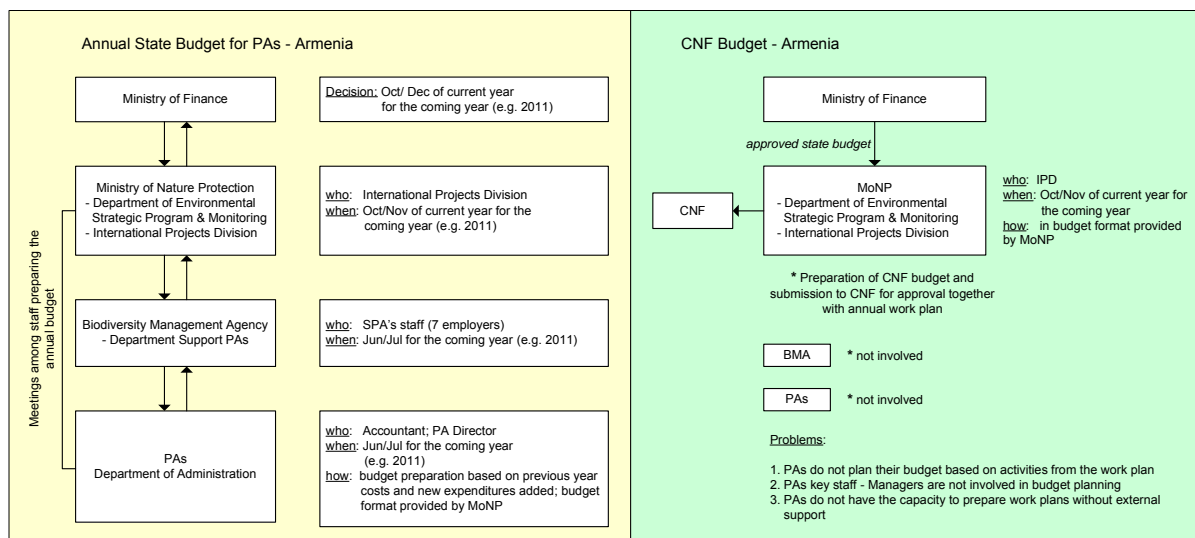
Interviews with staffs from the following institutions and entities were conducted: MoNP staff, PA Khosrov Nature Reserve staffs, WWF Armenia staff and KPMG.

The following key documents were analyzed:

1. Framework Agreement between CNF and MoNP
2. Grant Agreement between MoNP, PA Khosrov and CNF
3. Grant Application PA Khosrov (Budget, Work Plan)
4. Grant Application PA Shikahog (Budget, Work Plan, Operational Plan, Grant Application)
5. Grant Application PA Arevik (Budget, Work Plan, Operational Plan, Grant Application)

b) Process description, support tools and amendment needs

Figure 1: Annual Budget preparation process in Armenia



Step 1 – PA prepares annual budget

Process description: The budget is jointly prepared by the PA Accountant and the PA Director in June/July of a current year. The format used is provided by MoNP (see Annex 05: MoNP Budget). The base year budget (annual budget) and the projection for the two following years are prepared on basis of expenditures from the previous year. New budget and budget lines are added for newly identified needs such as equipment, uniforms etc.

Existing Support tool(s): MoNP Budget

Observation:

- The budget format does not correspond or relate to the work plan of the PA.
- The budget format is of low relevance to the day-to-day management of the PAs.
- PA staffs are not aware and sometimes lack capacities to link work planning and budgeting.
- There are no procedures in place that support integrated preparation of work plan and budget.

Amendment needs:

1. Preparation of work plans and budgets needs to be combined and integrated. Otherwise, after grant approval, the physical impact of expenditures (as an output of one or more activities) is not displayed in any document and cannot be tracked or monitored.
2. The PA key staff (Head of Science/Research Department, Head of Protection, Head of Monitoring) must become aware that budgeting is not only the calculation of costs (salaries, running costs etc.) but a crucial part of planning of activities, outputs and results.
3. In addition, joint responsibilities for budgeting should be highlighted. In this regard, the PA key staff together with the Administration/Accountant staff should become aware that the budgeting and later on tracking of expenditure are not the exclusive

responsibility of finance staff but also of Head of Departments. BMA and MoNP, which will be mentioned later on in the text, are involved as well in the annual budget preparation. Their function and share in the annual budget preparation is described in the steps below.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA-activities
4. Document amended processes and procedures in related Manuals and train all relevant staffs accordingly.
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines.

Suggested tools:

1. In order to close the gap between budget- and activity planning (see recommendations 2 & 3), the introduction of a budget template connected to the work plan is suggested (Annex 07: Budget PA).
2. Capacity building programme/training
3. Manual of Procedures.

Step 2 – BMA supports PAs and MoNP in annual budget preparation

Process description: The PA is preparing its annual budget with the support from BMA, “Department Support PAs” (sub-division of MoNP) also in June/July of a current year. BMA is verifying identified needs for new budget allocations and new budget lines. Afterwards BMA is informing the MoNP accordingly.

Existing Support tool(s): MoNP Budget Format

Observation: The “Department Support PAs” is providing technical support to PAs. In case of PAs budget preparation, BMA’s support is not permanent, only in case of newly identified budget lines, such as personnel equipment, uniforms etc.

Amendment needs: None.

Recommendation:

1. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines at BMA in order to support PAs.

Suggested tool(s): same as suggested in Step 1.

Step 3 – Finalizing the annual budget at MoNP level

Process description: MoNP “Department of Strategic Planning and Monitoring”, “International Projects Division” is finalizing its general budget (including all PA budgets), forwarding it to the general finance department of the Ministry, which is compiling the general ministerial budget and forwarding it to the Ministry of Finance. The MoF is compiling the national budget and forwarding it to the Parliament for approval. This final decision is of relevance for the PA

budgeting process as the suggested budget can be reduced at this stage and gaps arise in financing of PAs. The decision is taken usually between October and December each year.

Existing Support tool(s): MoNP Budget

Observation: It appears that the main interest is with the compatibility of the MoNP budget format with the MoF budget format. The MoNP budget format as such is not suitable to support detailed planning and monitoring processes of the PAs.

Amendment needs:

1. A budget format with increased relevance for the day-to-day management of the PAs (connection of work plan and budget).
2. A format which is equally serving the purposes of PAs, MoNP and MoF.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA-activities
4. Document amended processes and procedures in related Manuals and train all relevant staffs accordingly
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines for MoNP staff in order to support PAs.

Suggested tools:

1. In order to close the gap between budget- and activity planning (see recommendations 2 & 3), the introduction of a budget template connected to the work plan is suggested (Annex 07: Budget PA). Since the State Budget format is not broken down into activities or divisions but only budget lines, the PA staff will have to allocate the planned expenditures from the Budget PA template into the respective Budget Lines of the MoNP budget format, so that the MoNP does not have additional work when preparing their annual budget.
2. Capacity building programme/training
3. Manual of Procedures.

Step 4 – Annual budget submission to CNF for approval

Process description: MoNP is then allocating funding sources to budget lines in the MoNP-budget format. CNF funding is used for recurring costs such as salary top-up and bonuses, fuel, refurbishment of infrastructure, equipment etc. Funds are distributed for budget lines insufficiently covered with national means or to newly added budget lines. On this basis, MoNP is then applying for a grant to CNF in December.

Existing support tool(s): MoNP Budget, Explanatory note to the Budget

Observation:

- MoNP Budget and the explanatory note to the Budget submitted to CNF are of low relevance to the day-to-day management of PAs.
- MoNP Budget does not correlate with the PA work plan.

Amendment needs:

1. A budget format with increased relevance for the day-to-day management of the PAs (connection of work plan and budget).
2. A format equally serving the purposes of PAs, MoNP, MoF and CNF.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA-activities
4. Document amended processes and procedures in related Manuals and train all relevant staffs accordingly
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines.

Suggested tools:

1. In order to close the gap between budget- and activity planning (see recommendations 2 & 3) the introduction of a budget template connected to the work plan is suggested (Annex 07: Budget PA).
2. Capacity building programme/training
3. Manual of Procedures.

Step 5 – CNF’s approval of annual budget and transfer of funds

Process description: CNF is approving the PAs proposed annual budget. In the “First Grant Year” the PA has to open a special bank account to receive funds from CNF. According to the Grant Agreement MoNP and PA are jointly requesting quarterly instalments (in case of PA Khosrov) and/or requesting the total approved amount at the beginning of the year (in case of PA Arevik) from CNF onto a special bank account opened by the PA. The disbursement schedule is obviously different from PA to PA.

Support tool(s): CNF Grant agreement, Joint Replenishment Request (MoNP & PA), Bank account

Observation: In order to withdraw money from the bank account or to initiate payments from the bank account, the PA Director has to travel to Yerevan. This is costly and time consuming, especially in winter time.

Amendment needs: Executing financial transactions from the bank account should be simplified for the PA.

Recommendations: CNF could authorize the PA Director for electronic banking. Electronic banking is very common in Armenia (confirmed by WWF and RECC).

Suggested tools: Bank account with online banking possibility.

Step 6 – Accounting & Budget Control of the annual budget

Process description: Currently PA (Khosrov) is using Excel sheets to book expenditures on monthly basis. Based on the monthly financial accountancy from the PAs, the MoNP is submitting quarterly financial reports to the Ministry of Finances. According to the MoNP, the same quarterly reports were submitted to CNF.

Support tool(s): Excel sheets, MoNP Financial Report

Observations:

- PA Khosrov and MoNP have submitted quarterly financial reports in form of a statement of expenditures to CNF providing insufficient information on detailed expenditures and the impact of the CNF grant
- PA (Khosrov) is not maintaining an inventory list and the fixed assets are not labelled with codes
- Accounting documents are retained at PA-level
- There is no differentiating on the origins of funds used to cover expenditures in the accountancy (e.g. separation of national contribution and CNF grants)
- There is no information on budget consumption on PA level
- There is no linkage between expenditures and activities described in the work plan.

Amendment needs:

1. Financial report format to CNF must be standardized
2. Inventory lists are to be introduced
3. PAs must bear full responsibility for their actions, also in financial terms
4. Standardized and state-of-the-art accounting and budget control systems are to be introduced at PA and MoNP-level.

Recommendations:

1. CNF should standardize financial report formats
2. The introduction of inventory lists is a must.
3. In order to provide frequent and relevant financial information the introduction of standardized accounting software at PA and MoNP- level is highly recommended. This should streamline accounting processes and allow for a more detailed provision of financial data in order to document and track expenditures, also regarding the origin of funds (e.g. through donor codes) In this regard it is optional to introduce specific codes per booking in order to link expenditure, income or transfer to a specific purpose. These specific purposes could be activities or sets of activities contained in the work plan. As a result, financial transactions could be linked to activities allowing for analytical accounting. In addition, software should be chosen which is allowing for an overview on budget consumption in regard to budget lines and total.
4. All accounting and supporting documents (vouchers, contracts, banks statements, cash count protocols and inventory list) should be retained on a permanent basis at PA level.

5. Budget Control should be updated by the PA Accountant/Bookkeeper as well as the Financial Report in order to submit those quarterly to the PA Director and respective Heads of Departments to decide whether amendments are possible and if yes where to re-allocate the means. Additionally, these two mechanisms would make financial auditing easier.

Suggested tools:

1. PAs in Armenia could use the common accounting software ArmSoft, a small off – the - shelf package as recommended by KPMG Auditor and WWF Armenia Director and Chief Accountant.
2. In case ArmSoft does not allow for budget control, a simple Excel-based tool could be introduced.
3. The summary sheet of the tool could serve as template for financial reporting.
4. Inventory list.

Step 7 - Auditing

Process description: CNF is hiring an auditing company, currently KPMG, to conduct a financial audit of the PA's approved annual budget expenditures.

Support tool(s): ToR for Audits, Audit Reports (not received)

Observation: Standardized accounting procedures would simplify auditing of funds.

Amendment needs: Standardized and state-of-the-art accounting and budget control systems should be introduced at PA and MoNP-level.

Recommendations and Suggested tools would be as above in Step 6.

Table 1: Summary Armenia – Recommendations & TJS support measures (budget)

Summary of recommendations, issues & themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Introduction of inventory lists is a must.	Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Confirm suitability of proposed accountancy software in comparison with the foreseen accounting processes and procedures Document modified processes and procedures in Manual of Procedures Capacity building for PA and MoNF staffs to implement processes and procedures (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Introduce inventory lists	Hands on support	06-07/2011
Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA- activities	Increase work plan related relevance of budgets Improve financial management Improve financial monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and MoNF staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with "Department Support PAs"	Review and amend existing processes and procedures for technical and financial planning	Streamlining of procedures	08-09/2011
Amend the existing budget format and connect it to the work plan and raise capacities for project planning, budget preparation and financial management	Increase relevance of budgets Improve financial management Improve financial monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual	Propose modification of budget format	Streamlining of procedures	08-09/2011
			Training in project planning (integration of technical and financial planning)	Training	10-11/2011

Summary of recommendations, issues & themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
		Capacity building for PA and MoNF staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with "Department Support PAs"			
In order to provide frequent and relevant financial information the introduction of standardized accounting software both on MoNP and PA- level is highly recommended.	Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Confirm suitability of proposed accountancy software in comparison with the foreseen accounting processes and procedures Document modified processes and procedures in Manual of Procedures Capacity building for PA and MoNF staffs to implement processes and procedures (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Training in Accounting	Training	10 - 11/2011
Budget Control should be updated by the PA Accountant/Bookkeeper as well as the Financial Report in order to submit those quarterly to the PA Director and respective Heads of Departments	Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Confirm suitability of proposed accountancy software in comparison with the foreseen accounting processes and procedures Document modified processes and procedures in Manual of Procedures Capacity building for PA and MoNF staffs to implement processes and procedures (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Training in Accounting	Training	10 - 11/2011

Summary of recommendations, issues & themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Document amended processes and procedures in related Manual	Increase relevance of budgets Improve financial management Improve financial monitoring	Crosscutting activity	Manual of operations development	Manual of operations development	Q/2012

4.2.2 Georgia

a) Assessment details

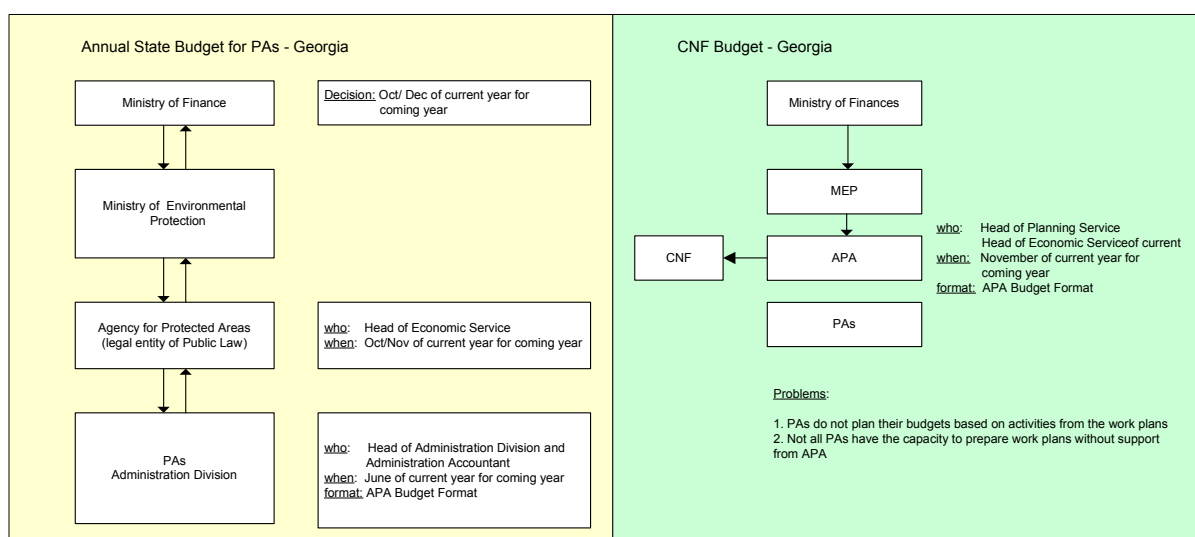
Interviews with staffs from the following institutions and entities were conducted: APA staff, PA Borjomi-Karagauli staffs and KPMG.

The following key documents were analyzed:

- Framework Agreement between CNF and MEP
- Grant Agreement between MEP, APA, PA Lagodekhi and CNF
- Grant Application PA Lagodekhi (Budget, Work Plan, Grant Application)
- Grant Application PA BKNP (Budget, Work Plan, Grant Application).

b) Process description, support tools and amendment needs

Figure 2: Annual Budget preparation process in Georgia



Step 1 - APA & PA prepare annual budget

Process description: The base year budget (annual budget) and the projection for two following years are prepared by PAs together with APA for the grant application to CNF.

PAs are preparing the annual budget by considering all expenditures for the coming year such as fuel, stationery, etc. Exceptions are salaries which are included by APA into the APA-budget format (see Annex 06 APA Budget). The budgets are prepared by the PA Head of Administration, the PA Accountant and APA Head of Economic Services. Generally, National Parks in Georgia have Administration Units and corresponding Accountants. In case of Nature Reserves, budgets are prepared by APA Head of Economic Service, since Nature Reserves do not have Administration Units. According to APA, Borjomi-Kharagauli and Lagodechi staffs have the capacity to plan budgets as well as work plans since they were receiving outside support (e.g. Borjomi-Kharagauli since 1995).

Other PAs need capacity building and tools to plan budgets. For these PAs budgets are prepared by APA. Hence, respective PAs cannot formulate a work plan. APA is a centralized apparatus for PAs. It is fully involved in all aspects of CNF grant management.

Support tool(s): APA-budget

Observation:

- PAs are lacking capacities in skills and tools to plan a budget based on activities from the work plan. BKNP for example is preparing a work plan in CNF suggested format but the budget is being prepared separately in a format provided by APA, which is not connected to the work plan.
- Preparation of work plans and budgets needs to be combined. Otherwise, the physical impact of expenditures (as an output of one or more activities) is not displayed and cannot be tracked or monitored.

Amendment needs:

1. Preparation of work plans and budgets needs to be combined and integrated. Otherwise, after grant approval, the physical impact of expenditures (as an output of one or more activities) is not displayed in any document and cannot be tracked or monitored.
2. In this regard the PA key staff (Head of Science/Research Department, Head of Protection, Head of Monitoring) should become aware that budgeting is also their responsibility and not only the Accountants and APA's (in case of National Parks) or only APA's (in case of Nature Reserves); that budgeting is not only the calculation of costs (salaries, running costs etc.). Also APA should consider budgeting as a crucial part of planning of activities, outputs and results towards Biodiversity Conservation. In addition, joint responsibilities for budgeting should be highlighted.
3. PAs staff has to get familiar with CNF procedures, regarding budget requirements and work plan requirements as well as management plan requirement before they start any grant application formulation.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA- activities
4. Document amended processes and procedures in related manuals and train all relevant staffs accordingly.
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines.

Suggested tools:

1. In order to close the above mentioned gap between budget preparation and activity planning it is recommended to organize trainings for PAs staff in budgeting connected to work plan activities. The suggested budget template connected with the work plan format from CNF could be used as a basis (see Annex 07: Budget PA). Since the State Budget format is not connected to activities and work plan, the PA staff will have to allocate the planned expenditures from the suggested Budget PA template into the respective Budget Lines of the State Budget, so that APA is not additionally overloaded when preparing their annual budget for the apparatus and PAs. The participants in the respective training should be PAs Head of Departments and Accountants/Administrators.
2. Capacity building programme/trainings

3. Manual of procedures

Step 2 – Finalizing the annual budget

Process description: In line with existing legislation, the annual budget of APA (with a summary of all PA-budgets in Georgia) has to be finalized in June of the current year for submission to the Ministry of Finance. The Parliament then gives its final decision on the budget in October/November.

Support tool(s): APA Budget

Observation: It appears that the main interest is with the compatibility of the APA-budget format with the MoF budget format. In its current form, the APA budget is not suitable to support detailed planning and monitoring processes of the PAs.

Amendment needs:

1. A budget format with increased relevance for the day-to-day management of the PAs (connection of work plan and budget).
2. A format which is equally serving the purposes of PAs, APA and MoF.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA- activities
4. Document amended processes and procedures in related Manuals and train all relevant staffs accordingly
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines.

Suggested tools:

1. In order to close the above mentioned gap between budget preparation and activity planning it is recommended to organize trainings for PAs staff in budgeting connected to work plan activities. The suggested budget template connected with the provided work plan format from CNF can be further modified (see Annex 07 PA Budget).
2. Since the State Budget format is not connected to activities and work plan, the PA staff will have to allocate the planned expenditures from the suggested Budget PA template into the respective Budget Lines of the State Budget, so that APA does not have additional workload when preparing their annual budget for the apparatus and PAs. The participants in the respective training should be PAs Head of Departments and Accountants/Administrators.
3. Manual of Procedures
4. Capacity building programme.

Step 3 – Annual budget submission to CNF for approval

Process description: APA is preparing the PA's annual budget for CNF's approval. The PA-costs to be covered by CNF are: salary top-up, bonuses, running costs, equipment and refurbishment. Finally the budget is submitted together with the grant application and work plan in November/December to CNF for approval.

Support tool(s): APA Budget format; Explanatory note to the Budget

Observations:

- APA Budget format and the explanatory note to the budget for PAs submitted to CNF are of low relevance to the day-to-day management of the PAs.
- APA Budget format does not correlate with the PA- work plans.

Amendment needs:

1. A budget format with increased relevance for the day-to-day management of the PAs (connection of work plan and budget).
2. A format which is equally serving the purposes of PAs, APA, and CNF.

Recommendations:

1. Amend the existing budget format and connect it to the work plan
2. Amend the existing work plan format and connect it to the budget
3. Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA- activities
4. Document amended processes and procedures in related Manuals and train all relevant staffs accordingly
5. Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines.

Suggested tools:

1. In order to close the above mentioned gap between budget preparation and activity planning it is recommended to organize trainings for PAs staff in budgeting connected to work plan activities. The suggested budget template connected with the provided work plan format from CNF can be further modified (see Annex 07: PA Budget).
2. Since the APA budget format is not connected to activities and work plan, the PA staff will have to allocate the planned expenditures from the suggested Budget PA template into the respective Budget Lines of the APA budget format, so that APA does not have additional workload when preparing their annual budget for the apparatus and the PAs. The participants in the above mentioned training should be PAs Head of Departments, Accountants/Administrators and APA staff.
3. Capacity building programme/training
4. Manual of procedures.

Step 4 – CNF's annual budget approval and transfer of funds

Process description: CNF is approving the PA's proposed annual budget. In the "First Grant Year" when the Grant Agreement is signed between CNF, MEP and APA for a three years period, MEP and APA have to apply to the MoF in order to create a separate organizational treasury code and respective account for APA that will be exclusively used to receive and

disburse the Grant from CNF. The disbursement procedures for all three “Grant Years” are defined in the signed Grant Agreement. The Ministry and APA are requesting funds in three annual instalments from CNF.

Support tool(s): CNF Grant agreement, Joint Replenishment Request (MEP & APA), Bank account.

Observations: The Grant Agreement with PA Lagodekhi in Georgia “The general disbursement of the Grant in each Grant Year shall be in tri-annual instalments with a detailed instalment scheme [...]”.

Recommendation: None.

Suggested tools: None.

Step 5 – Accounting & Budget Control

Process description: APA (i.e. the bookkeepers under the Head of Economic Service) is booking all expenditures of all PAs and APA in Excel sheets provided by Ministry of Finance, then submitting financial reports to the respective Ministry. There are two mechanisms of budget spending control. One is the internal control division of APA which ensures that the financial spending is in line with the approved budget. The second one is the outside audit performed by the Chamber of Control which is conducted annually. There is unfortunately no internal mechanism that checks whether budget allocation and resources distribution are efficient. As of next year APA will introduce ORIS accounting software (commonly in use in Georgia) to book State Budget expenditures and to separate accounting for each PA continuing with the separation of expenditures by budget lines/budget codes. Unfortunately, CNF funded expenditures will not be booked in the above mentioned accounting software as MoF policy only allows utilizing the software for the state budget. APA will then use separate Excel sheets to keep records on expenditures for each PA under CNF grant. National Parks (e.g. BKNP) with income are collecting locally revenue by keeping records in Excel sheets by the Accountant and submitting it to the Ministry of Finance.

Support tool(s): Excel sheets, APA Financial Report

Observations:

1. APA is currently keeping records and is booking all expenditures of PAs in Excel sheets. Expenditures are separated by budget lines/budget codes but not by PA. For example fuel from all PAs is booked within one budget line. Consequently, expenditure statements for individual PAs are impossible to generate. Consequently APA has difficulties to submit statements of expenditures for BKNP year 2010 to KPMG.
2. As APA will use ORIS accounting software for State Budget expenditures, they will continue using Excel sheets for CNF expenditures.
3. As the accounting system will be changed as of next year as described above, it would be useful for APA, Head of Economic Service, to update budget controls of approved PA budgets (State Budget and CNF) on a monthly basis. The information on spent means and remaining means within the approved budget would allow re-budgeting and cost-effective managements of budgets. The budget control should be updated by the APA Accountant and checked by the Head of Department.

4. The updated budget control provides information for a financial report. PAs Directors and Heads of Departments should receive financial reports at least quarterly in order to see whether amendments of budget are possible and where to re-allocate the means.
5. Additionally, budget control and financial reports would make financial auditing easier and also reporting towards CNF.
6. APA does not keep records on CNF inventories.

Recommendations:

1. Separate bookkeeping for each PA in ORIS accounting software for State Budget and in Excel sheets for CNF
2. Introduce if possible an accounting software as well for CNF expenditures
3. Introduce budget control for each PA
4. Prepare financial reports and share these with PA Directors and Head of Departments
5. Introduce inventory lists

Suggested tools:

1. For budget control, a simple Excel-based tool could be introduced.
2. The summary sheet of the tool could serve as template for financial reporting.
3. Inventory list.

Step 6 - Auditing

Process description: CNF is hiring an auditing company, currently KPMG, to conduct a financial audit of the PA's approved annual budget expenditures.

Support tool(s): ToR for Audits, Audit Reports

Observation: APA has difficulties to submit statements of expenditures for individual PAs to KPMG.

Recommendations: Introduce budget control for each PA.

Suggested tool: Budget Control tool in Excel sheets.

Table 2: Summary Georgia– Recommendations & TJS support measures (budget)

Recommendation/ Issues themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Inventory lists should be introduced	Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Document modified processes and procedures in Manual of Procedures Capacity building for PA and APA staffs to implement processes and procedures (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Introduce inventory lists	Hands on support	06-07/2011
Amend the existing budget format and connect it to the work plan and amend the existing work plan and connect it to the budget	Increase relevance of budgets Improve financial management Improve financial monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and APA staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with “Department Support PAs”	Propose new budget and work plan format	Hands on support	08-09/2011
Review and amend existing processes and procedures for technical and financial planning to support integrated planning of PA-activities	Increase of work planning related relevance of budgets Improve financial management Improve financial monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and APA staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide	Review and amend existing processes and procedures for technical and financial planning	Streamlining of procedures	08-09/2011

Recommendation/ Issues themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
		backstopping in conjunction with "Department Support PAs"			
Build or raise capacities for project planning, budget preparation, financial management and on CNF guidelines	Increase relevance of budgets Improve financial management Improve financial monitoring	Develop a concept and a programme for capacity building (project planning, financial management, financial monitoring, utilization of accountancy software) Identify existing modules and service providers Where these do not exist, assist with the development of capacity building modules Facilitate the implementation of the capacity building programme Monitor the implementation of the capacity building programme	Training in project planning (integration of technical and financial planning)	Training	10-11/2011
Introduce budget control for each PA.	Increase relevance of budgets Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Document modified processes and procedures in Manual of Procedures Capacity building for PA and APA staffs to implement the system (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Training in Accounting	Training	10-11/2011
Prepare financial reports and share these with PA Directors and Head of Departments	Improve financial management Improve financial monitoring	Review existing accounting processes and procedures Propose related modifications Document modified processes and procedures in Manual of Procedures Capacity building for PA and APA staffs to implement the system (Training & Coaching) Monitor implementation of new processes and procedures and provide backstopping in case of need	Training in Accounting	Training	10-11/2011

Recommendation/ Issues themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Document amended processes and procedures in related Manuals	Increase relevance of budgets Improve financial management Improve financial monitoring	Crosscutting activity	Manual of operations development	Manual of operations development	Q1/2012

4.3 Operational or Work Plan

The development and implementation of an “Operational Plan” or work plan is a CNF basic grant requirement. It has to be in reasonable details for every year of the grant implementation. The grant application is being submitted once for a three years period, but the budget and work plan have to be submitted annually to CNF for approval. According to Framework Agreement with Armenia and Georgia a work/operational plan has to contain following information:

“The operational plan or equivalent documents sets out:

- The activities which the PA administration plans to carry out in the year covered by the plan in relation to key management tasks such as: patrolling, bio-diversity, monitoring, land management, mapping, tourist and recreation, public awareness, community outreach and similar programmes, physical and operational plan, equipment and premises, human resources, financial administration, functional organization.
- The physical resources which will be employed to carry out the scheduled activities.
- If there is an effective management plan for PA, the activities specified above must be in implementation of the management plan and there must be clear logical relationship between the activities scheduled in the operational plan or equivalent documents the objectives and strategies actions in the management plan.”

The assessment of procedures and formats for the preparation of the CNF annual work plan/operational plan is based on interviews conducted with staffs from relevant institutions and entities as well as the analysis of relevant documents.

Objective of this exercise was the identification of strengths, weaknesses, opportunities and threats with the relevant stakeholders in order to confirm amendments needs and develop an action plan for CNF and TJS support measures. Objective of these support measures is improving PAs access to grant money, while simultaneously contributing to improved administrative and technical management of these grants.

The following paragraphs describe related steps of these processes and the assessment findings per respective country.

4.3.1 Armenia

a) Assessment details

Interviews with staffs from the following institutions and entities were conducted: MoNP staff, PA Khosrov Nature Reserve staffs and WWF Armenia staff.

The following key documents were analyzed:

1. Framework Agreement between CNF and MoNP
2. Grant Agreement between MoNP, PA Arevik and CNF
3. Grant Application PA Khosrov (Budget, annual Work Plan 2011, Operational Plan 2010-2013)
4. Grant Application PA Shikahog (Budget, annual Work Plan 2011, Operational Plan 2010-2013, Grant Application 2011)
5. Grant Application PA Arevik (Budget, Work Plan (missing), Operational Plan 2010-2011, Grant Application 2011).

b) Process description, support tools and amendment needs

Step 1 – Preparing the annual work plan/operational plan

Process description: The annual work plan/operational plan for PAs in the context of the grant applications to CNF are prepared by external expertise, particularly WWF. As a result WWF has a dominant role supporting MoNP with formulating work plans, mostly in November and/or December of a year. However, the assessment produced mixed results regarding the timing of these exercises. For example, the Khosrov and Shikahog work plans for 2011 were formulated in April 2011. The work plan for Arevik is not yet completed.

Support tool(s): CNF work plan format (see Annex 08)

Observations:

1. PAs are not involved in work plan preparation, according to MoNP and BMA due to lack of capacities to plan activities, outcomes, results, etc.
2. MoNP and BMA lack related capacities as well

Recommendations:

1. PA key staff, BMA and MoNP staff should be trained in combined work plan and budget preparation.
2. Amend the existing work plan format and connect it to the budget

Suggested tools:

1. Capacity building for project planning, budget preparation, financial management and on CNF guidelines.
2. Work plan format with requirement to assign means and costs to activities
3. In order to close the gap between budget- and activity planning (see recommendations 2 & 3) the introduction of a budget template connected to the work plan is suggested (Annex 07: PA Budget).

Step 2 – Submitting and approving the annual work plan

Process description: The MoNP is submitting the annual work plan and the annual budget for the coming year to CNF in December of the current year for approval. Based on the CNF funding decision, a grant agreement is signed between MoNP, PA and CNF.

Support tool(s): CNF work plan format, MoNP budget, CNF Grant Agreement

Observations: As the assessment in Step 1 shows, the work plans are being submitted later than the budgets, which makes it rather difficult to establish a link between activity planning and the rational allocation of financial resources to implement the activities

Recommendation: CNF should insist on a more coherent procedure for work and budget planning.

Table 3: Summary Armenia – Recommendations & TJS support measures (work plan)

Recommendation/ Issues themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Amend the existing work plan format and connect it to the budget	Increase relevance of budgets Improve financial management Improve financial monitoring Increase relevance of work plans Improved general management Improved general monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA, BMA and MoNP staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with “Department Support PAs”	Propose new budget and work plan format	Hands on support	06-12/2011
PA key staff, BMA and MoNP staff should be trained in combined work plan and budget preparation.	Increase relevance of work plans for budget planning Improve management Improved monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA, BMA and MoNP staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with “Department Support PAs”	Training in project planning (integration of technical and financial planning)	Training	10-11/2011
CNF could place more importance on coherence of work plan with budget.	Increase relevance of work plans for budget planning Improve management Improved monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA, BMA and MoNP staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with “Department Support PAs”	Manual of operations development	Manual of operations development	Q1/2012

4.3.2 Georgia

a) Assessment details

Interviews with staffs from the following institutions and entities were conducted: APA staff, PA Borjomi-Karagauli staffs and KPMG.

The following key documents were analyzed:

1. Framework Agreement between CNF, MEP and APA
2. Grant Agreement between MEP, APA, PA Lagodekhi and CNF
3. Grant Application PA Lagodekhi (Budget, Work Plan, Grant Application)
4. Grant Application PA BKNP (Budget, Work Plan, Grant Application)

b) Process description, support tools and amendment needs

Step 1 – Preparing the annual work plan/operational plan

Process description: The annual work plan/operational plan for PAs grant application to CNF are prepared by PA staffs with support from APA.

Support tool(s): CNF work plan format (see Annex 08)

Observations:

1. Based on the interview conducted with staffs from the Borjomi-Karagauli PA it became apparent that they have the competence and capacity to formulate work plans with support from APA, mainly for translating the documents in English.
2. APA confirmed that Lagodekhi PA staff has the same level of capacity, but that other PAs are not capable to formulate work plans.
3. PA staffs without experience and skills in work plan preparation are causing a big workload for APA staff.
4. Preparation of work plans and budgets needs to be combined. Otherwise, the physical impact of expenditures (as an output of one or more activities) is not displayed and cannot be tracked or monitored.

Recommendations:

1. PA key staff without experience in grant application should be trained on combined work plan and budget preparation. APA staff should participate in those trainings.
2. The Administration and key staff from PAs Borjomi-Kharagauli and Lagodekhi could share their experience in work plan preparation and budgeting in the above mentioned trainings with APA PAs with no or less experience in work plan preparation.
3. Amend the existing work plan format and connect it to the budget

Suggested tools:

1. Capacity building for project planning, budget preparation, financial management and on CNF guidelines.
2. Work plan format with requirement to assign means and costs to activities.
3. In order to close the gap between budget- and activity planning (see recommendations 2 & 3) the introduction of a budget template connected to the work plan is suggested (Annex 07: Budget PA).

Step 2 – Submitting and approving the annual work plan

Process description: The MEP/APA is submitting the annual work plan and the annual budget for the coming year to CNF in December of the current year for approval.

Support tool(s): CNF work plan format

Recommendation: CNF should insist on a more coherent procedure for work and budget plan.

Table 4: Summary Georgia – Recommendations & TJS support measures (work plan)

Recommendation/ Issues themes covered	Support Purpose	Concrete activity	TJS Support Activities	Support form	Time period
Amend the existing work plan format and connect it to the budget	Increase relevance of budgets Improve financial management Improve financial monitoring Increase relevance of work plans Improved general management Improved general monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and APA staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with "Department Support PAs"	Propose new budget and work plan format	Hands on support	06-12/2011
PA key staff and APA staff should be trained in combined work plan and budget preparation.	Increase relevance of work plans for budget planning Improve management Improved monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and APA staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with "Department Support PAs"	Training in project planning (integration of technical and financial planning)	Training	10-11/2011
CNF could place more importance on coherence of work plan with budget.	Increase relevance of work plans Improve management Improved monitoring	Review and adjust existing planning mechanisms (technical and financial) Review existing planning tools (budget, work plan, etc.) and modify these for integrated planning Document mechanisms, processes, procedures and formats in a Planning Manual Capacity building for PA and APA staffs to support integrated planning (Training & Coaching) Monitor planning exercises and provide backstopping in conjunction with "Department Support PAs"	Manual of operations development/manual of procedures	Manual of operations development	01-06/2012

4.4 Reporting

Appropriate technical and financial reporting is essential for effective funding, fund management, monitoring and adaptive technical management. Some observations and suggestions on reporting are provided below.

4.4.1 Technical Reporting

Reporting on technical issues is currently very generally confined to proposed / planned activities during the reporting period and implemented activities therein. The quarterly reporting format in Armenia e.g. contains the following items:

Project Name:

1. *Starting date: Duration:*
2. *Implementing Agency:*
3. *Financial Source: Amount:*
4. *Main aim of Project*
5. *Proposed activities during quarter.....:*
6. *Implemented activities during quarter.....:*
7. *Necessary financial sum during quarter:*
8. *Used financial sum during quarter by activities:*

Coordinator of projects

Currently there is ample freedom in how and to what extent the activities should be described. There is little information of what really was done with the budget received and what was the output of funding and to what extent set objectives have been achieved, the kinds of constraints that had to be faced, etc. However, according to the CNF Framework Agreement Annex E, 1. (i) c), a clear description of the achievements of operational, conservation and other goals is required.

As a minimum requirement, the above-mentioned Annex E should be followed. This means a clear description of the operational goals, the conservation or other goals and activities per period and achievements. Activities and achievements should not be presented in a general way only, but should be broken down into distinct activities line by line.

Technical reports should be clearly related to and consistent with the work plans. There should be an appropriate degree of detailed description, but without heavy, overloaded documents. Technical reporting should provide appropriate information on progress of work for each activity during the reporting period, difficulties encountered, solutions and programme for the next period. The work plan on its side should point out time frame, site, responsibility and output for each activity. Well structured work plans are a pre-condition for good technical reporting, however there is considerable lack of knowledge of work plan structuring in some PAs. E.g. in one reserve under grant implementation it was found that a work plan is missing showing who will be doing monitoring and responsibility (Manvelyan 2011, p.8).

It is proposed to facilitate the development of a regionally standardized, simple technical report template with reference to financial reporting (see also chapter 4.4.2 below) as much as possible. If there would be some country-specific differences between Georgia and Armenia, these differences should be minimized. This template and appropriate reporting in

this format could then be explained during a workshop for other CNF procedures, e.g. in a workshop on grant application. At the first glance, this may seem as an additional work load, but in reality it will make reporting, management and monitoring much easier and more understandable. It is proposed to develop a suitable format in each country at ministerial level and then to harmonize it as much as possible.

4.4.2 Financial Reporting

Armenia

Process description: The MoNP is submitting quarterly statements of expenditures of each PA to Ministry of Finance on State Budget expenditures and on CNF expenditures. According to MoNP quarterly financial reports were submitted to CNF (PA Khosrov expenditures).

Support tool(s): MoNP Financial Report (Annex 09)

Observations:

1. PA Khosrov and MoNP have submitted quarterly financial reports to CNF by providing information on the total approved budget amount and the quarterly statement of expenditures. These reports are providing information on expenditures and the impact of the CNF grant.

Recommendations:

1. Financial report format to CNF must have the same budget lines break down/allocations as the approved annual budget in order to track down the expenditures to budget allocation and finally to connect these expenditures with the achieved activities and achieved results planned in the annual work plan. Financial Reporting is a mechanism to track down the efficient use of funds.
2. PAs key staff i.e. Managers must receive regularly (monthly, quarterly) financial reports in the form described above in order to amend the budget and work plan if necessary.
3. CNF should standardize its financial report format, so that financial reporting would be easier for PAs.

Suggested tools:

1. ArmSoft accounting software is producing detailed reports of expenditures or
2. Excel based tool for budget control could be introduced

Georgia

Process description: APA is submitting quarterly statements of expenditures of PA budgets to the Ministry of Finance (no format received from APA). According to APA no financial statements of revenue and expenditures had to be submitted to CNF. However, according to the Grant Agreement with PA Lagodekhi, a financial report should be compiled as stated “By February 15 of the First, Second, Third Grant Years and following year, (ii) an initial statement of revenues and expenses for the prior year, in the form contained in the Approved Budget.”

Support tool(s): APA Financial Report provided by Ministry of Finance

Observations:

APA has not submitted all an annual statement of expenditures.

Recommendations:

1. APA should prepare financial reports based on budget lines break down/allocations as the approved annual budget in order to track down the expenditures to budget allocations and finally to connect these expenditures with the achieved activities and achieved results planned in the annual work plan. Financial Reporting is a mechanism to track down the efficient use of funds.
2. PAs key staff i.e. Managers must receive regularly (monthly, quarterly) financial reports in the form described above in order to amend the budget and work plan if necessary.
3. CNF should standardize its financial report format, so that financial reporting would be easier for PAs.

Suggested tools:

1. A simple Excel-based tool could be introduced as basis for production of Financial Reports.
2. The summary sheet of the tool could serve as template for financial reporting.

4.5 Electronic Tracking System

4.5.1 Management Effectiveness Assessment

Within the CNF framework process, there is currently no regular monitoring tool in place to assess effects of funded actions in relation to conservation and management objectives. It is of importance to PA managers and Ministries alike to get clear indications as to whether CNF supported PAs are achieving their management and biodiversity objectives. Indeed, CNF did already contract WWF in 2010 to monitor grant implementation in Armenia by a consultancy (see Manvelyan 2011), and NACRES was contracted for the same purpose in Georgia. UNDP in collaboration with WWF has performed a comprehensive RAPPAM assessment in Georgia in 2009, and WWF Armenia in Armenia also in 2009 before implementation of the first CNF grants. However these assessments require consultant expertise and could not be performed by PAs at this stage.

A basic tool to assess management effectiveness in PAs and which could be applied by their own staff is provided through the Management Effectiveness Tracking Tool (METT) scoring procedure which is part of the Conservation Needs Assessment (CNA). METT assessments have already been carried out successfully in the past, both in Armenia and Georgia. Consequently, the mission has been asked to assess possibilities to integrate METT techniques into CNF monitoring and, if feasible, to propose METT based monitoring in relation to CNF grant management (see, ToR, ANNEX 01, p.4).

The METT is in form of a simple multiple choice questionnaire on all basic PA management achievements, is easy to carry out, little time consuming and assembles PA staff around a table to talk about the key purpose for which it is working. These working sessions may be facilitated by outside moderators or observers. An annual METT update will be appropriate in most cases. Therefore and in spite of some weaknesses in providing immediate and direct feedback on specific funded actions, as has been mentioned above, it can be considered a useful monitoring instrument in the context of CNF grant management and is proposed for

this purpose. A slightly simplified and amended version of the METT format seems suitable for integration into CNF grant monitoring for Armenia and Georgia and is described in the following.

The complete CNA comprises 3 data sheets and 3 work sheets. Data sheet 1 provides general background information of the PA and data sheet 2 gives a list of threats with a simple ranking at 4 levels (high, medium, low, not present or not applicable). Data sheet 3 consists of the METT with 30 questions and 4 pre-formulated answers each. The answers are ranked along 4 scores from 0 to 3 with 0 as lowest level and 3 as highest level of effectiveness. The most appropriate answer for the PA must be chosen and ticked, and total scores can be summed up. Three of the questions have 3 additional scores for best performance, so the maximum total scores are 99. The METT format is provided in ANNEX 10.

The total scores allow to compare effectiveness between different protected areas. Regular updates of METT scores will show for each PA if effectiveness has improved or declined. They will also point out those technical fields in which progress has been made.

In the special case of CNF supported grants, these technical fields could be linked to CNF-supported activities. This can provide some rough information on support effects, e.g. if CNF training and funding of activities in relation with the management and work plans has increased capacity of PA staff and so on.

The interpretation of METT scores, however, has to be carefully considered. Since the different questions can not be compared with equal weight nor is the difference between the scores mathematically correct equal to 1.0, the scores do not allow for statistical evaluation. Furthermore, progress may be hampered or overshadowed by increasing threats. If METT scores for a PA would show a positive trend over the years, this does not necessarily mean that biodiversity would be sufficiently protected. It could happen that threats have accelerated and increased at higher rates in the same time. It is therefore recommended to assess threats to the PA and its biodiversity parallel to the METT assessment. This is explained in the following chapter.

4.5.2 Threat Assessment

Threat assessment is a routine exercise as part of CNA, carried out according to its worksheet no.2. This worksheet provides a ranking of threats and also information of the area concerned, the intensity of threats and the urgency of protection intervention required. It also identifies reasons of threats which then are linked to actions needed to address these threats.

This information is not only useful for protection interventions and PA management, but also allows a comparison with METT scores in order to gain a realistic picture on true management progress achieved. If updates show that effectiveness is increasing, but threat scores accelerate faster than METT scores, as in the example above, this would highlight the need for stronger efforts in management and protection. A template for threat assessment and a short explanation of scoring is provided in Annex 11.

The exercise of METT and Threat Assessment will bring together all relevant PA staff in annual working rounds where management effectiveness questions will be jointly answered and threat scoring evaluated in a democratic way. This process will improve communication and understanding of PA staff along technical progress to be made in biodiversity protection and threat mitigation. This process of getting together for the joint purpose of seeing and deciding what will be best for the PA is invaluable for motivation and implementation of all management measures. METT and Threat assessment updates are furthermore important for adjustments of annual Operational Plans and Management Plans.

4.5.3 METT Amendments

The status of biodiversity in the METT is only checked by one question (no.30) by a very general answer on the condition of values. Since biodiversity and habitat protection are largely considered as the umbrella objective of PAs, it is anticipated that more information on biodiversity and habitat qualities should be provided at regular intervals. Observations to assess at least qualitative, if not quantitative, development trends of key species and key habitats would be useful to learn more on management effects on the ground.

Some PAs in Georgia and in Armenia are already familiar with biodiversity monitoring at various quality levels, and this knowledge could be mobilized for a respective add-on to METT and Threat assessments. For example PAs in Georgia report annually about biodiversity trends to the APA. There are also high-quality surveys at international scientific standards available, e.g. by the joint exercise of CEPF / WWF (see ZAZANISHVILI, N. & D. MALLON ed. (2009). These and other professional surveys on key species such as LUKAREVSKY et al. (2007) or MALLON, D., P. WEINBERG & N. KOPALIANI (2007) can be used for cross-checking.

Qualified staff from the PAs' Research/Scientific Departments/Divisions could be charged with the task of such standardized annual reporting of biodiversity and habitat trends to amend the METT exercise. A respective training course to build capacity and to harmonize this monitoring throughout the region would be supportive. Results may be screened from time to time by independent specialists for plausibility. A simple, but appropriate format needs to be developed in order not to add a heavy work load to PA staff. As minimum quality requirement, development trends in a limited number of key species (not more than 10) and key habitats (not more than 5) should be assessed. A possible sample for a format in the simplest way is shown in ANNEX 12, page1. A more developed format is shown on page 2 of this annex as an alternative for those PAs which are able to provide more detailed observations.

4.5.4 Electronic Tracking System for Monitoring Cost Effectiveness of PA Site Management Based on Financial Sustainable Scorecards (FSS)

A task of this mission was to assess the requirements for putting in place an electronic tracking system for monitoring cost effectiveness of PA site management based on the above mentioned METT score with the use, where appropriate of financial sustainable scorecards (UNDP-GEF).

Based on observations of already existing scorecards in Armenia and Georgia (*see for more details below*), both in connection with GEF and conducted by MoNP staff in Armenia and MP/APA staff in Georgia, this tool is used for National Systems of Protected Areas and not for individual PA sites.

Therefore, this tool is not appropriate to track cost effectiveness of individual PA site management.

Financial Sustainability Scorecards

UNDP has developed Financial Sustainability Scorecards to assist project teams and governments track their progress and to make PA systems more financially sustainable. The scorecard is designed for national systems of PAs but could be used by sub-national e.g. state, regional or municipal or networks of Marine/Terrestrial Protected Areas.

The scorecard has three sections:

- Part I – Overall financial status of the protected areas system. This includes basic protected area information and a financial analysis of the national protected area system (all available funds, actual expenditure, how much ideally is needed and deficits)
- Part II – Assessing elements of the financing system (assessing legal and regulatory framework, business planning, tools for revenue generation)
- Part III – Measure score progress (finally what was the progress in percentage of last year in comparison to the current year – doing better or worse).

The scorecard is most valuable if applied routinely on an annual basis but also when preparing GEF, TNC, IUCN-WCPA projects.

Scorecards are filled by Ministry of Nature PA Department, relying on internal information collection channels (Ministry of Finances, regional authorities and other ministries). Assistance for filling scorecards is available from UNDP, TNC. Drawing local NGOs and experts might also help.

The scorecard is a rating system and not a ranking system. It is for each country to decide how to use the results of the scorecard, in the context of its overall policies and available financing, in order to achieve best practice and a more sustainable PA system.

Whilst the scorecard recognizes the importance of cost-effective management in PA financing, it does not provide specific guidance on the use of funds.

Financial Sustainability Scorecards Armenia

The Project “Catalyzing Financial Sustainability of Armenia’s Protected Areas System” was signed in July 2010 between MoNP, CNF and UNDP. The scorecard includes 31 PAs. It was finalized in August 2009 by an international consultant in close co-operation with WWF Armenia and Head of Economic Department of MoNP. The baseline year adopted for the scorecard is 2008. The forecast has been done for 5 years in the future from the year of the scorecard completion. The year of completion was 2009 and the forward projection year is 2014.

As this financial scorecard is prepared in part in connection with a needs assessment for the start-up phase of the CNF, the 2010 and 2014 figures also assume that no funding is available from the CPAF for those years.

Financial Sustainability Scorecards Georgia

The Project “Ensuring sufficiency and predictability of revenues for the Georgia’s protected areas system” was signed in July 2010 between MoP, APA, CNF and UNDP. The scorecard includes 37 PAs. It was finalized for the sister project “Catalyzing Financial Sustainability of Georgia’s PA System” in July 2008 by an international consultant in close co-operation with NACRES and the Department of PAs (former department of MEP). The baseline year adopted for the scorecard is 2007. The forecast should be done for 5 years in the future but it has been left blank since no financial planning has been done.

For the purpose of the Project “Ensuring sufficiency and predictability of revenues for the Georgia’s protected areas system” APA and CNF have developed a projection of future PA system needs and revenue sources. The year 2013 is the fifth year after the baseline date for the original scorecards.

The year 2013 is the fifth year after the baseline date for the original scorecard, and it is also the date by which the CNF expects the sinking fund to be providing its full benefit. This projection assumes 2008 government budget allocations increases up to 35% by 2013.

4.6 Development of Management Plans (MPs)

4.6.1 Current Formats / Procedures

Valid Management Plans in Georgia and Armenia presently exist only for a small number of PAs, many of them have none or outdated plans. Some MPs have expired and need to be updated. In Georgia, such MP updating is ongoing for four PAs (see TJS 2010): Vashlovani PAs (through GIZ project), Tusheti PAs (through GEF-UNDP project), Borjomi- Kharagauli PAs (through WWF and funded by CNF) and Javakheti planned PA (through Eco-regional Conservation Programme II funded by BMZ/KfW). In four PAs in Georgia, MPs are in place: Batsara-Babaneuri, Ilto PAs, Mtirala PA (will expire this year), Kolkheti PA (will expire next year) and Kobuleti PA (will expire next year). In six other Georgian PAs, MPs are intended.

Present experience is that PA staff never has developed MPs by itself and entirely relies on various support from outside. In consequence, MPs differ very much, are only partly understood by PA staff and therefore can not be implemented in appropriate ways. All this results in management weaknesses and affects indirectly the biodiversity which should be protected. It hinders the development of budget plans, based on work plans, deriving from management objectives. MPs are therefore required by CNF (see chapter 4.6.2 below).

4.6.2 Design / Amendment Needs

The need for a functional MP in each funded PA has been recognized and clearly defined by CNF in its framework agreements for Georgia and Armenia in chapter 2.2 (i) c). A management plan must be submitted with the grant application and, if not available for the first application, a respective waiver must be sought, but in this case the Ministry/APA and the PA are committed to prepare a Management Plan within the first 18 months of the grant (see application format in ANNEX 04, chapter 4). For a renewal grant, an MP will be obligatory.

To enable MP preparation, CNF is offering funding support for new MP development under its framework agreements for Armenia and Georgia with standard requirements for basic PA information and PA contents (see chapter 4.6.3 below). This would be an opportunity to cover all PAs involved with appropriate MPs. Since existing MPs are largely different in quality and volume as mentioned under 4.5.1 above, it would also be a chance for a national standard format both for updates of MPs and for all new MPs.

4.6.3 Suggestions / Recommendations

Ideally, a simplified MP format could be developed for the purpose of CNF procedures on the basis of the MP outlines specified in the CNF framework agreements for Georgia and Armenia Annex D. CNF grant management should be fully integrated as a part of the MP for the respective years of grant implementation. Activities under the CNF fund should also be included in the work plans, and CNF budgets be integrated in the MP as well as in the annual budget plans. Thus, CNF activities and budgets would be complementary to those in the MP and work plans. Normally, specialist expertise to design such format, to develop respective guidelines and to train PA staff accordingly could therefore be recommended. However, the institutional framework has been found somewhat different in the two countries:

- (a) in Armenia, guidelines for MP development have been developed by TJS in 2009 and are informally adopted by Government,
- (b) in Georgia, guidelines for MP development have been drafted by MEPNR / APA in 2010, but not yet approved by Government.

As described in chapter 4.6.1 above, at least four different teams are currently developing MPs for four PAs in Georgia on the basis of guidelines which are not yet officially approved. Their work is not easy since MP content is largely fixed by a respective Georgian law, and new formats must be in line with legislation. Under these conditions, there could be two different scenarios for the two countries:

- (a) in Armenia, an MP format could be developed for CNF funded PAs on the grounds of the informally adopted guidelines of 2009. However it would be necessary to seek Government approval prior to undertaking such steps with TJS support.
- (b) in Georgia, it seems to be more appropriate to closely follow the ongoing MP development until approval by Government first and then develop MPs with TJS support for CNA funded PAs in an approved format while making use of lessons learnt from the four ongoing MPs.

It has to be noted, however, – this may be interesting, but is not surprising – that the MP contents and major elements in the guidelines of both countries as well as in the CNF framework agreements Annex D are quite similar. In the light of these findings it is suggested to provide TJS support in five ways:

- (a) to immediately train PA staff in both countries on the aforementioned similar MP contents and elements as laid down in the CNF framework agreements in Annex D; this training would qualify PA staff to play an active role in participative MP development under ongoing and future external assistance. Active involvement right from the start of MP development is vital for full understanding and MP implementation.
- (b) to prepare for an MP format development support in Armenia after Government approval for such step on the basis of the informally approved guidelines and then train PA staff on guidelines as well as on MP development in the approved format,
- (c) to prepare in Georgia as under b) after approval of the Borjomi-Kharagauli MP since this is currently developed under CNF support and a high quality MP, approved by CNF, can be expected, replicable elsewhere in Georgia;
- (d) (d) to assist PAs (both those which receive CNF funds and new CNF eligible ones) in MP development by coaching once the formats and guidelines will be on safe grounds.

A sample for Terms of Reference for MP assistance under (b) above is proposed in ANNEX 13. However, precise MP contents can only be detailed after format approval.

4.7 Procurement

Grants under CNF require procurement of goods and services within Covered Costs for the PA in line with Government rules and additional CNF standards, according to the Framework Agreements (CNF 2008, 2009, Annex E, 8.). Furthermore, the procurement must contain provisions on the Ministries' commitment to seek available tax exemptions from domestic VAT and customs duties for imported goods and services to the CNF supported projects.

Some bottlenecks, however, have been reported since Government procurement regulations are not always sufficiently known by PA staff, as was pointed out particularly in Armenia, and this also may be the case for some PAs in Georgia. Furthermore, some of the regulations are dynamic, and their knowledge needs to be updated when changes occur.

It is therefore suggested to provide basic training on procurement procedures with focus on PA accountants. These trainings could most easily be combined with workshops for financial planning and management. This training should also provide knowledge on information sources for regular updates of Government procurement regulations and application of updates in the procurement procedures.

4.8 Basic English Skills for PA Staff

Budget and operational plans as well as grant applications and records in international projects such as CNF must be submitted to donor agencies most regularly in English language. Although Ministries provide translation services, this causes additional work loads and delays. Furthermore, translators are often not familiar with technical aspects of PAs, and translation may therefore be biased and lead to misunderstanding. In summary, these English language bottlenecks affect especially the CNF grant application procedure and to a

certain extent CNF grant management.

Fortunately, since many terms and parts of the documents concerned are standard formulations, some targeted basic English skills would enable selected PA staff to prepare English documents in a more appropriate way. Staff especially concerned would be the PA directors and accountants. It is therefore suggested to train PA staff in basic English language skills by available English teachers in the region and then organize national workshops for technical English around protected area terms and project terms in the CNF context.

4.9 Design of TJS Support Intervention

TJS intervention will be necessary to facilitate and/or organize support measures in all fields described in chapters 4.1 to 4.8 with focus on grant application and management, financial planning and management, reporting, electronic tracking and MP development. Support scale needs to be logically phased from more intensive interventions at the start, capacity-building and then gradual support withdrawal when PA staff will be able to handle CNF procedures more or less by itself and only will need some form of coaching. A thematic overview and interventions needed is provided in Table 1 overleaf.

Table 5: Thematic overview and suggested TJS support measures

What	Purpose	Timing, sequencing	Who is responsible	Capacity required	Capacity present	Tools required	Tool amend-ment needs	General observations and problems	TJS support measures
CNF-Country agreement	Consensus and binding regulations	Permanent	Ministries involved and CNF					No observations	Not applicable
Grant proposal	Acquisition / access to CNF grants	End of 2011 and each following year	Selected PAs and MoNP or APA	Full ownership of grant proposal procedures	PAs only partly able to perform grant application	Proposal format	Format available	Several PAs rely partly on external aid	Hands-on support, training, coaching
Annual budget	Planning financial operations of PAs including expenditures and revenues	End of 2011 and each following year	PAs implementing planned activities from approved budget (PA key staff and Accountant/Administrator)	Skill to plan and prepare budgets linked to activities from work plans	PAs only partially capable of budget planning	Appropriate skills, standardized budget formats & accounting software & budget control	Budget linkage to work plan and standardization of budget format	Accounting software & budget control & financial expenditures reports based on approved, detailed planned budgets	Streamlined procedures, Capacity-building
Annual work plan	Planning activities towards objectives with aim to achieve results, measurable through indicators	End of 2011 and each following year	PAs implementing activities from approved work plan (PA key staff and Accountant/Administrator)	Skills to design appropriate work plans	Capability to elaborate general work plans in Georgia and in Armenia only with external support (e.g. WWF)	Appropriate work plan format	Streamlined work plan structure linked to budget plan	Current work plans are kept too general and do not link to budget plans	Streamlined procedures, Capacity-building
Quarterly report	Information on quarterly progress and plan for next quarter	After end of each quarter of implementing grants	PAs implementing CNF grants	Appropriate technical and financial reporting	Capacity for general reporting	Appropriately structured reporting format	Streamlined structured reporting format	Current reporting format too general	Streamlined procedures
Monitoring CNF grant impacts	Efficiency control	End of 2011 and each following year	PAs implementing CNF grants	Application of amended METT and Threat assessment	Limited monitoring capabilities	METT and Threat assessment formats	Tools available with minor amendment needs	PAs need training to apply METT & amendments	Capacity building

What	Purpose	Timing, sequencing	Who is responsible	Capacity required	Capacity present	Tools required	Tool amend-ment needs	General observations and problems	TJS support measures
Management Plans	Basic, comprehensive planning for all PA management	First elaboration any time a.s.a.p. with annual update	PAs with support of MoNP or APA	Capacity to elaborate MPs	Very limited capacity for MP elaboration	Appropriate MP format	Development and Government approval of MP format	MP guidelines not yet approved in Georgia, formats not yet developed	Capacity building in MP contents in line with CNF Framework Agreements and in MP development after guidelines and formats will be approved

4.9.1 Hands-on Support Measures

At the point of departure, hands-on support will be required to help eligible PAs to access CNF funds, to prepare grant applications and to submit them timely before the end of 2011 and to manage the funds that they are receiving. It will also help get rid of the back log of activities with PAs, Ministries and Agencies with respect to CNF. It will ensure that on a daily basis required outputs will be delivered on time, while procedures are being streamlined, and local capacities will be enhanced. TJS hands-on support will consist of recruiting two specialists (one for Armenia, and one for Georgia) for a period of 6 to 9 months, as of July 2011, to implement the activities described above. Detailed Terms of Reference will be developed.

4.9.2 Streamlining and Amendments of Formats and Procedures

Based on the observations and recommendations in chapter 4.2.3, formats and procedures need streamlining in the aim to facilitate planning – management – monitoring processes under CNF grants. Although this will lead to more detailed technical and financial planning at the start, it will make work easier once streamlined formats and procedures are adopted and applied. For this purpose a team will be assembled in each country, composed of the agent recruited to implement the hands-on support, a representative of the auditing company involved in implementing the annual auditing for CNF, Ministry and PA representatives and the TJS national coordinator (as well as technical specialists as deemed necessary, who will streamline existing procedures based on the recommendations made in this report. The team will work in close collaboration with both the Ministries and with CNF in order to ensure that the streamlined procedures are as much as possible in line with pre-scribed Ministry and CNF procedures and will avoid as much as possible adding to the workload of agents involved. The streamlining will also reflect on the use and adaptation of accounting software.

4.9.3 Capacity-building in CNF Related Priority Fields

After streamlining the CNF related procedures in each country, staff involved in applying them are to be duly trained. For this purpose, the outline of a capacity building programme, supporting CNF grant access and grant management, has been a major task of the mission (see ToR ANNEX 01, p.2. All fields covered in chapters 4.1 to 4.8 are necessary for CNF grant application and management and need capacity-building for PA staff and in some cases also for Ministerial Administration staff as has been pointed out in respective suggestions / recommendations. Only CNF related training needs are considered here. An overview of suggested capacity-building with training subjects, target groups, expected outcome, form of training and training period is shown in Table 2 overleaf.

The organization of all trainings will follow a timing pattern which starts with development of Terms of Reference prior to procurement of training assistance. Procurement requires search of candidates, invitation for bids, selection of best candidates and preparation and signature of training contracts. The trainer will elaborate a detailed training programme / curriculum and training materials and then perform the training and provide training reports. Each training thus will have the following organizational steps:

- 1) Development of ToR
- 2) Procurement of training assistance
- 3) Elaboration of training programmes / curriculum and training materials
- 4) Training performance and reporting.

On an average, about two to four months may be needed, starting around last Quarter of 2011. Because of language and travel constraints it seems to be appropriate to hold different trainings in Georgia and in Armenia. The English language training, however, can be done by available teachers in the region with a final workshop on technical terms (s. chapter 4.8).

Some training may be combined in appropriate clusters, e.g.

- (a) Grant application + technical reporting + METT and Threat assessment, or
- (b) Financial planning and management + financial reporting + procurement.

In this way, regional workshops of 3 - 4 days duration could be organized which would cover at least three training subjects.

Table 6: Capacity building and training requirements under TJS support

Training subject	Target Groups ⁵	Expected outcome	Form of training	Training period
CNF Grant application	P	Capacity to develop CNF grant application documents	Workshop Armenia and Georgia	10 – 12/ 2011
Preparation of work plans	P including M staff	Capacity to prepare work plans based on objective, activities, results and indicators	Workshop Armenia Georgia (optional)	10 – 12/ 2011
Financial planning and management	P + M	Capacity to plan and manage budgets based on activities from work plan/operational plan	Workshop Armenia and Georgia (optional)	10 – 12/ 2011
Accounting Software and Budget Control	P + M	Capacity to maintain transparent accounting systems and produce monthly expenditures reports i.e. financial reports as well as to keep records on fixed assets	Workshop Armenia	10 – 12/ 2011
Budget Control	M	Capacity to maintain transparent accounting system and produce monthly expenditures reports as well as keep records on fixed assets	Workshop Georgia	10 – 12/ 2011
Reporting a) technical, b) financial	P	Skills to develop sound technical and financial reports	Workshop Armenia and Georgia	10 – 12/ 2011
METT / CNA Threat scores	P	Capacity to use CNA electronic tracking tools	Workshop	10 – 12/ 2011
Key species monitoring	P	Basic skills to report key species development trends	Workshop	To be determined
MP development	P	Knowledge of MP contents for active participation	Workshop	To be determined
	P + M	Knowledge of MP guidelines and skills to update MPs	Workshop	To be determined
Procurement	P	Knowledge of guidelines & skills to organize procurement	Workshop	11-12/2011
English basic skills	P (2 staff per PA)	Basic skills to handle CNF formats in English	Language course	01–06/2012

⁵ M: Staff of Ministries involved / APA P: Staff of Protected Areas

4.9.4 Guidelines for CNF procedures

Based on experiences from capacity-building, streamlined draft formats can now be finalized and standardized. These and the experienced standard procedures are to be summarized in two country specific “Manuals of CNF Country Operations” manual which will describe in detail all procedures for obtaining access to CNF grants and for managing them. Users of the manual will be PA and ministerial staff involved. Some formats may also be useful for cooperating partners in other projects or in NGOs collaborating with protected areas.

4.9.5 Coaching

After successful capacity-building of all target persons, the hands-on support will be withdrawn to allow trained staff of PAs and their Ministries to be fully in charge of applying the streamlined CNF procedures. TJS will remain available to provide coaching support at all levels where required, both based on a support schedule and on demand. The involvement of the coaching support will however be gradually reduced to “helpdesk level”, by the middle of 2014.

4.9.6 Time Schedule

Capacity-building can start immediately and focus in mid 2011. Most trainings could be completed before end 2011, including MP training on MP contents and major MP elements. Only MP training on agreed guidelines and formats may not be possible before 2012 because of Governments’ approval still pending, as already has been explained (see 4.6.3). This would also delay the elaboration of guidelines/manual if the MP complex is to be included here. As an alternative, the manual could be prepared for all other formats excluding MP to avoid such delay. Later in 2012, separate MP guidelines with formats could be established. This seems appropriate also in view of the TJS work load for preparing the guidelines and in view of the guidelines’ volume which will probably become too heavy if the MP complex would be included. For these reasons, the MP guidelines are suggested in the first half of 2012 in the proposed schedule. An overview of timing is provided in Table 3 overleaf.

Table 7: Proposed time schedule for TJS support (*each square represents 2 months*)
Synergetic Side-effects

	2011	2012	2013	2014
Hands-on support	■■■■	■■		
Streamlining formats	■■■■			
Capacity building	■■	■■■■		
- Grant application	■■			
- Financial management	■■			
- Reporting	■■			
- METT / Threat assessment	■■			
- Key species monitoring	■■			
- MP development	To be determined	■■		
- Procurement	■■			
- Legislation	■■			
- English language		■■■■		
Guidelines / manual		■■		
Coaching		■■■■■■	■■■■■■	■■■■■■

The proposed capacity building will not only be beneficial for the CNF funded projects, but

also for any other planning, implementation and management tasks of PA and ministerial staff. Once their capacity will be improved, this capacity will also be available for internal PA and Government procedures as well as for other national or international projects. It will furthermore strengthen communication and collaboration of all staff operating in national and international networks for PA management and environmental and biodiversity protection. Human resources in form of a pool of trained staff involved in nature and protected areas conservation and management can exchange technical information and work hand in hand more efficiently for environment and biodiversity in the Caucasus. These resource persons could also assure coaching and assistance after the end of TJS support.

4.9.7 Synoptic TJS Support Summary

A summary overview of all suggested TJS support to facilitate access to CNF grants and grant management is provided in table 4 overleaf, which is self-explanatory.

Other PA support needs have been observed during the mission and are explained in ANNEX 15.

Table 8: Synoptic TJS support summary

Support form	Support Purpose	Concrete activity	Issues themes covered	Time period
Hands on support	To help eligible PAs to access CNF funds, to prepare grant applications and to submit them timely before the end of 2011 and to support ongoing grant management	Stakeholder meetings at PAs in the pipeline for the next round of grants, namely for 2012, to assess individual support needs, direct advice in TJS working rounds, organization of twinning arrangements and complementary short consultancies if needed	Grant application, management of ongoing grants	June to Dec. 2011, early 2012
Streamlining procedures	To easier elaborate appropriate work and budget plans and to facilitate technical and financial reporting	Organize format amendments and encourage introduction of accounting software	Better linkage of work and budget plans, activities and budget lines, clearer report structures	July – September 2011
Training	To strengthen capacity of Ministries and PA staff in all fields necessary for CNF grant application, management and monitoring	Organize workshops and engage trainers in grant application procedures, financial planning and management, technical and financial reporting, METT & Threat assessment, key species monitoring, MP development, procurement and basic English skills	As listed in activities	Q4 2011, Q1 and 2/ 2012
Manual of Procedures	To harmonize formats and procedures contributing to CNF sustainability and to provide a user-friendly manual	Organize format amendments and edition of a user-friendly manual containing standardized formats and guidelines	Grant application, financial and technical formats, METT & Threat assessment, key species monitoring, procurement, MP format & guidelines	Q1/2012
Coaching	To assist individual PAs in CNF grant management and application as a stand-by help on occasional request	Periodical visits and meetings on PA sites to be combined with first-hand monitoring of CNF grant implementation, working rounds in TJS office or in Ministries	Individual bottlenecks which might occur in handling CNF grants which PAs can not solve by themselves	2012 to 2014 throughout

5 References

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ANNEX 01: Terms of Reference for assessing capacity building needs at MEPNR (Georgia) and MoNP (Armenia) to access and manage CNF funds

Introduction

The second phase of the Transboundary Joint Secretariat (TJS) provides support to the Ministries of Environment of Armenia, Azerbaijan and Georgia to increase regional sector harmonization and sector development in nature conservation and related socio-economic development. TJS will set out on achieving the following objectives:

- Harmonization and further development of the nature conservation sectors of the ministries,
- Establishment and / or improvement of the operational instruments for sound implementation of sector policies (i.e. sector concepts and sector guidelines),
- Development of financing strategies and instruments for a sustainable funding of protected areas in Armenia, Azerbaijan and Georgia (e.g. with Caucasus Nature Fund (CNF), payments for environmental services, and other tools).

Within this last context, sustainable financial management, it has been agreed, that TJS will support the Ministries involved in acquiring and managing funds from CNF, and support them in building the necessary capacity. CNF provides funding for operational costs of PAs. CNF manages a sizable endowment fund which serves as a resource for its grant funding. In addition to this CNF has obtained a sinking fund from UNDP-GEF which is also to be used to fund operational costs of PAs over the next few years in Armenia and in Georgia. KfW has agreed that within the context of its counterpart funding to UNDP-GEF, TJS will clearly define and provide support to the Ministries and the PAs in cost-effective PA management, and in putting in place an electronic tracking system to track changes in cost-effective management of sites, applying where appropriate the Financial Sustainability Scorecard approach. In this context it will be assessed to what extent and under what conditions METT scores will be an adequate tool for this.

Purpose of the mission

At present TJS is going through its inception phase, which will define the general as well as the annual plan of operations. In the context described above several support themes to CNF are to be further explored and developed before they can be finalized. For this purpose a short mission will be fielded which is composed of two international experts, one in financial and administrative systems and one in protected area management practices. The two experts will have separate sets of Terms of Reference as defined in the present text, but are required to work closely together and to coordinate their findings in such a way as to present an integrated whole. A joint report will be presented with final editing responsibility assigned to the international expert for protected area management.

The joint mission will pertain to the following main themes:

- Present budget formats of CNF for Protected Areas
- The current and required accounting systems in place in Armenia and in Georgia for Protected areas which receive financial support from CNF
- The present work plan formats used by CNF for Protected Areas and how they fit into Ministry planning processes, their linkages with current and proposed PA management planning as well as linkages with administrative and financial systems as management tools
- Design / amendment needs for basic budgeting and accounting systems in line with CNF requirements and national systems in place
- Design / amendment needs for basic work planning systems in line with CNF requirements and national systems in place
- Design needs for of a monitoring programme and an electronic tracking system for CNF and the Ministries / PAs to assess the effective and efficient use of funds.
- Outline of a capacity building programme on budgeting, accounting and work planning for Armenia and Georgia which is acceptable for both Ministries and PA management involved
- Assessment of experiences and current capacity of ministries to calculate all investment related costs like maintenance and operational costs.

The team of experts will participate in the TJS phase II planning workshop tentatively foreseen during the week of 11 April 2011, where preliminary findings will be presented for discussion. The objective of the 2 day workshop is to develop a TJS General Implementation Plan and a more detailed Annual Implementation Plan which take into account a sector analysis of nature conservation in the Southern Caucasus, and a gap analysis. Participants to the workshop will be the 3 National Coordinators, the 3 National Focal Points, the RECC Country Directors of AZE and ARM, the RECC Project Manager, and the TJS Team Leader.

Location and duration of the mission

The mission will be implemented in Georgia and in Armenia, and as required in Germany. The mission will take place in Armenia and Georgia for a period of 21 days, between 1 and 22 April 2011, with an additional 7 days for preparation and reporting. After the mission the experts will also present their findings at KfW in Frankfurt, Germany.

Specific services and outputs of the administrative and financial expert

- Briefly assess the current CNF procedures for PAs to acquire, manage, account for and monitor CNF grants, with particular emphasis on the budgeting and accounting procedures.
- Assess the above mentioned procedures in their relationship to/compatibility with the two state budget formats and processes and the CNF add on.
- Determine the status of current Ministry accounting/budgeting software and its use, including its possibilities for analytical accounting
- Assess the requirements to adapt to more useful formats (for the PAs, the Ministries and CNF), considering the requirements for adapting software, without imposing unmanageable burdens on the Ministries or the PAs.

- Briefly assess the functional linkages between on the one hand the budgeting, accounting and financial monitoring formats and on the other hand the work planning and PA operations required by CNF.
- Consider with the Ministries involved how the formats can be easily manipulated to become not only a budget / financial plan document, but also an annual reporting document (so that CNF reporting is easy). Additional software development is to be considered.
- Based on the findings from the above design the outline of a basic, possibly cash-method (as opposed to accrual method) PA accounting system as well as the appropriate record keeping/labelling/inventory procedures at PAs, which are to be further developed within the context of the support programme.
- In close collaboration with the technical PA expert of the mission assess the requirements for putting in place an electronic tracking system for monitoring cost effectiveness of PA site management, based on the METT score with then use, where appropriate of financial sustainability scorecards (UNDP-GEF)
- In close collaboration with the technical PA expert assess experiences and current capacity of ministries to calculate all investment related costs like maintenance and operational costs.

Within this context it has to be taken into consideration, that the development of a basic PA level accounting system may appear to be necessary in Armenia, where apparently at the PAs there are only financial records and no accounts (to be confirmed). In Georgia all accounting and most record-keeping is done centrally. Yet it is not to be excluded that PA specific accounting at the APA can be considerably improved as well (also to be confirmed).

Specific services and outputs of the technical PA expert

- Briefly assess the current CNF procedures for PAs to acquire, manage, account for and monitor CNF grants, with particular emphasis on the technical planning, implementation and monitoring procedures.
- Assess the above mentioned procedures in their relationship to/compatibility with the two state technical planning procedures for PAs, including management planning, operational planning and implementation procedures and formats, and the CNF add on.
- Based on the above propose practical short term adjustments to the technical management planning, operational planning and implementation procedures, which will streamline these procedures, in a way which is acceptable to the Ministries / Agencies in charge and which helps increase effectiveness and efficiency of management planning, operational planning and implementation within the context of CNG requirements
- TJS will also provide support to CNF in developing a monitoring system to assess the effective and efficient use of funds. Part of this will be based on METT methodology (Management Effectiveness Tracking Tool). Consequently the expert will assess the possibilities to integrate METT monitoring principles and techniques into a general effectiveness and efficiency monitoring system which will serve CNF.
- If positively assessed, propose a METT based monitoring system for the technical efficiency and effectiveness monitoring in relation to CNF grant management, to be operational at the Ministry / Agency / PA and at the CNF level, and this in close relation with financial and administrative procedures for CNF grant management.
- Assess for the Ministry / Agency / PA level capacity requirements and propose capacity building measures as needed within the context and possibilities of TJS support.

Both experts will together:

- Propose, based on the findings of the mission, how TJS support to CNF with regard to GEF should be defined, both in terms of quantities and quality.
- Present and discuss the first and preliminary combined findings on the above in the TJS Inception Workshop.
- Propose a plan to assist/train PAs/Ministries during 2011 in preparing 2012 budgets, work plans and 2011 reports in the agreed formats
- Propose an assistance and training plan for PAs and Ministries for the years 2012 until 2014 (where required in close collaboration with the technical PA expert).

Existing agreements between CNF and UNDP/GEF about capacity building support that imply a role for TJS and that have been sanctioned by KfW will be taken into account.

Operational arrangements

A kick-off meeting with the TJS Team Leader and possibly the executive Director of CNF and the project manager of KfW by conference call will be held. The experts will meet in Georgia and Armenia with appropriate Ministry staff and PA managers of sites currently receiving CNF grant support. They will in both countries contact UNDP-GEF representatives, and also work with KPMG, who currently implement the PA annual financial audits for CNF. The experts will contact the NGOs currently involved in monitoring the PAs receiving CNF grant funds.

For the implementation of these tasks the experts will consult with and report to the TJS Team Leader.

Results and reports

The results of the mission will be documented in a brief mission report composed of a main text of not more than 20 pages, with appendices as required. Before the end of the mission the experts will briefly present the results in a meeting with the TJS Team Leader and the RECC TJS Program Manager. During this meeting an outline of the report will be presented and discussed. The draft report will be submitted within 5 working days after the end of the mission.

ANNEX 02: Persons / stakeholders met during the mission

No	Family name, first name	Organization, Position
01	Aghasyan, Aram	MoNP Armenia, Head of Biodiversity Managemt. Agency
02	Arakelashvili, Marika	KPM G Georgia, Audit Department
03	Avetisyan, Eduard	KPMG Armenia, Head of Advisory Services
04	Barbakadze, Tea	APA Georgia, Head of Planning Service
05	Barseghyan, Varancov M.	Khosrov Forest State Reserve, Director
06	Bitsadsze, Maka	WWF Caucasus, Georgia, PAYLP Project Coordinator
07	Danielyan, Tatyana	MoNP, Head of Biodiversity Policy Division
08	Dzneladze, Malkhaz A.	WWF Caucasus, Georgia, Policy Officer
09	Galstyan, Siranush	WWF Armenia, Head of Conservation
10	Garforth, Mike	Independent Consultant, TL of TJS phase 1
11	Gevorgyan, Armen	TJS, Country Coordinator Armenia
12	Grigoryan, Eric	Financial Consultant (formerly in Min. Nature Prot.)
13	Harudynian, Ashot	MNP Armenia, Head of Dep. for Strategic Planning
14	Harutyunyan, Nune G.	RECC Armenian Office Director
15	Khorozyan, Igor	WWF Armenia, Project Coordinator
16	Khuntsaria, Nestan	UNDP Georgia, Program Associate
17	Lalayeva, Svetlana	KPMG Georgia, Audit Department Manager
18	Macharashvili, Irakli	TJS National Coordinator REC Caucasus, Georgia
19	Manvelyan, Karen	WWF Armenia, Director
20	Martirosyan, Armen	UNDP Armenia, Coordinator Environmt. Governance
21	Martirosyan, Viktor	MoNP Armenia, Head Dep. Int. Projects, TJS Focal Point
22	Mirakyan, Narine	WWF Armenia, Chief Accountant
23	Moistsrapishvili, Lasha	APA Georgia, Deputy of Chairman
24	Muladze, Natia	Borjomi PAs Chief of Visitor Service
25	Pataridze, Tamar	APA Georgia, Deputy of Chairman
26	Sanadiradze, Dr. Giorgi	WWF Caucasus Georgia, Director
27	Shavgulidze, Irakli	NACRES Biodiversity and Research, Chair of Board
28	Shubitidze, Ana	UNDP Catalyzing Financial Sustainability of PA system
29	Soghoyan, Nina	KPMG Armenia, Audit Operations Manager
30	Tabunidze, Levan	Borjomi PAs Chief of Administrative Division
31	Tukvadze, Vakhtang	APA Georgia, Head of Economic Service
32	Vermaat, Jaap	Transboundary Joint Secretariat, Team Leader
33	Zazanashvili, Nugzar	WWF Caucasus Georgia, Conservation Director

ANNEX 03: Mission calendar

01.04.2011	Departure from Germany, arrival in Tbilisi, Georgia
02.04.2011	Briefing in TJS office by J. Vermaat
03.04.2011	Travel from Tbilisi to Yerevan, Armenia
04.04.2011	Meeting with A. Gevorgyan Meeting with N. Harutyunyan, RECC office Meeting with V. Martirosyan, TJS focal point, MoNP
05.04.2011	Meeting with E. Avetisyan, KPMG office Meeting with E. Grigoryan Meeting with A. Harudynian, Dep. Strategic Plan, MoNP, and A. Aghasyan, Biodiversity Management Agency, MoNP
06.04.2011	Meeting with N. Soghoyan, KPMG office Meeting with A. Martirosyan, UNDP office Departure from Yerevan to Khosrov State Reserve HQ Meeting with Director V. M. Barseghyan and his PA staff Field visit to Khosrov State Reserve Return to Yerevan
07.04.2011	Meeting with K. Manvelyan, WWF Second meeting with A. Harudynian, MoNP
08.04.2011	Meeting with T. Danielyan, Biodiversity Policy Div., MoNP Meeting with S. Galstyan, I. Khorozyan and N. Mirakyan, WWF Armenia office
09.04.2011	Departure from Yerevan to Tbilisi
10.04.2011	Working session with J. Vermaat, TJS office Tbilisi
11.04.2011	Internal working session in TJS office
12.04.2011	Meeting with T. Pataridze, L. Moistsrapishvili, T. Barbakadze and V. Tukvadze, APA, MEPNR
13.04.2011	Meeting with A. Shubitidze, UNDP project in MEPNR Participation in TJS inception workshop
14.04.2011	Presentation of preliminary mission findings in TJS workshop
15.04.2011	Meeting with T. Pataridze, T. Barbakadze and V. Tukvadze, APA, MEPNR (Seeger only) Meeting with S. Lalayeva and M. Arakelashvili (Seeger only)

- 16./17.04.2011 Internal working sessions and report drafting
- 18.04.2011 Departure from Tbilisi to Borjomi PA together with I. Macharashvili,
meeting with PA staff, return to Tbilisi
Debriefing Seeger by TJS TL
- 19.04.2011 Return flight of Seeger to Germany
Meeting at WWF Caucasus Programme Office Tbilisi
with Dr. G. Sanadiradze, N. Zazanashvili and M. Bitsadze (Bützler only)
Meeting with M. Homola, GIZ Country Director Georgia (Bützler only)
- 20.04.2011 Meeting at NACRES office Tbilisi with I. Shavgulidze (Bützler only)
- 21.04.2011 Meeting with M. Garforth in RECC office.
Debriefing Bützler by TJS TL
- 22.04.2011 Return flight of Bützler to Germany
- 12.05.2011 Meeting with T. Barbakadze and V. Tukvadze, APA, MEPNR (Seeger
only)
- 13.05.2011 Meeting with Nestan Khuntsaria from UNDP-GEF (Seeger only)

ANNEX 04: CNF grant application format currently in use

Proposal for Grant to Fund Covered Costs of State Reserve / National Park

Date of Proposal Submission: [Insert date]

The Ministry of(the “Ministry”) and “.....” National Park / State Reserve (“the PA”) hereby apply for a grant to fund Covered Costs at the PA as contemplated by the Framework Agreement dated 22 May 2009 (Armenia) /(Georgia), between the Caucasus Nature Fund (“CNF”) and the Ministry. Capitalized terms not otherwise defined in this Proposal have the meaning set forth in the Framework Agreement.

1. Eligibility. The Ministry and the PA confirm as follows:

The PA is composed of: [*describe*]

Instructions: if the PA consists of a simple type of PA (national park / strict nature / sanctuary / etc.) simply insert the type of PA; if there are different PA types in a single administrative unit, please describe.

The PA, including all its component parts in the case of a PA with multiple PA types within a single administrative unit, is a Priority Protected Area as defined in the Ecoregional Conservation Plan for the Caucasus, dated March 2006 (the “ECP”), [except that]

[If this is not the case, for a portion of the PA, please describe exception]

The PA [is/is not] an Existing Protected Area as defined in the Framework Agreement.

2. Basic PA Information: Please provide the following.

- Number of hectares within the PA:
- Estimate (this can be a ‘best guess’ based on a rapid review of available
- Population data} of the population residing in the national borders within the following distances from PA boundaries (or other similar distances for which the information is available or can more easily obtained):
 - 20 kilometres of PA boundaries:
 - 50 kilometres of PA boundaries:
 - 100 kilometres of PA boundaries:
- Briefly describe / assess market access and road density:
- Briefly describe / assess any meaningful access from across a national border.

3. Conservation Significance/Status of PA. Please provide the following: *)

- A brief (500 words or less) discussion of why the PA should be important for the CNF based on the biological priorities established in the Caucasus Ecoregional Conservation Plan and the factors set forth in Annex F of the Framework Agreement (may be omitted if the application includes a Management Plan financed by a CNF grant or is for a Renewal Grant).
- A brief description and assessment of any existing biodiversity monitoring programme in place at the PA.

- A brief description and assessment of any existing tourist infrastructure in and around the PA, information relating to tourist numbers and the development thereof, tourism prospects and any tourism revenues.
- A brief description and assessment of any other existing or contemplated revenue generating activity.
- A brief description and assessment of any permitted economic use or right of way in favour of local population or otherwise.
- A brief description of major threats to the PA such as

Level of Poaching:

Level of Illegal Logging:

Other Key Threats:

**) [Insert description / assessment or refer to attached document]*

4. Management Plan and Operating Plan Documentation. Attached are the following documents in relation to the PA believed in good faith by the Ministry and the PA to fulfil the requirements of the Framework except as indicated.

Management Plan

For 1st time grants:

- A current Management Plan. The Management Plan was prepared / most recently updated [insert year] and purports to be valid until [insert year].
- Waiver of the requirement for a Management Plan is sought, and the Ministry and the PA will agree in the grant agreement to prepare a Management Plan during the first 18 months of the grant.

For renewal grants:

- A Management Plan has been previously submitted to the CNF and continues to be valid.

Operational / Work Plan:

- For the current year (if available – not necessary for renewal grants)
- For the base year (year 1 of the grant)
- Temporary waiver of the requirement to provide an Operational / Work Plan for the Base Year is sought, and it is indicated below what alternative documents are provided now and when/how Operational Plan documents meeting the requirements of the Framework Agreement are expected to be provided.

[insert explanation]

5. Budget Documentation

The following documents are provided:

- Budget and final accounts for the year preceding the date of the grant proposal with an explanation of key variances (if any) between the budget and the final accounts for such year (only required for existing PAs within the meaning of the Framework Agreement);
- Approved budget for the current year with an explanation of key variances (if any) between the previous year's budget and the current year's budget;
- Estimated budget for the two years following the Base Year
- Provide a brief description of process by which Proposed Budget for Base Year will be approved and timing.

[insert explanation or refer to attached document]

6. Background Information on Budget and Operations

- Please summarize the budget proposal as outlined outline in the table attached as Annex 1. (Note that CNF funds may not be used to construct *major facilities and for other major capital projects.*)
- Provide a brief description (500 words or less) of status of PA efforts to assure, in relation to the PA:
 - (i) efficiency in budget spending (cost control) and
 - (ii) optimal allocation of budget resources among potential uses.

[insert description/ explanation or refer to attached document]

- Please discuss gaps between needed activities/expenditures and activities that can be provided with available funds in two ways:
 - (i) What are the gaps if CNF financing were not available at the level proposed?
 - (ii) What are the key remaining gaps including CNF financing at the level proposed?

[discuss or refer to attached document]

Please provide the following:

- Number of employees at the PA

(please complete table (for given years before and after grant application))

	December 31			
	2010	2011	2012 (projected)	2013 (projected)
Administration Division				
Protection Division				
Visitors Services				
Research				
Total				

- Significant PA facilities (function, size, state of repair):

[insert brief description or refer to attached document]

- Significant construction, infrastructure projects undertaken in the last 2 years or planned in the current year or the next 2 years:

[insert brief description or refer to attached document]

- For capital items in the proposed budget for the Base Year in excess of (Lari 10,000) / (5,000,000 / 10,000,000 Dram) proposed to be acquired, estimate useful life and return on investment if information of this kind is available/appropriate.

[insert explanation or refer to attached document]

7. It is understood that the CNF will use its best efforts to respond to this Application within 3 months of submission.

Agency of Protected Areas of Georgia / MoNP Armenia Head _____

[Name of PA] _____ Director _____

ANNEX 1

	2010 initial budget	2010 final budget	2011 budget	2012 estimate	2013 estimate	2014 estimate
Total Operating Expenses from all sources (Lari/Dram)						
Total Capital Expenses from all sources (Lari/Dram)						
Total Expenses (Lari/Dram)						
Total Expenses (Euro)						
Total Government Budget (Lari/Dram)						
Total fund CNF (Lari/Dram)						
Total Capital or Operating Expenses from sources other than CNF (Lari/Dram)						
Total Expenses (Lari/Dram)						
Total funding CNF (Euro)						
Significant new Construction (Lari/Dram)						
Significant non-recurrent items (Lari/Dram)						
Total Government budget less construction / non-recurrent items						

Annex 05: MoNP Budget Format

PA Expenses--State Budget Format/ Խնտրովի ծախսերի-համապատասխան պետական բյուջեի	Code	2008		2009	2010			2011			2012			2013		
		Approved Budget /Հաստատված բյուջե	Final Accounts	Approved Budget /Հաստատված բյուջե	Projection for CNF Application/ԿՊՏՀ պլանավորված ներդրում			Projection for CNF Application/ԿԲՀ կողմից պլանավորված ներդրում			Projection for CNF Application/ԿԲՀ պլանավորված ներդրում			Projection for CNF Application/ԿԲՀ պլանավորված ներդրում		
		State & Other/ պետական/ այլ	State & Other/ պետական/ այլ	State & Other/ պետական/ այլ	State/ պետական	CNF/ ԿԲՀ	Total/ Ընդամենը	State/ պետական	CNF/ ԿԲՀ	Total/ Ընդամենը	State/ պետական	CNF/ ԿԲՀ	Total/ Ընդամենը	State/ պետական	CNF/ ԿԲՀ	Total/ Ընդամենը
Current Expenses (in 000's)/Ընդացիք ծախսեր																
Total payroll costs/ Ընդամենը աշխատավարձի ծախսեր	101															
Purchased goods and services/ Ապրանքների գնման ու ծառայությունների վճարման ծախսեր																
Office Supplies and uniforms/Գրասենյակային ապրանքներ և հագուստ	102															
Administrative equipment/Վարչական սարքավորումներ	103															
Other machinery and equipment/Այլ մեքենաներ և սարքավորումներ	104															
Furniture and equipment/Գույք և սարքավորումներ	105															
Vehicles and Equipment maintenance/Մեքենաների և սարքավորումների ընթացիկ նորոգում	106															
Per diem travel allowance/Կենցաղային և հանրային սննդի կյութեր	107															
Transport services/Տրանսպորտային ծառայությունների վճար	108															
Communication (telephone, mobile)/Կապի ծառայությունների ծախսեր	109															
Internet/Քննչաներ	110															
Gas, electricity, water, waste management/ Other services/Ընդանուր բնույթի այլ ծառայություններ	111 112															
Total Goods and Services/																
Total current expenses																
Ընդ. Ընթացիկ ծախսեր																
Inflation adjustment (see explanatory notes in Annex 3 of the application document)																
Total current expenses with inflation adjustment																
Capital expenditures/Կապիտալ ծախսեր																
State Budget-Building & Construction/Շենքեր և շինություններ	201															
State Budget-Purchase of buildings (capital assets)/ Շենքերի և շինությունների ձեռքբերում	202															
Total capital expenditures/Ընդ. Կապիտալ ծախսեր																
Inflation adjustment (see explanatory notes in Annex 3 of the application document)																
Total capital expenses with inflation adjustment																
Special State Budget/Հատուկ պետական բյուջե	901															
Total Spending State/CPAF/ in Dram																
Ընդամենը ԿՊՏՀ ծախսեր																
Total Spending State/CPAF/ in Euro																
Ընդամենը ԿՊՏՀ ծախսեր																
Total Expenditures from Other Sources (Norway, other) in Dram/Ընդ.ծախսեր այլ աղբյուրներից	902															
Total Expenditures from Other Sources (Norway, other) in Euro/Ընդ.ծախսեր այլ աղբյուրներից																
Total Cash Expenditures in Dram/ Ընդ.կանխիկ ծախսեր																
Total Cash Expenditures in Euro/ Ընդ.կանխիկ ծախսեր																

Annex 06: APA Budget Format

Proposed Budget for PAs								Comments/Descriptions													
	Unit	Unit Price in Lari	Total	2010	2011	2012	2013														
Project Base Costs (1)																					
Operating Costs																					
Salaries and bonuses	12	10810	129720	135910	135910	135910	135910														
Utilities																					
Gas	lump sum	3140	3140	3140	3140	3140	3140														
Electricity	lump sum	4785	4785	4785	5000	5000	5000														
Telephone Services & Internet	lump sum	1500	1500	1500	1500	1500	1500														
Fuel for Vehicles	4795	2	9590	9590	11000	11000	11000														
Uniform Set	lump sum	6835	6835	6835	4000	0	10400														
Food for horses	lump sum	3600	3600	3600	4900	6000	6000														
Maintenance of Vehicles & Equipment	lump sum	1657	1657	1657	3500	4000	4000														
Veterinary service for horses	lump sum	300	300	300	1500	1400	1400														
Tourist maps	1098	1	1098	1098	1500	2000	2000														
Other: Stationary, hygienic goods, lightbulbs etc.	1	12780	12780	12780	8800	2000	2000														
Travel	lump sum	442	442	442	1000	6500	6500														
Capital Expenditures			0	0	0	4000	0														
Project Base Costs (1)								181637	181750	182450	188850										
Of which: State budget								177350	174750	170450	176850										
PA Revenues								4287	7000	12000	12000										
CNF Additional Costs (2)(GEL)									178516	182091	176900										
CNF Additional Costs (2)(Euro)*									77616	79170	76913										
Breakdown of CNF Additional Costs (GEL)																					
Equipment & Technology																					
Scanner	1	120	120		120																
Printer (colour)	1	350	350		350																
Photo camera (professional)	1	1350	1350		1350																
Binocular (12X20)	3	200	600		600																
Telescope	2	300	600			600															
Head torch	20	20	400			400															
Camera trap(s)	5	700	3500			3500															
Chip for photo trap 2GB	10	20	200			200															
Chain lawn-mower	1	250	250		250																
Digital Photo Camera	4	400	1600			1600															
Laptop	1	1400	1400			1400															
Chain Saw	1	900	900		900																
Computer	5	1000	5000				5000														
Generator	1	2000	2000				2000														
Total Equipment & Technology				0	3570	7700	7000														
Other Goods																					
Vehicles	2	38000	76000	0		38000	38000														
Signs for Offices	12	10	120		120																
Paint and Lac for Gates and Buildings	180	8	1440		440	1000															
Sticker for Way Signs	40	20	800		400	400															
Markers for Stream and Picnic Sites	7	10	70			70															
Brush for Painting	32	32	1024		512	512															
Pan Set	1	250	250			250															
Saucepan Set	1	250	250			250															
Drain for Crockery	1	35	35			35															
Stove for Ranger Shelters	3	200	600			600															
Mattress for Field	30	30	900		900																
Tent for 4 persons	5	170	850		850																
Boots	20	80	1600			1600															
Winter Uniforms	21	400	8400			8400															
Plastic Pipe	1100	2	2200			2200															
Dilutant for Paint	10	5	50			50															
Paint for Paths (yellow&black)	21	3.5	73.5			73.5															
Door-handle	4	2.5	10			10															
Mattress for Bunker Beds	10	130	1300			1300															
Light Bulbs	100	10	1000			1000															
Waste bin (big with wheels)	8	190	1520			1520															
Rubbish Bin (small)	6	120	720			720															
Informational Boards	18	160	2880			2880															
Fuel	5500	2	11000				11000														
Vehicle maintenances fees	1	6000	6000				6000														
Food for horses	4000	0.5	2000				2000														
Harness	6	1000	6000				6000														
Total Other Goods				0	3222	60870.5	63000														
New Construction																					
Arrangement of Tourist Shelter and paths around	1	38000	38000	0		0	38000														
Arrangement of Picnic Sites	4	10000	40000		40000																
Total New Construction				0	40000	0	38000														
Maintenance/Refurbishment																					
Administration Building	250	184	46000	0	46000	0	0														
Conference Hall	150	80	12000	0	12000	0	0														
Arrangement of Sanitation for Outdoor Toilets	4	60	240	0	120	120															
Outdoor Light posts	4	800	3200	0	3200																
Roof for Picknic Sites	3	1200	3600	0	3600																
Material for bridges (#1,2,3,4 paths)	6	300	1800	0	900	900															
Roadblocks	2	600	1200	0		1200															
Rearrangement of Paths	lump sum	43000	43000	0	28000	15000															
Miscellaneous Maintenance Expenses	lump sum	15260	15260	0	2460	2800	10000														
Total Maintenance & Refurbishment				0	96280	20020	10000														
Development of Ecotourism Program																					
Elaboration of Ecotourism Program and implementation	1	13000	13000	0	5000	8000															
100th Anniversary	1	15000	15000	0	0	15000															
Billboards	9	1000	9000		3000	3000	3000														
Printing materials	5000	0.8	4000			4000															
Total Development of Ecotourism Program				0	8000	30000	3000														
Development of Biodiversity Monitoring/Scientific Program																					
Hiring a consultant for biodiversity monitoring program	1	4000	4000	0	0	4000															
Implementation and training in biodiversity monitoring program	5 days	4000	4000	0	0	0	4000														
Veterinary Service	12	250	3000				3000														
Total Biodiversity Monitoring/Scientific Program			8000	0	0	4000	7000														
Implementation of Awareness/Outreach Programs																					
Advertisement	1	14000	14000			14000															
Awareness Program/Training/Meeting/Conference	1	6500	6500	0	1500	3500	1500														
Total Awareness/Outreach Programs					1500	17500	1500														
Top up Salaries by CNF								0	25944	42000	47400										
Total CNF								0	178516	182091	176900										
Total State & CNF								181.637	360.266	364.541	365.750										

*Exchange rate 1Euro=2.3Gel
 (1) Assume 2010 State Budget in 2011 and 2012
 (2) Assume CNF grant in 2011 and 2012 of €80,000 or an amount equal to the 2010 State budget if that was < €80,000
 (3) Binoculars, cameras, GPS, phones for rangers, microscope, firearms, etc.
 (4) Include budget for any consultant hired, e.g., consultant hired to evaluate biodiversity monitoring program or range patrol plan, or to provide training or capacity building



Annex 07: Proposed PA Budget Format)**

Budget

Purpose	Unit	Unit Costs in GEL	Quantity in months	Total in GEL 2011	Total Cost in GEL 2011		Total in GEL 2012	Total Cost in GEL 2012		Total in GEL 2013	Total Cost in GEL 2013	
					State Budget	CNF		State Budget	CNF		State Budget	CNF
1. Administration Division												
Operating Costs												
1.1 Director of PA	month	0	12	0	0	0	0	0	0	0	0	0
1.2 Head of Administration Division	month	0	12	0	0	0	0	0	0	0	0	0
1.3 Administration Accountant	month	0	12	0	0	0	0	0	0	0	0	0
1.4 Support staff (cleaning lady, guard etc.)	month	0	24	0	0	0	0	0	0	0	0	0
1.5 Bonus	month	0	36	0	0	0	0	0	0	0	0	0
1.6 Office running costs (electricity, water etc.)	month	0	12	0	0	0	0	0	0	0	0	0
1.7 Stationery (cartridge, paper etc.)	lumpsum	0	1	0	0	0	0	0	0	0	0	0
1.8 Household material (coffee, toilet paper etc.)	lumpsum	0	1	0	0	0	0	0	0	0	0	0
1.9 Maintenance of Equipment	lumpsum	0	1	0	0	0	0	0	0	0	0	0
1.10 Fuel for vehicle	month	0	12	0	0	0	0	0	0	0	0	0
1.11 Maintenance of vehicle (lubricant, spare parts etc.)	month	0	12	0	0	0	0	0	0	0	0	0
1.12 Maintenance of Administration Unit Building	month	0	12	0	0	0	0	0	0	0	0	0
1.13 Training	month	0	6	0	0	0	0	0	0	0	0	0
1.14 Events	lumpsum	0	1	0	0	0	0	0	0	0	0	0
1.15 Capital Expenditures												
Office equipment (computer, printer etc.)	lumpsum	0	1	0	0	0	0	0	0	0	0	0
1. Sub-total Administration Division				0	0	0	0	0	0	0	0	0
2. Protection Division												
Operating Costs												
2.1 Head of Protection Division	month	0	12	0	0	0	0	0	0	0	0	0
2.2 Rangers	month	0	180	0	0	0	0	0	0	0	0	0
2.3 Bonus	month	0	192	0	0	0	0	0	0	0	0	0
2.4 Fuel for vehicle	month	0	12	0	0	0	0	0	0	0	0	0
2.5 Maintenance of vehicle (lubricant, spare parts etc.)	month	0	12	0	0	0	0	0	0	0	0	0
2.6 Maintenance of ranger shelters and roadblocks	lumpsum	0	1	0	0	0	0	0	0	0	0	0
2.7 Maintenance of tourist trails	lumpsum	0	1	0	0	0	0	0	0	0	0	0
2.8 Construction of picnic site along trails	lumpsum	0	1	0	0	0	0	0	0	0	0	0
2.9 Horse food	month	0	1	0	0	0	0	0	0	0	0	0
2.10 Maintenance of horse stables	lumpsum	0	1	0	0	0	0	0	0	0	0	0
2.11 Capital Expenditures												
Equipment	lumpsum	0	1	0	0	0	0	0	0	0	0	0
2. Sub-total Protection Division				0	0	0	0	0	0	0	0	0
3. Research and Monitoring Division												
Operating Costs												
3.1 External Consultant	month	0	4	0	0	0	0	0	0	0	0	0
3.2 Specialist of Nature Resources	month	0	12	0	0	0	0	0	0	0	0	0
3.3 Rangers	month	0	120	0	0	0	0	0	0	0	0	0
3.4 Bonus	month	0	132	0	0	0	0	0	0	0	0	0
3.5 Fuel for vehicle	month	0	12	0	0	0	0	0	0	0	0	0
3.6 Maintenance of vehicle (lubricant, spare parts etc.)	month	0	12	0	0	0	0	0	0	0	0	0
3.7 Public Relations	lumpsum	0	1	0	0	0	0	0	0	0	0	0
3.8 Capital Expenditures												
Equipment	lumpsum	0	1	0	0	0	0	0	0	0	0	0
3. Sub-total Research and Monitoring Division				0	0	0	0	0	0	0	0	0
4. Visitor Service												
Operating Costs												
4.1 Visitor Service Specialist	month	0	12	0	0	0	0	0	0	0	0	0
4.2 Head of Administration Division	month	0	12	0	0	0	0	0	0	0	0	0
4.3 Head of Protection Division	month	0	12	0	0	0	0	0	0	0	0	0
4.4 Maintenance of trails, shelters and other tourist infrastructure	lumpsum	0	1	0	0	0	0	0	0	0	0	0
4.5 Capital Expenditures												
Equipment	lumpsum	0	1	0	0	0	0	0	0	0	0	0
4. Sub-total Visitor Services				0	0	0	0	0	0	0	0	0
Total Operating Costs (GEL)				0	0	0	0	0	0	0	0	0
Total Operating Costs (EUR)				0	0	0	0	0	0	0	0	0
Total Capital Expenditures (GEL)				0	0	0	0	0	0	0	0	0
Total Capital Expenditures (EUR)				0	0	0	0	0	0	0	0	0
Revenues (GEL)				0	0	0	0	0	0	0	0	0
Revenues (EUR)				0	0	0	0	0	0	0	0	0
Total Budget				0	0	0	0	0	0	0	0	0

Annex 08: CNF Work Plan Format

ADMINISTRATION DIVISION WORK PLAN--2011							
Objective	Definition/Scope	Frequency	Responsible Person	Start Date	Estimated Date of Completion	Result/Output	TO BE COMPLETED AT YEAR END (Date of Completion, Comment or Report if any) Status
PLANNING, BUDGET, ACCOUNTING, REPORTING							
Division Needs Assessment	Review, discuss and prioritize needs on a division basis, including staffing, equipment and supplies, maintenance, training and consulting needs	Annually	Head of administration division	March	July	Annual written needs report	
Budget	Develop and submit annual budget to the Ministry. Drafting budget for CNF grant revision.	Annually	PA director Head of administration division Administration accountant	June	September	Budget document	
General Accounting	Maintain operational expenses, records, receipts, etc. that are maintained locally. This includes entering all transactions into local accounting system. Accounting for tourism and records relating to local expenditures.	Monthly	Head of administration division /accountant	Ongoing		Appropriate records maintained and available for audit	
Asset Inventory	Work in conjunction with other divisions to assess all equipment and assets of the PA. Prepare documentation for review which incorporates list of repairs made to each item or class of equipment.	Annually	Head of administration division	May	July	annual inventory record prepared; results incorporated into maintenance needs assessment	
Subsequent Year Work Plan	Create work plan for subsequent year. Submit to the APA and CNF.	Annually	Director of PA Head of administration division	September	November	Work plan agreed with APA/CNF	
Annual Work Plan and Operations Report	Complete Column H of this Work Plan as to current year; prepare short summary (in English) that highlights of any important activities or developments not covered by the column H Work Plan report	Annually	Head of administration division	October	January next year	Preliminary report submitted in November; final report submitted in January with annual financial report	
Annual Financial Report	Accounting for all annual revenues and expenses and presentation annual statement to the Ministry/APA and CNF	Annually	Director of PA Head of administration division	November	January next year	Report on local revenues and expenses prepared	
Annual Audit	Cooperation with internal and external auditors	Annually	Director of PA Head of administration division	January	May	Satisfactory/timely audit completion	
Management Plan	MP elaboration	5 years time	Director of PA	February	???????	Definition of process, goals and players agreed with APA	
HUMAN RESOURCES							
Employee Records	Maintain all appropriate records for each employee	Monthly	Head of administration division	January	December	Appropriate records maintained and available for audit	
Training	Assess staff training needs and coordinate appropriate trainings for staffs	Annually, with regular update	Head of administration division	January-February	First three months of the year	Training needs assessment incorporated into needs report; achieve appropriate level of participation in available trainings from APA, TJS and other sources; report on participation and effectiveness of training program	
Workplace Culture	Create opportunities for team building	Annually, with regular update	Head of administration division	January-February		Short report on actions completed/impact	
Hiring of new employee (s)	Recruiting, interviewing and hiring of individual	Non-recurring	Head of administration division/APA	February	April	1 NR specialist and 1 VS specialist	
OPERATIONS							
Assure Work Plan and Programs Implementation	Coordination and control of overall regular maintenance program, either by rangers or by external providers, including facilities, tourist and protection infrastructure, and equipment	Annually, with regular update	Head of administration division in cooperation with Head of the Protection division	January-February	May	Facilities and equipment properly maintained; budget request reflects actual needs	
	Coordination of protection program development and implementation	Annually	Director of PA Head of administration division in cooperation with Head of the Protection division	January	November	Protection Services Achieves Main Goals	
	Coordination of visitors' services program development and implementation	Annually	Director of PA Head of administration division/ecotourism specialist	January	December	Visitor Services Achieves Main Tourism Goals	
	Coordination of research & monitoring program development and implementation	Annually	Director of PA Head of protection division/NR specialist	February	November	Research and Monitoring Achieves Main Goals	
	Coordination of implementation awareness raising program .	Annually	Director of PA/ NR specialist /APA	February	November	Visitor Services and Research and Monitoring Achieve Main Awareness Rasing Goals	
PR and Events	Organizing PR activities and events and FAM trips	Non-recurring	Director of PA Head of administration division/APA	April	October	Draft event descriptions	
Volunteer participation	Continue collaboration with GLEN project and apply volunteers for the BKNP	Annually	Head of administration division and Visitor services specialis	March	November	Meaningful contribution from volunteers	
INFRASTRUCTURE IMPROVEMENTS							
Refurbishment of infrastructure	Coordination and control of major refurbishment activities, including tourist infrastructure on the field, trails, tourist shelters, picnic areas, trail marking	Annually	Director of PA Head of administration division /Protection Division	March	May	Contract and delivery-acceptance documents with service providers	
Cooperation with international organizations							
Cooperation with PAN Parks	Elaboration and emplementation of joint projects	Annually	Director of PA, Head of administration division, VS specialist	January	December	Keep communication with PPF and work on joint rprograms	
	Participation and attending „wilderness conference 2011" in Estonia, Soorama NP	Once a year	Director of PA, Head of administration division, VS specialist	September	November	BKNP is represented at the international conference	
Sub-total Administration							

Annex 09: Financial Report Format MoNP

Order of Minister of finance No 449-N from May 21, 2003

Report

Period time

Name of Agency
Postal address
Budget information
cost lines

codes
codes
treasury name
local treasure code
Person implementing project

Number	Grant Agreement name		Data institution country or person	grant			proposed by grant agreement or contract				implemented by grant agreement or contract				additional information
	Serial Number	date		project name	Sector	financial management information (treasury or bank)	for all project		per quarter		for all project		per quarter		
							sum	sector	sum	sector	sum	sector	sum	sector	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1															

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Main financist

Signature

Name Surname

Main Accountant

Signature

Name Surname

Project Coordinator

Signature

Name Surname

**ANNEX 10: CONSERVATION NEEDS ASSESSMENT (EXTRACT, 4 pages)
& METT TEMPLATE (10 pages)**

Data Sheet 1

Name, affiliation and contact details for persons responsible for completing the METT (e-mail etc.)				
Date assessment carried out				
Name of protected area				
WDPA site code (these codes can be found on www.unep-wcmc.org/wdpa/)				
Designations				
Country				
Location of protected area (if possible map reference)				
Date of establishment				
Ownership details (please tick)	State	Private	Community	Other
Management Authority				
Size of protected area (ha)				
Number of staff	Permanent		Temporary	
Annual budget – excluding staff salary costs	Recurrent (operational) funds		Project or other supplementary funds:	
What are the main values for which the area is designated				
List the two primary protected area management objectives				
Management objective 1				
Management objective 2				
No. of people involved in completing assessment				
Including: (tick boxes)	PA manager	PA staff	Other PA agency staff	NGO
	Local community	Donors	External experts X	Other
Please note if assessment was carried out in association with a particular project, on behalf of an organisation or donor.		On behalf of CNF		

List of participants:

Data Sheet 2: Protected Areas Threats

Please tick all relevant existing threats as either of high, medium or low significance. Threats ranked as of **high** significance are those which are seriously degrading values; **medium** are those threats having some negative impact and those characterised as **low** are threats which are present but not seriously impacting values or **N/A** where the threat is not present or not applicable in the protected area. **Changes since last update are marked in red colour.**

1. Residential and commercial development within a protected area

Threats from human settlements or other non-agricultural land uses with a substantial footprint

High	Medium	Low	N/A	
				1.1 Housing and settlement
				1.2 Commercial and industrial areas
				1.3 Tourism and recreation infrastructure

2. Agriculture and aquaculture within a protected area

Threats from farming and grazing as a result of agricultural expansion and intensification, including silviculture, mariculture and aquaculture

High	Medium	Low	N/A	
				2.1 Annual and perennial non-timber crop cultivation
				2.1a Drug cultivation
				2.2 Wood and pulp plantations
				2.3 Livestock farming and grazing
				2.4 Marine and freshwater aquaculture

3. Energy production and mining within a protected area

Threats from production of non-biological resources

High	Medium	Low	N/A	
				3.1 Oil and gas drilling
				3.2 Mining and quarrying
				3.3 Energy generation

4. Transportation and service corridors within a protected area

Threats from long narrow transport corridors and the vehicles that use them including associated wildlife mortality

High	Medium	Low	N/A	
				4.1 Roads and railroads (include road-killed animals)
				4.2 Utility and service lines (e.g. electricity cables, telephone lines)
				4.3 Shipping lanes (on lake in buffer zone)
				4.4 Flight paths

5. Biological resource use and harm within a protected area

Threats from consumptive use of "wild" biological resources including both deliberate and unintentional harvesting effects; also persecution or control of specific species (note this includes hunting and killing of animals)

High	Medium	Low	N/A	
				5.1 Hunting, killing and collecting terrestrial animals (including killing of animals as a result of human/wildlife conflict)
				5.2 Gathering terrestrial plants or plant products (non-timber)
				5.3 Logging and wood harvesting
				5.4 Fishing, killing and harvesting aquatic resources

6. Human intrusions and disturbance within a protected area

Threats from human activities that alter, destroy or disturb habitats and species associated with non-consumptive uses of biological resources

High	Medium	Low	N/A	
				6.1 Recreational activities and tourism
				6.2 War, civil unrest and military exercises
				6.3 Research, education and other work-related activities in PAs
				6.4 Activities of protected area managers (e.g. construction or vehicle use)

High	Medium	Low	N/A	
				6.5 Deliberate vandalism, destructive activities or threats to protected area staff and visitors

7. Natural system modifications

Threats from other actions that convert or degrade habitat or change the way the ecosystem functions

High	Medium	Low	N/A	
				7.1 Fire and fire suppression (including arson)
				7.2 Dams, hydrological modification and water management/use
				7.3a Increased fragmentation within protected area
				7.3b Isolation from other natural habitat (e.g. deforestation)
				7.3c Other 'edge effects' on park values
				7.3d Loss of keystone species (e.g. top predators, pollinators etc)

8. Invasive and other problematic species and genes

Threats from non-native and native plants, animals, pathogens/microbes or genetic materials that have or are predicted to have harmful effects on biodiversity following introduction, spread and/or increase

High	Medium	Low	N/A	
				8.1 Invasive non-native/alien plants (weeds)
				8.1a Invasive non-native/alien animals
				8.1b Pathogens (non-native or native but creating new/increased problems)
				8.2 Introduced genetic material (e.g. genetically modified organisms)

9. Pollution entering or generated within protected area

Threats from introduction of exotic and/or excess materials or energy from point and non-point sources

High	Medium	Low	N/A	
				9.1 Household sewage and urban waste water
				9.1a Sewage and waste water from protected area facilities (e.g. toilets, hotels etc)
				9.2 Industrial, mining and military effluents
				9.3 Agricultural and forestry effluents (e.g. excess fertilizers or pesticides)
				9.4 Garbage and solid waste (mainly from tourist facilities)
				9.5 Air-borne pollutants
				9.6 Excess energy (e.g. heat pollution, lights etc)

10. Geological events

Geological events may be part of natural disturbance regimes in many ecosystems. But they can be a threat if a species or habitat is damaged and has lost its resilience and is vulnerable to disturbance. Management capacity to respond to some of these changes may be limited.

High	Medium	Low	N/A	
				10.1 Volcanoes
				10.2 Earthquakes/Tsunamis
				10.3 Avalanches/ Landslides
				10.4 Erosion and siltation/ deposition (e.g. shoreline or riverbed changes)

11. Climate change and severe weather

Threats from long-term climatic changes which may be linked to global warming and other severe climatic/weather events outside of the natural range of variation

High	Medium	Low	N/A	
				11.1 Habitat shifting and alteration
				11.2 Droughts
				11.3 Temperature extremes
				11.4 Storms and flooding

12. Specific cultural and social threats

High	Medium	Low	N/A	
				12.1 Loss of cultural links, traditional knowledge and/or mgt. practices
				12.2 Natural deterioration of important cultural site values
				12.3 Destruction of cultural heritage buildings, gardens, sites etc

Comments

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ANNEX 10: Management Effectiveness Tracking Tool (METT) - Assessment Form: Data Sheet 3

Changes since the last update are marked in red colour.

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
1. Legal status Does the protected area have legal status (or in the case of private reserves is covered by a covenant or similar)?	The protected area is not gazetted/covenanted	0	<input type="checkbox"/>		
	There is agreement that the protected area should be gazetted/covenanted but the process has not yet begun	1	<input type="checkbox"/>		
	The protected area is in the process of being gazetted/covenanted but the process is still incomplete	2	<input type="checkbox"/>		
	The protected area has been formally gazetted/covenanted	3	<input type="checkbox"/>		
2. Protected area regulations Are appropriate regulations in place to control land use and activities (e.g. hunting)?	There are no regulations for controlling land use and activities in the protected area	0	<input type="checkbox"/>		
	Some regulations for controlling land use and activities in the protected area exist but these are major weaknesses	1	<input type="checkbox"/>		
	Regulations for controlling land use and activities in the protected area exist but there are some weaknesses or gaps	2	<input type="checkbox"/>		
	Regulations for controlling inappropriate land use and activities in the PA exist and provide an excellent basis for management	3	<input type="checkbox"/>		
3. Law enforcement Can staff enforce protected area rules well enough?	The staff have no effective capacity/resources to enforce protected area legislation and regulations	0	<input type="checkbox"/>		
	There are major deficiencies in staff capacity/resources to enforce protected area legislation and regulations (e.g. lack of skills, no patrol budget, lack of institutional support)	1	<input type="checkbox"/>		
	The staff have acceptable capacity/resources to enforce protected area legislation and regulations but some deficiencies remain	2	<input type="checkbox"/>		
	The staff have excellent capacity/resources to enforce protected area legislation and regulations	3	<input type="checkbox"/>		

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
4. Protected area objectives Is management undertaken according to agreed objectives?	No firm objectives have been agreed for the protected area	0			
	The protected area has agreed objectives, but is not managed according to these objectives	1			
	The protected area has agreed objectives, but is only partially managed according to these objectives	2			
	The PA has agreed objectives and is managed to meet these objectives	3			
5. Protected area design Is the protected area the right size and shape to protect species and habitats of key conservation concern?	Inadequacies in protected area design mean achieving the major objectives of the protected area is very difficult	0			
	Inadequacies in PA design mean that achievement of major objectives is very difficult but some mitigating actions are being taken (e.g. agreements with adjacent land owners for wildlife corridors)	1			
	Protected area design is not significantly constraining achievement of objectives, but could be improved	2			
	Protected area design helps aid achievement of objectives	3			
6. Protected area boundary demarcation Is the boundary known and demarcated?	The boundary of the protected area is not known by the management authority or local residents/neighbouring land users	0			
	The boundary of the PA is known by the management authority but is not known by local residents/neighbouring land users	1			
	The boundary of the protected area is known by both the management authority and local residents/neighbouring land users but is not appropriately demarcated	2			
	The boundary of the protected area is known by the management authority and local residents/neighbouring land users and is appropriately demarcated	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
7. Management plan Is there a management plan and is it being implemented?	There is no management plan for the protected area	0			
	A management plan is being prepared or has been prepared but is not being implemented	1			
	A management plan exists but it is only being partially implemented because of funding constraints or other problems	2			
	A management plan exists and is being implemented	3			
Additional points: <i>Planning</i>					
7a. Planning process	The planning process allows adequate opportunity for key stakeholders to influence the management plan	+1			
7b. Planning process	There is an established schedule and process for periodic review and updating of the management plan	+1			
7c. Planning process	The results of monitoring, research and evaluation are routinely incorporated into planning	+1			
8. Regular work plan Is there a regular work plan and is it being implemented	No regular work plan exists	0			
	A regular work plan exists but few of the activities are implemented	1			
	A regular work plan exists and many activities are implemented	2			
	A regular work plan exists and all activities are implemented	3			
9. Resource inventory Do you have enough information to manage the area?	There is little or no information available on the critical habitats, species and cultural values of the protected area	0			
	Information on the critical habitats, species and cultural values of the PA is not sufficient to support planning and decision making	1			
	Information on the critical habitats, species and cultural values of the PA is sufficient for most key areas of planning and decision making	2			
	Information on the critical habitats, species and cultural values of the PA is sufficient to support all areas of planning and decision making	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
10. Protection systems Are systems in place to control access/resource use in the protected area?	Protection systems (patrols, permits etc) do not exist or are not effective in controlling access/resource use	0			
	Protection systems are only partially effective in controlling access/resource use	1			
	Protection systems are moderately effective in controlling access/resource use	2			
	Protection systems are largely or wholly effective in controlling access/ resource use	3			
11. Research Is there a programme of management-orientated survey and research work?	There is no survey or research work taking place in the PA	0			
	There is a small amount of survey and research work but it is not directed towards the needs of protected area management	1			
	There is considerable survey and research work but it is not directed towards the needs of protected area management	2			
	There is a comprehensive, integrated programme of survey and research work, which is relevant to management needs	3			
12. Resource management Is active resource management being undertaken?	Active resource management is not being undertaken	0			
	Very few of the requirements for active management of critical habitats, species and cultural values are being implemented	1			
	Many of the requirements for active management of critical habitats, species and cultural values are being implemented but some key issues are not being addressed	2			
	Requirements for active management of critical habitats, species and cultural values are being substantially or fully implemented	3			
13. Staff numbers Are there enough people employed to manage the protected area?	There are no staff	0			
	Staff numbers are inadequate for critical management activities	1			
	Staff numbers are below optimum level for critical management activities	2			
	Staff numbers are adequate for the management needs of the PA	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
14. Staff training Are staff adequately trained to fulfil management objectives?	Staff lack the skills needed for protected area management	0			
	Staff training and skills are low relative to the needs of the PA	1			
	Staff training and skills are adequate, but could be further improved to fully achieve the objectives of management	2			
	Staff training and skills are aligned with the management needs of the protected area	3			
15. Current budget Is the current budget sufficient?	There is no budget for management of the protected area	0			
	The available budget is inadequate for basic management needs and presents a serious constraint to the capacity to manage	1			
	The available budget is acceptable but could be further improved to fully achieve effective management	2			
	The available budget is sufficient and meets the full management needs of the protected area	3			
16. Security of budget Is the budget secure?	There is no secure budget for the protected area and management is wholly reliant on outside or highly variable funding	0			
	There is very little secure budget and the protected area could not function adequately without outside funding	1			
	There is a reasonably secure core budget for regular operation of the PA but many innovations and initiatives are reliant on outside funding	2			
	There is a secure budget for the protected area and its management	3			
17. Management of budget Is the budget managed to meet critical management needs?	Budget management is very poor and significantly undermines effectiveness (e.g. late release of budget in financial year)	0			
	Budget management is poor and constrains effectiveness	1			
	Budget management is adequate but could be improved	2			
	Budget management is excellent and meets management needs	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
18. Equipment Is equipment sufficient for management needs?	There are little or no equipment and facilities for management needs	0			
	There are some equipment and facilities but these are inadequate for most management needs	1			
	There are equipment and facilities, but still some gaps that constrain management	2			
	There are adequate equipment and facilities	3			
19. Maintenance of equipment Is equipment adequately maintained?	There is little or no maintenance of equipment and facilities	0			
	There is some <i>ad hoc</i> maintenance of equipment and facilities	1			
	There is basic maintenance of equipment and facilities	2			
	Equipment and facilities are well maintained	3			
20. Education and awareness Is there a planned education programme linked to the objectives and needs?	There is no education and awareness programme	0			
	There is a limited and <i>ad hoc</i> education and awareness programme	1			
	There is an education and awareness programme but it only partly meets needs and could be improved	2			
	There is an appropriate and fully implemented education and awareness programme	3			
21. Planning for land use Does land use planning recognise the protected area and aid the achievement of objectives?	Adjacent land use planning does not take into account the needs of the protected area and activities/policies are detrimental to the survival of the area	0			
	Adjacent land use planning does not takes into account the long term needs of the protected area, but activities are not detrimental	1			
	Adjacent land use planning partially takes into account the long term needs of the protected area	2			
	Adjacent land use planning fully takes into account the long term needs of the protected area	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
22. State and commercial neighbours Is there co-operation with adjacent land users?	There is no contact between managers and neighbouring official or corporate land users	0			
	There is contact between managers and neighbouring official or corporate land users but little or no cooperation	1			
	There is contact between managers and neighbouring official or corporate land users, but only some co-operation	2			
	There is regular contact between managers and neighbouring official or corporate land users, and substantial co-operation on management	3			
23. Indigenous people Do indigenous and traditional peoples resident or regularly using the protected area have input to management decisions?	Indigenous and traditional peoples have no input into decisions relating to the management of the protected area	0			
	Indigenous and traditional peoples have some input into discussions relating to management but no direct role in management	1			
	Indigenous and traditional peoples directly contribute to some relevant decisions relating to management but their involvement could be improved	2			
	Indigenous and traditional peoples directly participate in all relevant decisions relating to management, e.g. co-management	3			
24. Local communities Do local communities resident or near the protected area have input to management decisions?	Local communities have no input into decisions relating to the management of the protected area	0		-	-
	Local communities have some input into discussions relating to management but no direct role in management	1			
	Local communities directly contribute to some relevant decisions relating to management but their involvement could be improved	2			
	Local communities directly participate in all relevant decisions relating to management, e.g. co-management	3			

Issue	Criteria	Score: Tick only one box per question	Comment/Explanation	Next steps
<i>Additional points Local communities/indigenous people</i>				
24 a. Impact on communities	There is open communication and trust between local and/or indigenous people, stakeholders and protected area managers	+1		
24b. Impact on communities	Programmes to enhance community welfare, while conserving protected area resources, are being implemented	+1		
24c. Impact on communities	Local and/or indigenous people actively support the protected area	+1		
25. Economic benefit Is the PA providing economic benefits to local communities, e.g. income, employment, payment for environmental services?	The protected area does not deliver any economic benefits to local communities	0		
	Potential economic benefits are recognised and plans to realise these are being developed	1		
	There is some flow of economic benefits to local communities	2		
	There is a major flow of economic benefits to local communities from activities associated with the protected area	3		
26. Monitoring and evaluation Are management activities monitored against performance?	There is no monitoring and evaluation in the protected area	0		
	There is some <i>ad hoc</i> monitoring and evaluation, but no overall strategy and/or no regular collection of results	1		
	There is an agreed and implemented monitoring and evaluation system but results do not feed back into management	2		
	A good monitoring and evaluation system exists, is well implemented and used in adaptive management	3		
27. Visitor facilities Are visitor facilities adequate?	There are no visitor facilities and services despite an identified need	0		
	Visitor facilities and services are inappropriate for current levels of visitation	1		
	Visitor facilities and services are adequate for current levels of visitation but could be improved	2		
	Visitor facilities and services are excellent for current levels of visitation	3		

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
28. Commercial tourism operators Do commercial tour operators contribute to protected area management?	There is little or no contact between managers and tourism operators using the protected area	0			
	There is contact between managers and tourism operators but this is largely confined to administrative or regulatory matters	1			
	There is limited co-operation between managers and tourism operators to enhance visitor experiences and maintain PA values	2			
	There is good co-operation between managers and tourism operators to enhance visitor experiences, and maintain protected area values	3			
29. Fees If fees (i.e. entry fees or fines) are applied, do they help protected area management?	Although fees are theoretically applied, they are not collected	0			
	Fees are collected, but make no contribution to the PA or environs	1			
	Fees are collected, and make some contribution to the protected area and its environs	2			
	Fees are collected and make a substantial contribution to the protected area and its environs	3			
30. Condition of values What is the condition of the important values of the protected area?	Many important biodiversity, ecological or cultural values are being severely degraded	0			
	Some biodiversity, ecological or cultural values are being severely degraded	1			
	Some biodiversity, ecological and cultural values are being partially degraded but the most important values have not been significantly impacted	2			
	Biodiversity, ecological and cultural values are predominantly intact	3			

Issue	Criteria	Score: Tick only one box per question		Comment/Explanation	Next steps
<i>Additional Points: Condition of values</i>					
30a: Condition of	The assessment of the condition of values is based on research	+1			
30b: Condition of values	Specific management programmes are being implemented to address threats to biodiversity, ecological and cultural values	+1			
30c: Condition of values	Activities to maintain key biodiversity, ecological and cultural values are a routine part of park management	+1			
TOTAL SCORES					

ANNEX 11: THREAT SCORING

All threats considered high in Worksheet 2 of the Conservation Needs Assessment are scored according to impacted area, intensity and urgency of protection intervention. The scoring for these 3 categories is explained in the table below. The 3 results are summed up to a total for each threat. All threats can now be ranked, starting with the highest score total. An example is provided as Worksheet 3 of the Conservation Needs Assessment on page overleaf. Apart from threat prioritization, this worksheet also indicates all necessary actions to be undertaken to mitigate the threats. These are useful as a basis for a work plan.

Explanation of scoring table for threats to the PA and its biodiversity

Affected area		Intensity of Threat		Urgency of protection measures	
% of area	Score	Intensity degree	Score	Degree of urgency	Score
91-100%	10	Very high	10	Immediate protection intervention required	10
81- 90%	9		9		9
71- 80%	8	High	8		8
61-70%	7		7		7
51- 60%	6	Medium	6		6
41- 50%	5		5		5
31- 40%	4	Low	4		4
21-30%	3		3		3
11-20%	2	Very low	2	Protection intervention may start later	2
0 -10%	1		1		1

Area: The portion of habitat(s) in the site that the threat will affect

Intensity: The impact or severity of destruction caused by the threat. Within the overall area, will the threat completely destroy the population of threatened animals or plants (score 10), or will it cause only minor changes (score 1).

Urgency: The immediacy of the threat and related urgency of protection intervention. Is it an immediate threat which requires immediate protection measures (score 10), or can the protection be more or less delayed (score 1).

Worksheet example for threat assessment and prioritization

No.	Direct threat	Reason	Criteria Ranking			Rank	Actions needed to address threat
			Area	Intensity	Urgency		
1.	Hunting, trapping and poaching	<ul style="list-style-type: none"> Poor living conditions of local people Population increase Low awareness of local people Limited management capacity and law enforcement High market demand 	7	7	7	21	<ul style="list-style-type: none"> Improved law enforcement through more patrols Set focus on control of wildlife hotspots Strengthening staff capacity and skills for law enforcement measures Improve living conditions of local communities Strengthening awareness of local people Research on endangered species Check with restaurants offering wild meat
2.	Illegal logging	<ul style="list-style-type: none"> Attractive extra-income for local people Lack of awareness among local people Limited management capacity and law enforcement High market demand 	7	7	6	20	<ul style="list-style-type: none"> Improved law enforcement through more patrols Setting up two more Forest Stations at Nam Dong Need for more Forest Rangers and equipment Strengthening staff capacity and skills for law enforcement measures Improve living conditions of local communities Strengthening awareness of local people
3.	Overexploitation of NTFP	<ul style="list-style-type: none"> Population lives in poverty thus relying on NTFP Population increase Low awareness of local people Limited management capacity and law enforcement Market demand 	5	5	5	15	<ul style="list-style-type: none"> Elaborate and implement BSM Improved law enforcement through more patrols Strengthening staff capacity and skills for law enforcement measures Improve living conditions of local communities Strengthening awareness of local people Carry out surveys to evaluate availability and distribution of NTFP Survey for updating data on NTFP use for developing sustainable NTFP programme (set up models and conduct market survey)

ANNEX 12: KEY SPECIES MONITORING

DEVELOPMENT TRENDS IN KEY SPECIES AND KEY HABITATS IN[Name of Protected Area]

A simple format sample for the year

Key Species, see 1-7 below	1. Abundance (qualitative)	2. Any umbers (census/estimate)	3. Relative figures	4. Trend estimate	6. Reason for trend	7. What is to be done?
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
Key Habitats	Area (ha)	Quality observed	Area trend	Quality trend	Reason for trend	Action needs
1.						
2.						
3.						
4.						

1. Abundance: no record since year- very rare – rare – fairly present – common?
2. Any numbers: Is an estimate available? Number range - Has there been a census? Number found
3. Relative figures: Numbers are not known, but numbers of sightings, calls, footprints, other signs?
4. Trend estimate: Population this year is stable - slightly - fairly – strongly increasing/decreasing?
5. How was the trend estimate for the previous year?
6. Reason for trend this year / past year
7. What priority management or protection measures are necessary?

Sample table for biodiversity monitoring by annual assessment of key species

Main biodiversity objectives:																		
Biodiversity target	Key species	Status indicators	2010			2011			2012			2013			2014			
			S	C	F	S	C	F	S	C	F	S	C	F	S	C	F	
1 Protecting birds of prey	Imperial Eagle (<i>Aquila heliaca</i>)	Number of birds seen (S)																
	Greater Spotted Eagle (<i>Aquila clanga</i>)	number of breeding couples (C)																
	Black Vulture (<i>Aegypius monachus</i>)	number of birds of which feathers have been found (F)																
	Griffon Vulture (<i>Gyps fulvus</i>)																	
	Lesser Kestrel (<i>Falco naumanni</i>)																	
3 Preserving large herbivores and their habitats	Caspian Red Deer (<i>Cervus elaphus maral</i>)	Individuals seen (S)																
		Number of individuals from dung (C)																
	Bezoar Goat (<i>Capra aegagrus</i>)	Number of individuals from footprints (F)																
	Gmelin's Mouflon (<i>Ovis orientalis gmelini</i>)	Numbers of individuals confirmed by camera and other proofs only																
East Caucasian Tur (<i>Capra cylindricornis</i>)																		
4 Strict protection of carnivores and their home ranges	Brown Bear (<i>Ursus arctos</i>)	Number of individuals seen (S)																
	Wolf (<i>Canis lupus</i>)	Number of individuals from camera trap (C)																
	Caucasian Leopard (<i>Panthera pardus saxicolor</i>)	Number of individuals from footprints (F)																
5 Preserve rare plant species and individuals	<i>Juniperus excelsa</i>	Estimated area (ha) of species distribution (S)																
	<i>Rosularia chrysantha</i>																	
	<i>Centaurea leuzeoides</i>	Estimated number of plants (C)																
	<i>Peltariopsis planisliquana</i>																	
	<i>Hedysarum sericeum</i>	Seedlings & saplings numerous (n), rare (r) or absent (a) (F)																
	<i>Vicia cappadocia</i>																	
	<i>Campanula karakuschensis</i>																	
Threat indicators	Illegal hunting	Numbers of recorded poaching, illegal logging and illegal fishing incidents																
	Illegal logging																	
	Illegal fishing																	

ANNEX 13: TOR for Management Plan Development Assistance

Purpose

The purpose of this specialist assistance is to develop a new Management Plan (MP) for PA in the format agreed between the Government of Armenia/Georgia and the Caucasus Nature Fund (CNF). A sample of this format is attached to these ToR as well as respective Guidelines for MP development.

Specialist duties and responsibilities

The MP must be developed in close collaboration with the PA staff, notably with its MP Working Group (MPWG). The MPWG has the duty to provide access to all necessary documents of the PA, e.g. the Conservation Needs Assessment (CNA) /METT, maps and annual Operation Plans.

The Specialist is to cover all 8 sections of the MP in line with the agreed format. These sections are:

- Section 1: Currency**
- Section 2: Territorial Scope**
- Section 3: Description**
- Section 4: Vision**
- Section 5: Zoning Plan**
- Section 6: Objectives and Strategic Actions**
- Section 7: Monitoring Plan**
- Section 7: Review Cycle**

The Specialist is expected to conduct a 5 days introductory workshop with the MPWG to assure mutual understanding of the MP development process and complete information and document collection. During this workshop, the specialist is to request and systematically to compose all information of the following subjects:

A. Background (refer to CNA / METT, CNF grant documents, Operational Plans, biodiversity surveys if any)

- 1. Present status of SUF** (legal basis, communes, villages, GoV and other funds)
- 2. Location and boundaries**
- 3. Summary of biodiversity values**
 - 3.1 Flora**
 - 3.2 Fauna**
- 4. Socio-economic context** (gender, ethnic minorities, resettlement, socio-economics & regional / district development plans and projects)

B. Threats and issues (refer to CNA/Threat Assessment)

- 1. Prioritized list of threats** (draw from CNA/Threat Assessment)
- 2. Site-specific issues** (refer to past assessments & recommendations if any)
- 3. Priorities of Operational Plans**

C. Management approach

D. Detailed management activities

E. Implementation Plan

F. Monitoring & Evaluation

1. M&E system to support the MP

2. Indicators for the MP

3. METT

4. Summary format for overall MP implementation monitoring (as a separate document and process)

G. Budget

1. Detailed budget plan

2. Budget summary and disbursement plan

After the introductory workshop, the Specialist will elaborate a first draft of the MP during 2 weeks (10 working days). This draft will be explained to and discussed with the MPWG. A revised draft is then prepared by the Specialist during 3 working days and sent to the MPWG as well as to Transboundary Joint Secretariat TJS).

After endorsement of this draft by TJS, a workshop will be organised by the PA for presentation to district/communities authorities. The draft will then be finalised by the consultant during 2 working days, following comments received during this workshop.

Time schedule overview

1. Introductory workshop and data collection (5 days)
2. Elaboration of first draft MP (10 days)
3. Draft revision (3 days)
4. MP finalization (2 days)

Total working days: 20

Duty Station: Office of the PA at

Qualifications required

- Technical or university degree in forestry/biology and/or protected area management
- Minimum of 10 years of professional experience in PA project planning and monitoring
- Sound professional experience with designing master / investment / management plans
- Good communication abilities with PA staff.

ANNEX 14: List of recommendations

(1) For easier access to CNF grants, several if not most PAs need help to draft grant applications without external aid. This would facilitate the application procedure, improve the PA's involvement and create a basis for their necessary ownership of the grant management.

(2) Activities of the work plan should be better defined and linked to budget lines for easier understanding and monitoring. Budget lines should as far as possible be self-explanatory.

(3) For easier access to CNF funds and cost-effective management of the respective funds it is recommended to:

- link work plan and budget in order to allow sound planning of costs and revenues based on planned activities from the work plan;
- standardize financial management through introduction of accounting software suitable for both, Ministries and PAs. In this framework, capacity building for related users is a crucial need;
- to introduce budget control of funds for analytical accounting;
- introduce inventory lists and coding and labelling of fixed assets;
- to introduce a set of standardized budget formats and work plan formats for CNF grant applications in order to simplify planning, implementation, monitoring and evaluation of activities;
- to introduce standardized reporting formats for technical and financial reporting;
- improve compliance with CNF guidelines and ease application processes by compiling a manual for CNF grant application (optional publication in Armenian and Georgian languages or Russian for both countries).

(4) Key staff from Ministries and PAs should be trained in preparation and planning of activities in work plans and preparation of budgets based on work plans.

(5) The key staff should become aware that budgeting is not only calculation of costs (salaries, running costs etc.) but a crucial part of the planning of activities, outputs and results.

(6) All accounting and supporting documents (vouchers, contracts, banks statements, cash count protocols and inventory list) should also be retained on a permanent basis at PA level in Armenia and APA in Georgia.

(7) PAs in Armenia could use ArmSoft, a small off-the-shelf package accounting software as recommended by KPMG Auditor and WWF Armenia.

(8) APA in Georgia should use Excel sheets and keep separate bookkeeping for each PA. APA should consider installing an accounting software for CNF expenditures with options to keep separate accounting for each PA.

(9) Training on utilization of a respective accountancy software and the inclusion into financial management processes is highly recommended. It is important that related procedures and processes are developed for the training to be efficient and effective. It could be considered an asset to document processes and procedures of financial management with consideration of the software utilization in a respective manual or guideline to maximize the training impact.

(10) It is essential to prepare CNF manual/guidelines on how to apply for funds, what standardized formats to use and how to use these formats. This manual will make grant application preparation easier for PA and the Ministries.

(11) Technical reports should at least clearly describe the operational goals, the conservation or other goals and activities per period and achievements. Activities and achievements should not be presented in a general way only, but should be broken down into distinct activities line by line. They should be related to and consistent with the work plans and provide appropriate information on progress of work for each activity during the reporting period, difficulties encountered, solutions and programme for the next period.

(12) The work plans should point out time frame, site, responsibility and output for each activity. It is suggested to facilitate the development of a regionally standardized, simple technical report template with reference to financial reporting. This template and appropriate reporting in this format could then be explained during a workshop for other CNF procedures, e.g. in a workshop on grant application.

(13) The suggested Budget Format (see Annex 2) could be used as a format for financial reporting. With a properly planned budget and a sound accounting system, financial reporting should not be a problem.

(14) METT can be considered a useful monitoring instrument in the context of CNF grant management and is proposed for this purpose. A slightly simplified and amended version of the METT format seems suitable for integration into CNF grant effects monitoring for Armenia and Georgia.

(15) Threat assessment will provide information not only useful for protection interventions and PA management, but it also allows a comparison with METT scores in order to gain a realistic picture on true management progress achieved.

(16) Since biodiversity and habitat protection are largely considered as the umbrella objective of PAs, it is anticipated that more information on biodiversity and habitat qualities should be provided at regular intervals. Observations to assess at least qualitative, if not quantitative, development trends of key species and key habitats would be useful to learn more on management effects on the ground.

(17) Ideally, a simplified MP format could be developed for the purpose of CNF procedures on the basis of the MP outlines specified in the CNF framework agreements for Georgia and Armenia Annex D. CNF grant management should be fully integrated as a part of the MP for the respective years of grant implementation. Activities under the CNF fund should also be included in the work plans, and CNF budgets be integrated in the MP as well as in the annual budget plans.

(18) For appropriate MP development, it is suggested to provide TJS support

- to immediately train PA staff on the MP contents and elements as laid down in the CNF framework agreements in its Annex D; this training would qualify PA staff to play an active role in participative MP development. Active involvement right from the start of MP development is vital for full understanding and MP implementation.
- to prepare for an MP format development consultancy in Armenia after Government approval for such step on the basis of the informally approved guidelines there and then train PA staff on guidelines as well as on OMP development in the approved format,
- to prepare in Georgia as above after approval of the Borjomi- Kharagauli MP since this is currently developed under CNF support,
- to assist PAs in MP development by coaching once the formats and guidelines will be on safe grounds.
- facilitate individual MP development consultancies to help to various extents those CNF supported PAs in both countries which still may request such assistance.

(19) It is suggested to provide basic training on procurement procedures with focus on PA accountants. These trainings could most easily be combined with workshops for financial planning and management and should also provide knowledge on information sources for regular updates of Government procurement regulations and application of these updates in the procurement procedures.

(20) It is suggested to train PA staff in basic English language skills by available English teachers in the region and then organize national workshops for technical English around protected area terms and project terms in the CNF context.

(21) For hands-on support, it is suggested that TJS will hold stakeholder meetings at those PAs which are in the pipeline for the next round of grants, namely for 2012, to assess individual support needs. The extent of required assistance will be different in each case.

(22) Formats and procedures need streamlining in the aim to facilitate planning – management – monitoring processes under CNF grants. Although this will lead to more detailed technical and financial planning at the start, it will finally make work easier once streamlined formats and procedures are adopted and applied.

(23) All suggested fields covered in chapters 4.1 to 4.7 are necessary for CNF grant application and management and need capacity-building for PA staff and in some cases also for Ministerial Administration staff.

(24) In the vital interest of any PA's objectives, rangers' working conditions must be basically upgraded. They need reasonable salaries, a realistic professional perspective and practical support by suitable uniforms and field equipment which allows them to go on patrols in harsh territories and weather conditions and to stay overnight in the field.

(25) Rangers should not be supported for staying at home, but for active patrolling in the field. Therefore support under CNF grant could be provided in form of financing field supplies by a modest daily fee to buy food, drinking water and basic consumable materials for those days which are reportedly spent in the field. These fees would be received directly by the target persons, thus avoiding any possible “financial by-catch”. Since this kind of support could not yet be spotted in the available grant documents, this suggestion may be a small but realistic step to pay necessary attention to the currently neglected field staff, to encourage rangers for more good work on the grounds of PAs.

ANNEX 15: Other PA support needs

Although it was neither the mandate of this mission nor would it have been possible to look deeply into PA management issues during just 18 working days in the two countries, some information was received which might be worthwhile to be communicated here in the CNF context. Natural habitats and their biodiversity depend in the first place on protection measures on site. PA staff directly involved here are the rangers who belong to the PAs' protection divisions. Efficient work of these rangers is the backbone of nature protection and vital for the remaining biodiversity values' survival.

In striking contrast to their importance, rangers are the most neglected key persons of all staff involved. Their salaries are at lowest level, but they are supposed to do arduous, dangerous work in the field. There are neither incentives nor benefit if rangers engage themselves in risky patrolling to fight illegal logging and poaching. Whereas other officers with comparable tasks in the same environment, e.g. border police, receive good wages and housing which make them respected by the communities, rangers are considered poor and looked at like beggars. Such lack of support is leading to lack of motivation and efficiency of rangers who are responsible for most of the protection work, and this has become a key management problem. It immediately affects biodiversity and habitats whose values are rapidly affected if not protected on the ground.

In the vital interest of any PA's objectives, rangers' working conditions must be basically upgraded. They need reasonable salaries, a realistic professional perspective and practical support by suitable uniforms and field equipment which allows them to go on patrols in harsh territories and weather conditions and to stay overnight in the field. Fortunately CNF support includes equipment for rangers, and good use of this support would help to some extent. Since CNF support also includes bonuses on salaries, this would help if directed to rangers who seriously engage into field work. It was not possible to find out which portion of paid bonuses is received by field staff. It was surprising to learn in Armenia, that the Ministry of Finance is deciding on bonuses distribution. It is felt that this Ministry is too far from the site to be able to link bonus payment to field work performance.

Possible ways to direct funds to efficiently working rangers were discussed with various persons knowledgeable in PA management in Georgia. It was agreed that rangers should not be supported for staying at home, but for active patrolling in the field. In practice, there is no support whatsoever for patrolling, and a ranger going to the field has to pay for food and drinking water himself and has to buy boots and raincoats and everything he needs. However it is obvious that field staff does need all this to work outside. Therefore support under CNF grant could be provided in form of financing field supplies by a modest daily fee to buy food, drinking water and basic consumable materials e.g. torches and batteries for those days which are reportedly spent in the field. These fees would be received directly by the target persons, thus avoiding any possible "financial by-catch". Since this kind of support could not yet be spotted in the available grant documents, this suggestion may be a small but realistic step to pay necessary attention to the currently neglected field staff, to encourage rangers for more good work on the grounds of PAs.