Assessment of the first two pilots of the Financial Participatory Approach in the South Caucasus

Draft report

“I learned to trust others to support us; and to trust us to be able to help ourselves”

August 2014
The Transboundary Joint Secretariat – a programme of the German Financial Cooperation - is testing the “Financial Participatory Approach (FPA)” in the South Caucasus on the request of the Ministries of Environment of Armenia and Georgia. Target groups are families and communities which are adjacent to Protected Areas and whose livelihoods are closely related to these areas. The objective of the pilot tests is to mainstream the FPA for socio-economic development activities in projects for protected areas in the South Caucasus, financed through the KfW Development Bank, Germany. This document serves to provide a systematic understanding of the FPA, as well as a conceptual framework to the pilot tests.

The opinions expressed in this FPA concept document do not necessarily reflect the opinions of KfW, any ministries and/or institutions in Armenia, Georgia and/or Azerbaijan nor any of the mentioned institutions and/or organisations.

All given opinions are based on observations by the authors only and on information obtained from quoted documents and as provided by stakeholders that were interviewed. The conclusions and recommendations are formulated for the specific purpose and objectives of the project.

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<td>AHT Group AG</td>
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<tr>
<td>APA</td>
<td>Agency for Protected Areas (Georgia)</td>
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<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
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<td>CNF</td>
<td>Caucasus Nature Fund</td>
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<td>ENP</td>
<td>Eco-regional Nature Protection programme</td>
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<td>FC</td>
<td>(German) Financial Cooperation</td>
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<td>FPA</td>
<td>Financial Participatory Approach</td>
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<td>LCF</td>
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<td>NC</td>
<td>National Coordinator</td>
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<td>NGO</td>
<td>Non Governmental Organisation</td>
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<td>Non timber forest products</td>
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<td>PA</td>
<td>Protected Area</td>
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<td>Rapid Rural Appraisal</td>
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<td>RWG</td>
<td>Regional Working Group</td>
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<td>SPPA</td>
<td>Support Programme for Protected Areas</td>
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<td>TJS</td>
<td>Transboundary Secretariat for Nature Conservation in the South Caucasus</td>
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<td>VWG</td>
<td>Village Working Group</td>
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Executive Summary

The Ministry of Nature Protection of Armenia (MoNP) and the Agency of Protected Areas of Georgia (APA) asked the Transboundary Joint Secretariat (TJS) for solutions to overcome conflicts between communities adjacent to protected areas (PAs) and PA authorities. In response to the request, TJS suggested to pilot the suitability of a "process-approach", called Financial Participatory Approach (FPA), that had proven effective in promoting socio-economic development "with the people" in communities in Latin America and in other places worldwide. When the pilote locations were selected, it was decided to implement the tests in villages closely associated with PAs that will in future receive support from the KfW funded Support Programmes for Protected Areas (SPPA).

1) The FPA is geared towards experiential development learning in a way which generates intense and constructive development dynamics, together with high local ownership. The main tools of the FPA include capitalisation, contests and awards, exchange for learning and mobilisation of expertise, as well as the use of the media. FPA tends to mobilise additional local and at times external development funds. The high ownership, the local compatibility of development initiatives as well as the additional funding contribute to a significant sustainability potential of the socio-economic development activities.

2) The main purpose of the tests in the field was to see whether the FPA could support socio-economic development in communities directly adjacent to the PAs of Shikahogh (Armenia) and Kazbegi (Georgia). It was assumed that the FPA could contribute to the strengthening and the consolidation of nature protection by ensuring socio-economic development in the surrounding areas, and acceptance from the local population. It was also expected that the FPA would contribute to a reduction of the pressure on natural resources and biodiversity. Another assumption was that the FPA approach could generate synergies between nature protection and socioeconomic development.

3) The FPA test-implemention was done in pilot villages adjacent to protected areas (PAs) in Armenia in 2012 and 2013, and in Georgia since 2013. The Armenian test is completed. The Georgian test will be completed in the summer of 2014.

4) Though the tests have been limited in scope and the test in Georgia is still on-going, TJS has carried through an evaluation in March 2014 in order to establish lessons learned and to formulate recommendations which may be of use for the SPPAs which will be launched in the Shikahogh and in the Kazbegi areas in 2014 / 2015.

1 For more details see chapter 2.
5) The evaluation found that the FPA test activities fully lived-up to all the anticipated effects mentioned, and this to a degree which by far surpassed the initial expectations. The tests were embraced more than enthusiastically by the local populations involved.

6) In both tests the evaluation found that where relationships between local communities and nature protection agencies had been tense, these relationships have been considerably improved as a result of the FPA. In both cases local populations embraced project goals and saw clear common interests between their socio-economic development aspirations and the purpose of biodiversity protection in nearby PAs.

7) The FPA generated in the local communities a very significant level of awareness among the participants about their present livelihoods situation and the potentials for improving them. The results of the evaluation are unambiguous about this.

8) The evaluation estimates that at the time of the evaluation 8 out of every 10 participants continued with the activities they had started previously with FPA facilitation, and for which support had now ended. This applies to the Armenia situation. In Georgia activities had just started and it was too early to assess the longer term trends. Yet the enthusiasm in Georgia was also very high.

9) The Armenian situation also revealed that significant additional funds were mobilised by participants themselves and by partners for the implementation of business initiatives which had received support from the FPA. Also several initiatives that could not receive direct support from the FPA were being implemented. People were so excited about their own ideas, that they mobilised own resources and implemented them anyway.

10) Communities which went through more than one FPA “test round” revealed an evolution in their approach to development. Whereas they would generally start-out enthusiastically simply generating ideas about development activities, they requested different activities during the next round, moving from initial simple production to marketing and sales related interests, setting up synergetic networks, etc. The trend was towards more economic differentiation and market integration.

11) The main FPA tools (see Nr. 1 above and details in chapter 2) were all well applied. Only the exchange and mobilisation of expertise remained underutilised.

12) Because of the surprisingly high funding which was generated by the individual participants in addition to the available project funds the financial and economic

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2 The FPA test in Armenia covered agricultural cycles which are referred to in the text as “test rounds”. See chapter 2, page 7 & 8.
impact turned out to be complex to assess. It would be good in the near future to specifically assess the socio-economic impact of the activities launched as a result of the FPA.

13) The impact in Armenia was influenced by the fact that the national project support team did not have the specific process facilitation skills needed to implement the FPA. In itself this is not surprising, because it was the first time that such an approach was implemented in the South Caucasus. This led at times to interventions that led in a limited way to “discussions and arguments” among participants as well as between participants and the national project support team. In Georgia the required facilitation skills were adequately present in the national project support team. Consequently the FPA in Georgia was implemented as intended and so far produced the anticipated results.

14) Though the result in Armenia must anyway be considered as “quite good”, this fact points to a potential limiting condition of the approach in a specific national context. It is clear from the evaluation that the FPA requires specialists with appropriate skills in group dynamics, group facilitation and process oriented development approaches. The implementation of the FPA will be at risk if these skills are not adequately present in a national context. At present they are not easily found in the Caucasus.

15) The FPA in the Shikahogh and Kazbegi areas have created an important momentum both in favour of the coming SPPAs and in terms of local development dynamics. It is important that this momentum will be maintained in the near future. It is intended that the SPPAs will fulfil this role. It is hoped that the SPPAs will be able to live up to the principles of the FPA and its operational requirements.
1  Introduction and general background

Within the context of the Eco-regional Nature Protection programme (ENP) of the German Financial Development Cooperation (FC), the KfW Development Bank supports the three South-Caucasus countries to develop and manage their national protected areas (PAs) according to international standards and to implement the international environmental agreements to which they have signed up\(^3\). The FC believes that this support cannot be sustainably successful if it does not also promote socio-economic development in adjoining, nearby and close communities. In this way the FC strives to contribute to poverty alleviation while encouraging sustainable biodiversity protection that is in harmony with human development.

Earlier efforts at nature protection and PA management in the South Caucasus entailed strict exclusion of people from PAs and of separating the PA management objectives and efforts from economic interests or traditions of adjoining communities. In recent years, with support of the FC, an important contribution was made to the modernisation of the sector: local socio-economic development aspects and access of people to the PAs (e.g. with mutually agreed sustainable use of natural resources in "support zones" and nature tourism) are increasingly included in PA development and in management objectives and activities. The reconciliation of the conservation of biological and cultural diversity and economic and social development through partnerships between people and nature is at the centre of UNESCO’s Man and Biosphere (MAB) Programme. Biosphere reserves do not only focus on biodiversity conservation, but also test and demonstrate innovative approaches to sustainable development on local and international levels. At present first initiatives are emerging for establishing Biosphere Reserves and legislation is currently under revision to provide a legal basis for this. Some Biosphere projects are financed by the German FC.

Recently, the FC has begun to integrate into their set of development tools a specific participatory planning and management approach in support of socio-economic development, which during the last three decades has been developed and applied most notably in Latin America\(^4\). This particular Financial Participatory Approach (FPA) differs significantly from other more traditional socio-economic development approaches that often promote various income-generating activities through expert driven situation analysis, planning, provision of financial, technical and other external inputs, micro-credit

\(^3\) In particular the Convention on Biological Diversity (CBC).

\(^4\) Though limited distinct projects have also been implemented in e.g. Tanzania and Bangladesh.
and training for capacity building. The Financial Participatory Approach differs to the extent that it is based on promoting socio-economic development of communities through a cognitive learning development process. Within this context a key characteristic is the use of cooperative competition tools in such areas as agricultural development, rural development and nature conservation to generate new, realistic and sustainable development ideas and initiatives from the bottom up. The approach also acts as a multiplier to donor funds, as they are supplemented by substantial contributions from the beneficiary families and communities themselves.

The Transboundary Joint Secretariat for Nature Protection in the South Caucasus (TJS) is currently testing the Financial Participatory Approach (FPA) in Armenia and in Georgia. Target groups in the South Caucasus are families and communities which are adjacent to the PAs of Shikahogh State Reserve in Armenia and Kazbegi National Park in Georgia, and whose livelihoods are closely related to and intertwined with these PAs. The objective of these pilots is to try and mainstream the FPA for socio-economic development activities to be deployed within the context of the Special Programmes for Protected Areas (SPPA’s) that are being financed by the German FC in Armenia and in Georgia. First tests have been conducted in the Shikahogh area in Armenia in two rounds from 2011 until 2013. In Georgia the tests have started in the Kazbegi during the last quarter of 2013 and will be completed in July or August of 2014. It is expected that the SPPA programmes in both Armenia and in Georgia will be operational in the course of 2015. It is anticipated that the FPA approach will be embraced by the SPPAs after their inception.

In March 2014 TJS launched an evaluation mission with the following objectives:
φ Establish how the test FPA projects have been implemented and to what extent they deviated from the original concept as proposed;
φ Identify from the test-implementation the lessons that may be learned for future use;
φ If relevant, propose amendments to the implementation of the approach for the specific SPPA context in the South Caucasus;
φ Establish to what extent the FPA is suitable for implementation in the SPPAs in Armenia and in Georgia;
φ Assess, if possible at this early stage, the socio-economic consequences of the approach in the field.

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5 The FPA test in Armenia covered agricultural cycles which are referred to in the text as “test rounds”. See chapter 2, page 7 & 8.
For this purpose the following assessment steps were implemented in each test area:
- Consultation of project documents, including monitoring reports\(^6\);
- Interviews with the implementation consultant(s);
- Interviews with representatives of the Regional Working Groups\(^7\) (RWGs) which are in charge of the implementation of the FPA;
- Group-interviews in each concerned community in Armenia, and one joint group interview with representatives of all communities involved in Georgia;
- Survey in each test area among participants from each participating community;
- In Georgia a presentation of preliminary conclusions to the Agency of Protected Areas with discussion of the outcome.

The present report describes the outcome of the assessment of the test FPA in Armenia and in Georgia. As the pilot in Armenia was at the time of the evaluation more advanced the description and analysis of the Armenian FPA will be more elaborate than for the Georgian situation, where the FPA has only recently been started and is still being implemented. After this introductory chapter, the following chapter will describe the background and objectives of the FPA in the South Caucasus. Chapter 3 will elaborate upon the principles embedded in the general FPA concept and the typical tools that are consequently used within a FPA. The implementation of the FPA pilot in Armenia is described in Chapter 4. This is followed by a similar description and assessment for the Georgian FPA test in chapters 5. Some general conclusions will be drawn on the potential socio-economic impact of the FPA in chapter 6. This is followed in the last chapter by a summary of the main lessons learned.

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\(^6\) At the time of the editing of this report only monitoring reports for Armenia were available.

\(^7\) RWGs are locally established bodies of representatives from the participating communities, NGO, civic leaders, authorities etc., which manage the implementation of the FPA on a daily basis. See also chapters 2 and 3.
2 The background and objectives of the FPA in the South Caucasus

TJS phase II

The Transboundary Joint Secretariat for Nature Conservation in the South Caucasus (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.

In its second phase (2011 – 2015) TJS is implemented as one of four components of the Eco-regional Nature Protection Programme (ENP) for the Southern Caucasus which is financed by the German Federal Ministry for Economic Cooperation and Development (BMZ) through KfW. The “Eco-regional Programme” aims to preserve the bio-diversity in the Southern Caucasus in the long term by harmonizing the objectives and instruments of resource protection through cross-border cooperation among the respective national environmental actors. The four “pillars” (or components) in the Eco-regional Programme are:

1) Support Programme for Protected Areas (SPPA), which provides investment and technical support in PAs and development of adjoining communities;
2) Caucasus Nature Fund (CNF), which co-finances up to 50% of the operational costs of PAs;
3) Eco-corridor Development Programme, which promotes putting in place and operating priority eco-corridors through land use planning and managing an eco-corridor fund;
4) Transboundary Joint Secretariat, which supports all three above mentioned components through the three Ministries of Environment in terms of development and harmonisation of eco-regional sector strategies and policies and development of operational implementation tools.

Figure 1: TJS within the context of the Eco-regional Nature protection Programme
Participation and socio-economic development together with nature protection

The ENP through its components aims at significantly reducing the pressures on the biodiversity potential whilst also contributing to improved socio-economic conditions of the local populations. Within this context TJS has a specific mandate to provide support to the Ministries of Environment in the implementation of Protected Area projects through the implementation of innovative concepts and approaches, including the analyses of lessons learned. Part and parcel of the efforts which emanate from this mandate spring from the inclusion of concerned populations in PA planning and management, together with comprehensive, participatory socio-economic development activities with close-by and related communities which must be in synergy with the objectives of nature protection and the promotion of bio-diversity. Besides the distinct central objectives of promoting nature protection and socio-economic well-being per se, there is the strong vision that nature protection can be successful only if those who live off and near the protected area are at ease with the PA. This entails that:

a. related communities do not (feel that they) have to compete with the PA for natural resources;
b. key socio-economic aspirations of related communities are satisfied;
c. as much as possible livelihoods may be assured and improved by the very fact that nature is being protected.

This way nature protection is converted from a source of competition into a socio-economic asset. Both nature protection and socio-economic development strengthen each other.

This vision of synergies, though not new, constitutes a fundamental break-away from classical nature protection and protected area management by physically excluding people from these areas. Taking into account that very often local populations cherish age-old livelihoods relationships with the same areas, then the exclusion also constitutes a denial of existing economic interests and force a rupture with socio-cultural bonds that they have with these areas. This is profoundly upsetting and uprooting. It is no surprise that under such conditions the relationships between local populations and PA authorities is often tense, if not characterised by endemic conflicts. The situation of antagonism and opposition leads to resistance and eventually favours fighting over boundaries, cutting of fences, illegal logging, poaching and other illegal extractions which in the end...
fundamentally hampers any attempt at nature protection. Among the local populations the conflict and discord further fosters a culture of “moonshine-activities”, of valour and bravery inspired from successes in challenging the authorities. It is evident that this does not at all serve the interests of both of nature protection and local livelihoods.

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**Innovative approach**

Against this background of discouraging “exclusion” and advancing “involvement” and finding solutions to overcome conflicts between rural communities and biodiversity conservation objectives of PAs, TJS was requested to test a relatively new approach fostering participatory socio-economic development in communities adjacent to PAs contributing to poverty alleviation objectives, while encouraging sustainable biodiversity protection. This approach, which is innovative for the South Caucasus, has been developed and mainstreamed in Latin America during the last three decades, applying specific participatory planning and management tools to socio-economic development. Several names and labels are used for the approach, such as “Contests and Awards”, “Raymi”\(^8\), “learning from the best”, “Financial Participatory Approach” (FPA), etc., depending on the particular geographical, socio-cultural and technically specific context of its use. This report uses the term ”FPA”.

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**Figure 2: Basic conceptual parts of the FPA**

The FPA is an established and proven approach to support socio-economic development in poor rural areas, which uses direct financial resources for mobilizing local populations to take charge of their own development. It is geared to generate autonomous development.

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\(^8\) “Raymi” means “fiesta”, “festive event” in the Quechua language of Peru. A reference to the generally festive moods that communities get in when by means of FPA they participate in competitions and win prizes, allowing them to take charge of their own future. The name is indeed appropriate.
dynamics which are positive, inclusive and very participatory at family, community and at regional levels. Consequently local ownership of local development plans and their implementation is very high and complete. This is further reinforced by entrusting the responsibilities for planning and implementing development initiatives with local communities, together with decision making powers over the use of the available (financial) resources.

The FPA enables families and communities to acquire valuable experience with generating development ideas and potentials, selecting and making concrete plans, taking financial decisions, and managing, implementing and evaluating their enterprises, etc. The acquisition and social internalization of knowledge and experience (both internal and external) is an essential component. This also includes exchange visits and the mobilization and use of external expertise to set up and implement development activities, or training. The principle of employing local stakeholder juries to judge ideas and their implementation, further stimulates local knowledge, expertise development and broad based local development leadership. It also increases ownership and self-confidence. The FPA considers women to be key actors and decision makers for family livelihoods as well as for the local development process. Their interests are being explicitly addressed. The FPA has strong links with the existing local cultural heritage, including the role of nature and available natural resources for the well-being of the local society.

**Objectives of the FPA pilot activities in the South Caucasus**

Consequently it was proposed in November 2011 that TJS would implement pilot activities that would:

a) implement pilot actions that may serve as the basis for further learning, demonstration, reflection and acquiring local and institutional ownership of the approach;

b) further elaborate a coherent approach in the specific context of nature protection and the SPPA in the South Caucasus for socio-economic development in communities adjacent to PAs and develop a corresponding “tool kit” for socio-economic development activities for the SPPA and similar projects.\(^9\)

For this purpose the following specific types of general tools are to be applied:

I. **Socio-economic contests** that aim at promoting development in a rural context, whereby the populations involved identify the themes, establish rules for the contests, define their

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\(^9\) The current document concerns a first evaluation of the pilot activities. The manual / tool box will be developed in a separate document.
own contributions and appoint independent juries to assess the outcomes of the contests and award prizes to winners. The funds used for the contests will not only serve to strengthen ownership, reinforce impact and to implement the resulting development but will also increase rural capitalization through the awards that are paid out.

II. **Local Capitalization** of families organized into groups through the provision of funds in addition to their own inputs, with group rules, financial management and sanctions mainly defined by the groups themselves. The setting up of these groups is expected to lead to a higher degree of organization among the population, increase the equity of the participating families, as well as the investment activities in the region.

III. **Investments in productive projects** will be promoted with specific grants awarded in contests. Local business ideas and plans will be developed by the local populations themselves.

IV. **Sharing of experiences** through extensive media coverage, which will also strongly contribute to ownership and learning, exchange visits and opportunities for acquiring additional external expertise when and where required.

General rules for symbiotic and synergetic relations with nature protection and exclusion of political or religious controversial themes give a general framework for keeping the different contests, capitalisation actions and investments in line with the project objectives. Within this framework the pilot activities were expected to generate community dynamics favourable for sustainable socio-economic development which is highly “owned” and sustained by the people themselves.

Initial pilot activities were to take place in the 5 communities adjacent to Shikahogh State Reserve, in the Syunik Region of Armenia. The Shikahogh State reserve is one of the areas that will be targeted by the KfW funded SPPA in Armenia. Pilot activities were also planned for 11 small communities closely linked to the intended SPPA activities for the Kazbegi National Park in Georgia. The time frame available for the pilots concerns the summer months of 2012 – 2014. It is considered important that each pilot covers at least one full agricultural cycle. In Armenia 2 full test rounds covering agricultural cycles were implemented in 2012 and in 2013. In Georgia 1 round was initiated in 2013/2014. The budgets available and used are presented in the table below. These budgets include all
costs except for TJS technical expertise and the operational costs for a local NGO in each country to facilitate logistics and financial operations.

<table>
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<th>Table 1: Budget for FPA activities (€)</th>
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<tr>
<td>Shikahogh</td>
</tr>
<tr>
<td>Kazbegi</td>
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<tr>
<td>Total</td>
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In addition there were costs for the facilitation expert and the NGOs that handled the logistics and the payment of the grant awards.
3 The concepts at the heart of the FPA

The theoretical concept: cognitive learning

The main principles of the FPA are based on the concept of cognitive learning. The basic premise is that people acquire and learn behaviour based on choices they made in the past that somehow make sense to them. They key word is indeed “sense”. People respond to new events, outside stimuli and challenges in a way that is consistent with an existing social mind set, a collective “frame of reference”\(^\text{10}\) which provides “meaning”, which “makes sense”. Anything new that arrives or emerges in a group of people receives a response which is consistent with an already existing pattern of thought or behaviour. This consistency is construed through a sub-conscious “fitting exercise” which through associations, perceived links, etc. “establishes” that the new behaviour is meaningful or it is made meaningful to the people through adaptation in one way or the other. New information that falls within an existing social frame of reference is easily remembered and incorporated into the view of the world, as it relates to something that is known and familiar and consequently makes “sense”. However, when something new is perceived as "not-fitting", then the usual first reaction is to ignore it and a little later to simply forget about it, because it cannot find a meaningful place in the mental frame of reference; it is “non-sense” and treated as such\(^\text{11}\).

Within the context of development this entails, that the adoption of new behaviour in a development context, the acquisition of new knowledge is based on the notion that people and groups already possess valid knowledge to which it should connect and relate to be operational and sustainable. Consequently development is not so much about the “transfer of knowledge from experts to beneficiaries and trainees”, but more about building on, and improving existing behaviour and knowledge. For people to adopt new behaviour, in order to learn new things it will be best if they are able to connect new knowledge and new experiences to already existing behaviour and knowledge. A relationship of mental association needs to be established with new knowledge in order to arrive at new, adapted and functional technologies, skills, ways of doing things, etc. Local and external knowledge, experience and technology are mobilised for creating an optimal local “fit” to local

\(^{10}\) In this context “social frame of reference” is a key concept in sociology which connotes the collective meaningful experiences of a group which inspire their social values, norms, convictions, the obvious, which in turn influence the nature of their observations, their judgements and their behaviour.

\(^{11}\) This is the theoretical realm of developmental psychology and underlies modern theories of development of knowledge, but also organisational development and change theory and mainstream sociological concepts on the construction of society (for example, see Peter Berger and Thomas Luckmann: The social construction of reality).
conditions. There is a strong interaction between local best practices and eligible new technology facilitating the assimilation\textsuperscript{12} process. This is cognitive learning.

\textbf{The practical principles}

On a more practical, and probably more comprehensive level the tools of the FPA are geared towards helping people to actively discover and try out “development actions” themselves and integrate them into their lives through discussions and a perceived positive impact. It is not the project which determines the content of development, but the development discovery process, which fits the new into the existing. The FPA approach merely creates an environment for local learning, experimentation and exchange that motivate people to discover new things that fit and consequently stay and stick in there reference system. Within this context the principals on which the FPA tools are based are:

\textbf{I. Cooperative competition}

Projects organize cooperative contests with awards and prizes in communities to help people discover specific local contents and development opportunities, solutions to specific problems as perceived. FPA contests focus on determining who has the best ideas and best practices in applying solutions. Contests also allow the identification of the potentially most successful initiatives which may be rewarded through co-funding for implementation. Prizes are generally awarded by local juries. Usually this is the object of local media coverage, helping in dissemination of best ideas and best practices. All this combined triggers intense local debate. FPA in this way means learning from the best, who are as such fully recognized and rewarded. The wide attention is generally also a source of intense pride, and which consequently further facilitates the assimilation and accommodation process. People think out things themselves in a way that they are comfortable with and are proud of. This gives them confidence to take charge of their own development.

\textbf{II. Capitalisation}

Funding is made available immediately to implement solutions found, to acquire valuable “real time” experience to test and perfect them, to provide mainstreaming of best solutions, and to help identify the best implementations of solutions found. Most participants also invest significant own resources in cash and in kind, to show that their ideas and implementations are the best, resulting in a multiplier effect.

\textsuperscript{12} “Assimilation” in cognitive theory is the process whereby complex, but somehow familiar existing “objects” are simplified and / or modified to fit existing social categories.
Therefore the project's capital input does not only provide an immediate economic impact for the communities, but also mobilises additional funds and strong motivations to make efficient and effective use of funds.

III. **Mobilization and exchange of learning and knowledge**

The process of facilitating the contests and awards allows dynamic exchanges of local and regional ideas, experiences and new best practices applied by individual families and communities. The FPA approach strongly further facilitates locally driven exchange visits and locally driven requests for and mobilisation of external expertise when required. This creates a conducive social environment to explore development activities which are locally accepted and supported. Examples include the exploration of possibilities and opportunities for turning nature conservation into local socio-economic opportunities (nature oriented tourism, improved range and pasture management, developing alternative and cheaper sources to replace fuel wood, etc.).

IV. **All initiatives come from the population**

The contests and their outcomes are fully people-driven. The FPA process in terms of contents and activities is fully locally managed by a local multi stakeholder working group. This working group oversees the dynamics of the process and specifically establishes the mechanisms for the operations of the initial contests and the ensuing pilot actions. The budget per group of actors (selected villages, authorities, etc.) is jointly prepared to support learning and exchange visits, juries, prizes, external technical assistance to participants, etc.

V. **Maximum use of the media**

The FPA facilitates the maximum use of the media in launching the contests and in awarding the prizes. This creates a level of attention which triggers an intense dynamics at community level in terms of debate, local pride, ownership, socio-psychological impact and dissemination of best ideas and best practices.

VI. **Project as facilitator**

The project facilitates and coordinates the FPA activities. It may orientate in terms of the general themes such as agriculture, health, irrigation, environment, nature protection, etc., and avoid cultural or political contentious themes. These conditions define the global objectives and the framework within which the FPA activities are
being conducted. Everything else is people-driven. The project provides training and guidance to the local working group to assist them in adhering to the FPA principles and to the objectives of the project.

Typical FPA steps and tools

Typical tools and steps may be the following:

a) A **local working group** is set up, composed of different and representative local stakeholders, facilitated by a facilitation expert of the project; facilitation will often also include a basic training in participatory methods, communication and principles of the FPA. The working group, which includes local authorities, will oversee the entire process and specifically establish the mechanisms for the operations of the initial contests and the ensuing pilot actions, set up representative juries, and establish a budget per group of actors (selected communities, authorities, groups of families, etc.) to support learning and exchange visits, jury costs, prizes, external technical assistance to participants, media attention, etc.

b) Together with local communities **qualitative participatory tools** are applied\(^\text{13}\) to identify the key parameters in the “social nervous system” which are essential for triggering socio-economic development and improving local livelihoods. Issues considered may concern sources of revenue and other earnings, cash cycles, access to banking and (formal and informal) credit systems, importance of incoming resources from migration, etc. Collective participatory experiences and other development efforts are assessed.

c) A **knowledge contest** is launched at regional level among families in order to identify (and at the same time externalize at community level) all kinds of local knowledge and potentials (practices, people, ...) that may work, have potential and be called upon and mobilized during the concrete pilot actions of the next phase for development purposes. This provides local populations with an opportunity to open up their horizons, rendering visible the different local opportunities for socio-economic development. Exchange visits between different communities are excellent tools to strengthen the impact.

d) **Competition between villages** on different practices to promote improvement of specific development issues with cash awards to encourage participation and to

\(^{13}\text{At this stage typical Rapid Rural Appraisal (RRA) and Participatory Rural Appraisal (PRA) tools may be used, such as transect walks, qualitative and/or semi structured interviews together with focus group discussions, development of transect and resource maps (agricultural, natural resources, services and other), trend analysis, social mapping and stakeholder analysis, etc.}\)
enhance the value of best achievements and render them more visible (e.g. communal pasture management, developing and implementing a sustainable community forestry management plan, organize village space, improve local infrastructure, etc.).

e) Based on the outcome of the above a planning competition between communities may be launched requesting them to identify what they would like to do as a community for their own sustainable development in the future, based on their own description of their past, their present situation and their aspirations for the future. The outcome of the planning competition may lead to an accepted community development intervention which in its own right can be implemented in a contests and awards mode.

f) Villages will participate in the local initiative contest among families, which will co-finance the budget of winning initiatives for setting up and launching small new business enterprises. The purpose of this contest is to promote investments in innovative activities for the area (production, processing, marketing, equipment, etc.), driven by local initiatives.

g) Capitalisation of local (women) groups that receive a small amount of "start-up-capital" per participant. The groups will define their own rules for managing and using the funds for income generation and for improving their livelihood. The ideas and the implementation will be subject of competitions that will stimulate the participants to generate good and viable ideas, to implement them properly and to disseminate the best solutions to more households in the region.

h) Part and parcel of the FPA is the development and diffusion of results among participating communities and the “world at large”. Partial results and outcomes, will be gradually elaborated as they emerge and disseminated accordingly through local and regional media channels. This reinforces the inherent learning and exchange principle of the FPA. Final results are compiled evaluated and synthesized. The findings and conclusions are shared and disseminated widely. This has proven to be a very powerful tool to increase community self-esteem, local ownership and regional learning and awareness.

Preconditions for the successful implementation of the FPA

For the FPA to be successfully implemented several preconditions apply:

- Authorities (national and local) accept the FPA and cooperate;
- The development initiatives which are awarded and / or receive funds through the FPA process are not to frustrate or thwart the main project objectives; usually this is being taken care of in the contest theme identification and the contest award criteria, which
can provide direction for desired synergies and which are announced at the launch of the contests\(^4\);

- The award selection process during the contests should avoid initiatives which could be politically and / or religiously contentious; this usually is also embedded in the contest selection criteria;
- When the FPA is implemented in a rural and agricultural context, it is important that as much as possible the agricultural cycle is taken into consideration.

### Differences with a classical project approach

Within development world the process approach, as applied by the FPA, is rather different from a classical project intervention approach. Main differences are:

- Development efforts are not driven by technical experts;
- There is no or very limited space for participation by consultation triggering a project planning and implementation drive;
- Classical training, bringing an expert who transfers knowledge to a local context, is limited, and may only take place in a context explicitly identified by the locals;
- Funding of initiatives takes place without questions asked, though generally books are being kept;
- There are no project success indicators, only process indicators.
- There is no explicit monitoring and evaluation of the results, only of the process and impact.

### What to expect

It can be expected that an FPA project generates the following outcomes:

- **Community mobilization** concerning the development themes and solutions is very high and very intense;
- **Local “ownership”** of ideas, initiatives and activities and the results **is strong** (with or without awards);
- **Project funds** are rapidly **amplified** by local funding;
- **Local authorities** show high positive **involvement**;
- **Local decision making is very transparent**;
- **Population is enthusiastic** about the project.

\(^4\) This way it will be possible, for example in the case of the SPPA, to promote contests for development initiatives which strongly synergize with nature protection.
4 Pilot activities in Armenia

4.1 The setup

In 2011 TJS engaged an international expert in process facilitation, with a long standing experience with the FPA in Latin America and an excellent track record in the field. The international expert made a first scoping mission, after which the Focal Point of TJS at the Ministry of Nature Protection requested that a FPA test programme would be launched. During a second visit of the international expert at the end of 2011 a programme was proposed for a first test of the FPA in the Shikahogh area of South Armenia. The programme was intended to carry the following characteristics:

- Promote a **transfer of decision-making and budget management to local actors**, together with transfer of responsibility, providing local actors with opportunities and resources to learn and undertake;
- Open-up **new development horizons and opportunities**;
- Focus above all on the “**potentials to be unleashed**” rather than on the « problems to be solved »;
- Combine **learning and financing of actions**;
- Give priority to **dynamic learning, to learning by doing together**, which entails that the focus is more on those who want to learn something rather than on the teacher who wants to “transmit” his solutions.

The following organizational implementation structure was put in place:

![Organisational setup of FPA test](image)
General management of the FPA implementation was with the TJS international team leader who is in charge of the overall TJS work plan. The team leader was assisted by the international expert in FPA process facilitation who proposed and supervised the technical process implementation of the FPA in Armenia and provided methodological support. The daily implementation of the FPA was managed by a national project support team composed of the TJS national coordinator in Armenia, who, for that purpose was assisted in the field by a national consultant in charge of FPA process facilitation and a local NGO for the organisation of the financial and operational logistics in the field. The national project support team operated as advisory and support structure of the Regional Working Group (RWG) which was set-up in the Shikahogh area for the de-facto deployment of the FPA in the 5 communities near the Shikahogh State Reserve: Chakaten, Nerkin Hand, Shikahogh, Shrashen and Tsav.

In January of 2012 the national project support team set up the RWG as the local body, representing local institutions and individuals that will manage on a daily basis local pilot activities and by doing so will also have the opportunity to “learn the FPA by doing”. The RWG was made up of representatives of the Governorate, NGOs, the 5 communities and the Shikahogh State Reserve. The Vice-Governor was the Chairperson on the RWG, whereas the national project support team fulfilled the secretarial functions on behalf of
the RWG. Excluding the national project support team the RWG counted 12 members. A training programme was implemented for the RWG.

The RWG was assigned the following tasks:
1. Lead all pilot activities in the Shikahogh Area, which are logistically and financially implemented through the NGO of the national project support team;
2. Consider and deliberate with the national project support team on the use of the allocated budget for the implementation of the FPA;
3. Support the implementation of the actions laid down in the FPA programme;
4. Set-up appropriate juries for the different contests;
5. Develop assessment criteria for the contests;
6. Organize media coverage of the different activities, and in particular the contest and together with the national project support team capitalise and disseminate the results of the FPA test.

The RWG had its own budget for operational expenses (meetings, local transportation, etc.) of € 4000.-.

4.2 Planned FPA activities

During the initial scoping mission implemented by the international expert a Rapid Rural Appraisal (RRA) was carried out in order to obtain basic information regarding the local economy: sources of income, existing development activities, and perceptions of development. It was found that the 5 communities of Shikahogh count approximately 1100 inhabitants. The communities have suffered much from the emigration of the young and the active. The population pyramid is asymmetrical and quite unbalanced. Many people depend for their income on remittances from their children who live elsewhere in Armenia or in the Russian Federation. Local income generating activities are very limited and focus on small scale agricultural activities. The surrounding forest areas are used for the extraction of firewood, fruits and other non-timber forest products. There is a tense relationship with the local authorities in charge of the State Reserve. There is the local perception that the communities are slowly dying and that under current circumstances there are hardly any economic opportunities, if at all.

With the help of the outcome of the RRA the following FPA activities were planned:
1. Knowledge Contest: competitions between individuals or families in the wider area regarding valuable practices in the area which may complete and enrich the existing
gamut of activities. The purpose is to promote a learning process of diverse actual practices, useful from an ecological, economic and social point of view that families could put to use and apply in their homes and villages. The results may generate ideas for later competitions and contests in their own territory.

2. **Village planning contest**: based on their own analysis of the past and present of their communities the villages develop their vision of a desirable and realistic future. These first two competitions are considered to be “primers”, an easy introduction to open up ideas and to create an interest and excitement in the wider process. It was intended that the three communities that would come out as the best, as decided by a local jury, would be able to continue with the next competitions.\(^{15}\)

3. **Local Capitalisation Funds** for the three top villages, the winners of village planning competition. The purpose is to directly improve the financial situation of families through the direct injection of capital and to request that the funds be used as much as possible for the generation of new economic activities. In the specific situation of Shikahogh financial means were to be given to women who had organised themselves into groups, with contests on which group had generated the most creative and rewarding socio-economic development activities.

4. **Competition of Local Initiatives** with co-financing of the budget of winning initiatives Objective: To promote investments in innovative activities for the area (production, processing, marketing, equipment, migrations...)

5. **TJS Special Award** for the best local fund use in addition to the regular awards issued by the contest juries. The objective is to further reward the participants for their use of the funds in the best and most creative way.

For each activity technical implementation guideline-sheets\(^{16}\) were developed by the international expert in order to help and guide the national project support team.

### 4.3 The implemented FPA activities in Armenia in 2012

#### 4.3.1 The knowledge contest

The RWG disseminated information about the knowledge contest through 2 regional TV channels and a regional newspaper. The official website of the Syunik Governorate also carried information about the contest. In addition to this all 119 village heads in Syunik were officially notified by the Governorate. In all 13 applications were received who

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\(^{15}\) The other villages were included in the second round a year later.

\(^{16}\) Based on existing jargon elsewhere with the FPA these guideline sheets were called “fiches”
competed for 8 prizes ranging from € 300,– to € 150,–. Of the 13 applications 10 originated in the Shikahogh area. The themes of the winning submissions are represented in the table below.

<table>
<thead>
<tr>
<th>Proposal</th>
<th>Coming from Shikahogh area</th>
<th>Followed-up during later contests</th>
<th>Coming to implementation &amp; income generating stage</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Bee-keeping, production of honey, royal jelly and queen bees</td>
<td></td>
<td></td>
<td>The applicants hope to apply for an investment credit and intend to re-submit their proposal for a business plan contest if this would be held in a next round</td>
</tr>
<tr>
<td>b Fish farming</td>
<td>*</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>c Establishment of an eco-cafe and processing of wild herbs</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d Alternative energy production in grasslands</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e Establishment of sewing workshop</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>f Dry fruit production</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>g Drip irrigation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h Tobacco-growing</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Winning themes from the knowledge contest on Armenia

The knowledge contest did set a very positive tone for the start of the FPA programme in the participating communities. It did kick-start thinking in the communities about promoting development and economic activities. It inspired great enthusiasm amongst the villagers. It was intended that by opening up the contest to the wider region many productive ideas would be collected from a large area. This did not happen, though. In spite of the high publicity for the knowledge contest in the Syunik Governorate 13 proposals were submitted, with just 3 (= 23 %) coming from outside the Shikahogh communities. Though all three “outsiders” did win a prize, their ideas were not followed-up on in later contest activities in Shikahogh. The national project support team later indicated that the connection with these winners was lost over time.
Lesson learned:

1) Apply the FPA activities to the intended target communities only. An exception may be the media coverage which very well may cover a wider area. The target communities derive important motivation from the fact that “their information” is disseminated widely and receives a large audience. It also triggers a keen interest from a wider area in terms of “what is going on”.

4.3.2 Village participatory planning contest

As a second “priming step”, a participatory planning contest was organized among the 5 Shikahogh communities. Communities were asked to submit their ideas about the future of their communities based on the analytical theme: “Our Community’s Yesterday, Today and Tomorrow”. The format of presentation was open, with each community deciding to present their analysis and vision for their future. Each community received a start-up sum of approximately € 150,- to help prepare their proposal, e.g. on external presentation advice, presentation materials, etc. They were entirely free to deciding how to spend this money. All communities presented a poster session, while 3 also made additional PowerPoint presentations to have their message come across; and one community even developed and staged a drama performance for the jury. The village of Shikahogh won the first prize of € 1000,- for improving their village square, and in particular their village symbols which represent their strong values as a community both in terms of where they are coming from and where they are heading for. The Governorate, on its own initiative, then decided to award another € 1000, - to the village of Shikahogh as the winning community. The funds were indeed used for the improvement of the village square and

Figure 5: Village planning poster session
their monuments. The other 4 communities were awarded prizes ranging from €750,- to €200,-, which was invested in small infrastructure improvements in each village, ranging from the purchase of garbage containers to the improvement of small stretches of rural roads.

The planning contest further strengthened enthusiasm for the FPA. The participants drew great pride and joy from the preparations\(^\text{17}\). During the evaluation discussions they indicated that this helped them to work together more intensely and efficiently. In the proposals which were developed during later contests regular reference was made to the “principles” laid out during the planning contest as to “where the community wants to be going”, and what this means for the individual contender.

The contest was also used to make a selection of villages that would continue with the remainder of the FPA programme in 2012. Though this selection was announced up front it did lead to disappointment within the excluded communities\(^\text{18}\), with impressions emerging that they had been excluded from the distribution of funds from the FPA.

Lesson learned:

2) A characteristic of classical approaches of development projects is that they tend to look for harmony and balance, and avoid tensions. The FPA has a more nuanced and realistic view on this. Sociologically speaking tensions are part and parcel of every society. Every group permanently experiences underlying tensions, which are solved, only to be replaced by new ones emerging. These tensions are generally important vectors of change. The dialectical process which kicks in to either “solve” or “settle” them, or to come to grasps with them creates new options, attitudes and behaviour. A rigid search for harmony, to avoid all discontent, stifles these opportunities. The FPA fully recognises this reality. The very nature of “contests” implies that there are winners and there are those who do not win. The purpose is to identify “winning ideas”, and to flag them up and have people relate to them and learn from them. A reflection on “why did my neighbour win and why did I not win”, with all the embedded emotions which then emerge, is part of a learning process, and should not be avoided. It carries a strong potential advantage and is indeed a trajectory for development change. The evaluation of the FPA test in Armenia shows that facilitators of the FPA approach must underline strongly the purpose of the FPA in terms of generating ideas and people being able to learn from them and rewarding the implementation of good solutions to perceived

\(^{17}\) Later it was also confirmed by KfW representatives - who on different business happened to pass through the Shikahogh area – that they had met groups very actively and lively preparing for submissions of ideas/proposals in the contests.

\(^{18}\) These two villages were later included in the second test round in 2013.
problems, and avoid or counter any suggestions about the project objective being the balanced redistribution of available funds to the communities. This requires special facilitation skills.

In some communities as well as within the jury discussions there were at times debates which struck political and/or religious undertones. Within the national project support team this lead to a discussion about the use and value of identifying selection criteria for the jury.

**Lesson learned:**

3) Depending on the situation it may be useful to include in the set of criteria, which juries apply to assess the proposals that participants submit, explicit limitations on proposals that may trigger religious and/or political connotations. At all times this should be an item for discussion in the RWG when setting the criteria. Another criteria that should be discussed at all times concerns a limitation on proposals that may obstruct the main global objective of the project and possible rewards for proposals that are in line with the global objective. In the case of the FPA test in Armenia such a theme concerns the protection of nature and bio-diversity.

4.3.3 Local capitalization funds

With the purpose to trigger direct improvement of the financial situation and the generation of new economic activities in the Shikahogh area, “local capitalization funds (LCFs)” were given to groups on the basis of two contests: one group and one family contest.

**Group LCF**

In the three remaining communities19 a LCF was put in place for women’s groups. The purpose was to inject funds into the community that would then be used to initiate new economic activities, with awards being given to those groups that would show the best performance in the eyes of the jury. Women’s groups were intended specifically as women may be considered to be better stewards of the family resources and usually have a better overview of available resources and existing potentials.

In all 67 women in the three villages organized themselves into 9 groups, as represented in the table below:

19 Shikahogh, Tsav and Srashen
The groups received €70,- for each participating woman. The allocated funds were actively managed by the women’s groups. They embarked on different economic activities, ranging from producing shirts, bed linen and other textile products for both the local and the regional market, to agriculture products, such as fruits and vegetables, eggs and spirits. Early 2013 all groups indicated that they were now sufficiently on their own to keep on functioning without additional financial means. It was striking to find that leadership processes were emerging and that a collective learning process about joint decision-making clearly had taken place. Some groups are currently trying to bring their activities to a higher level of production technology and marketing. The extent of this success was not anticipated. In the entire Syunik region the intensity of these new village dynamics in collaboration and creativity was widely noticed.

The LCF for women’s groups proved to be extremely popular in the communities and must be considered a great success. In general it is estimated that within one year groups managed to double the value of the initial amounts invested.

**Lesson learned:**
4) The fact that women are organized in groups turns out to be a considerable advantage, as this provides them with an active platform for exchange and decision-making. With very simple training in group facilitation and limited coaching, they will be able to increase performance in terms of generating productive ideas, planning, organization of operations, elementary business planning, etc.

Family LCF
A second capitalisation effort was initiated through a contest among families to develop valuable and profitable local economic activities. Families were invited to submit proposals of which the promising ones received an investment fund. The contest, which was conducted in two rounds drew considerable attention. Yet the level of internal debate and development dynamics generated was below the previous contest. Instead of allowing individual family proposals to be developed the national project support team had decided to set-up village working groups which would for each village decide a central theme for the contests. Families would then propose within that theme their projects. Mainly driven by men they found it difficult to develop ideas that go beyond the standard, mainly agricultural activities which have shown limited viability. Consequently, ownership of the ideas was below what might have been expected if the families could have decided the themes for themselves. During a second round the national project support team proposed one central theme for all three communities: the cleaning of 10 recreational sites adjacent to the Shikahogh State Reserve. To a certain extent this theme was driven and prompted from outside the communities. Though this was not entirely as “prescribed” by the FPA principles, the evaluation found that people in the villages apparently considered the activities useful and good results were produced.

The concept of village working groups was useful. It provides a platform for discussion and communication in the communities and helps internal decision-making. It is however, important that these village working groups reflect the social / demographic composition of the village and are not dominated by the elders. In Srashen the traditional leadership was so strongly present that ideas from the younger villagers or from the women could not emerge easily.

Lesson learned:
5) Beyond identifying the general context and the general conditions of the contests, facilitators or project teams which support the FPA process are best advised to avoid making decisions on behalf of the potential participants regarding the direction of their
creativity, including the development of contest themes. They should facilitate the process, rather than determine it.

6) While village working groups can be useful, attention should be paid to ensure a balanced representation of the communities. This includes the young and the women.

About experts and facilitators

An expert is a person with specific knowledge in a particular field, often “technical”, based on study / research, experience or profession. It is significant that most other people do not have the specific expertise of the expert, by virtue of which the expert has “technical authority”. Within the context of development projects the role of the expert is to bring in his or her expertise to diagnose problems, propose solutions, plan and implement activities. Participatory consultations by the expert often do take place, yet the final authority and the position taken by the expert regarding the solutions proposed and implemented is not questioned. The expert engages in technical contents and as such is directive.

A facilitator is a person who creates and supports the preconditions for initiating and maintaining collective change processes, by helping people to understand common objectives and help them plan to achieve these without claiming technical authority or taking a particular position. Even though facilitators may have specific technical expertise, while facilitating they do not engage in technical contents. The facilitator is content neutral and as such non-directive. The specific skills sets of facilitators concern the understanding of group dynamics, including the functions of building consensus and using tension constructively.

4.3.4 Inter-community contest on the improvement of village spaces

The initial idea was to make available funds for the communities to develop ideas for the improvement of their village spaces, and to award funds, to be used for implementation, according to the quality of the proposals. The written reports indicate that communities were not eager to engage in another presentation and contest for improving their village spaces. The national project support team then decided to move ahead and triggered a debate with the leaders of the villages in order to come up with a common theme for the use of the funds. This led to the ultimate compromise, that the funds available would be used to organize a “Cleaning Day” in all three participating communities. This was implemented. Though the funds invested were used for a common good, and appreciated as such, the activity moved away from the main principles of the FPA, which is geared towards creating dynamics by light competition, where the best ideas are rewarded and consequently draw positive attention for potential replication. In the discussions in the

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20 In the village meetings and discussions held by the evaluation this could not be confirmed.
villages during the evaluation this activity was not remembered as much as those activities which had been proposed, developed and implemented by themselves. In terms of cognitive learning the impact was limited, although there was the positive effect of village sanitation.

4.3.5 Local Initiative Fund for business contests

The “Local Initiative Fund (LIF) contest” has been conducted in 2 phases. During the first phase a jury collected 45 creative business ideas, from which 16 finalists were selected. Each finalist received an initial reward of 140 Euros to further develop the business idea. During a second phase the 16 improved proposals were appraised, with 3 main prizes awarded and 8 “encouragement” prizes given to the runners up. The main prizes concern proposals for setting up a honey certification unit, develop a B&B for tourists and production of wine and dried foods. The winners received between 1100 and 350 Euros as an award to further implement their ideas. An extra additional prize of € 50, - was awarded to a proposal from Shikahogh for the collection and marketing of thyme. The contest has proven to be successful and merits being continued during a further FPA round.

<table>
<thead>
<tr>
<th>Village</th>
<th>Business proposal</th>
<th>Award (€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Srashen Honey laboratory</td>
<td>1100</td>
</tr>
<tr>
<td>2</td>
<td>Shikahogh B&amp;B operation</td>
<td>900</td>
</tr>
<tr>
<td>3</td>
<td>Shikahogh Production of wine and dry food</td>
<td>750</td>
</tr>
<tr>
<td>4</td>
<td>Shikahogh B&amp;B operation</td>
<td>350</td>
</tr>
<tr>
<td>5</td>
<td>Shikahogh Turkey breeding</td>
<td>350</td>
</tr>
<tr>
<td>6</td>
<td>Shikahogh Berry wine production</td>
<td>350</td>
</tr>
<tr>
<td>7</td>
<td>Shikahogh Alfalfa cultivation</td>
<td>350</td>
</tr>
<tr>
<td>8</td>
<td>Shikahogh Organic orchard establishment</td>
<td>350</td>
</tr>
</tbody>
</table>

Table 4: LIF Business proposals in Shikahogh 2012

4.3.6 TJS Special Award

In the context of the LIF contests, a “TJS Special Award” was put in place for outstanding ideas and implementation performance in addition to the regular LIF award. The purpose of the TJS award was to highlight and reward special creativity and performance, which either were genuinely extraordinary, or which remained unnoticed throughout the regular contest implemented by the LIF jury.
The LIF jury had awarded most of the regular LIF prizes to submissions of ideas/proposals from the Shikahogh village. Though this is not necessarily unjust, as Shikahogh is by far the village with the most inhabitants, this had triggered some discussions regarding the outcome of the LIF contest compared to the Tsav village. The discussions were substantiated by the fact that the jury simply announced the results of the assessments, without providing any insight into the reasons and argumentations which underlying its decisions. This led to strong speculations among the losers regarding the potential opportunistic intentions of the jurors.

The national project support team, somewhat unsettled by the rhetoric coming from Tsav, used the TJS Special Award to soothe the stirring sentiments in Tsav. Three TJS Special awards of €300,- each were granted to LIF proposals from the community of Tsav:

- Sewing workshop;
- Establishment of a village pharmacy;
- Poultry incubator.

**Lesson learned:**

7) Just like the communities taking part in the FPA, national facilitators or project support teams also have their own social frame of reference (see FPA concept, chapter 2). Especially in the context of the new independent former soviet republics the social frame of reference of many actors involved in development still carries with it strong associations related to central, expert driven planning which do not align easily with the principles of the FPA. In the FPA this can become a problem if the actors in the national project support team do not have any significant experience with or knowledge of process facilitation and the underlying principles. The national facilitator or project support team, logically also passes through a learning process. This is not necessarily disastrous, but does require strong and very regular coaching from international experts together with close monitoring. It requires intense and regular communication.

8) It is important that any jury should announce not only the results of its deliberations, but also explain on what grounds it came to its conclusions. This has several advantages:

a. The jury is pushed to additional diligence and care in coming to their decisions, as they know that they will be held accountable;

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21 During the evaluation in Armenia this perceived condescending and brazen presentation of jury results without justification was mentioned time and again as a source of confusion among the participants, if not anger and indignation.

22 The sewing workshop in Tsav became a success and developed into a genuine viable small local industry.
b. Explaining why someone has won and is better, and why somebody else did make the grade and is not as good, is fully part and parcel of the learning process;
c. Justification will help people understand and avoid criticism and discontentment caused by lack of information.

4.4 The implementation of FPA activities in Armenia in 2013

4.4.1 Changes to the organisational set-up of the FPA implementation

The national project support team had found that the RWG with up to 12 members did not easily come to decisions. The team found it difficult to involve the RWG on a daily basis and slimmed down the composition of the RWG. With support from TJS the test with the village working groups continued. The reduced RWG had the set-up as represented in the figure below. It is striking that the representation of the Governorate has been significantly reduced. Furthermore the representation of the NGO sector has increased, while there is no representation from the communities. Especially the fact that the communities are not represented may become problematic as a dialogue between the target-group and the RWG is not possible anymore without the direct mediation / interpretation from the national project support team. This puts the support team in a potential “driver seat position” far beyond mere facilitation regarding operations and reporting in a way not intended by the FPA concept, which expects communities to drive the process and learn from it. Though the communities under this construction may still participate in the implementation of the different activities and benefit and learn from them for their future, they are excluded from the process design, its unfolding and the valuable development experience which may be derived from it.

The tasks of the RWG were determined as follows:
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- General supervision of all activities. For this purpose the 2013 FPA program will be submitted to the RWG and the national project support team will inform the RWG every 3 months.
- The RWG will set criteria for the nomination of all juries which operate at the inter village level.
- The RWG will set assessment criteria for the inter village contests. For these criteria the national project support team will issue a recommendation.
- The RWG will nominate all inter village level juries based on the criteria which the RWG has set. If necessary additional outside expertise may be proposed.
- The RWG will receive the results from the jury assessment and formally award prizes at inter village level.
- The national project support team will present and discuss final results of the FPA with the RWG at the end of the “test round”.

The Village Working Groups (VWG) as set-up in 2012 continued to function. However, it was suggested by the international FPA expert that their composition take into account the demographics of the community and that the young and women are adequately represented, and that they would not have more than 7 members. The tasks of the VWG were proposed as follows:
- General supervision of all village level activities.
- The VWG will set criteria for the nomination of all juries which operate at the village level.
- The VWG will set assessment criteria for the village contests. For these criteria the national project support team will issue a recommendation.
- The VWG will nominate all village level juries based on the criteria which the VWG has set. Juries will adequately reflect the village social structure and include adequate expertise. If necessary additional outside expertise may be proposed.
- The VWG will receive the results from the jury assessment and formally award prizes at village level.
- The VWG, assisted by the national project support team, will draft a village report at the end of the pilot.

In February 2013 the international expert advising the national project support team conducted discussions with the RWG, the VWGs and the communities on the contents of a
second round of the FPA test. The following paragraphs describe the activities which were agreed and implemented.

4.4.2 Integration of the 2 remaining villages

The communities of Chakaten and Nerkin Hand, which had been excluded from further participation in 2012 after the village planning competition were fully included again in the FPA test process. This was made possible by the allocation of sufficient financial means for a second round. In these two villages VWGs were also set-up. All VWGs received from the national project support team a basic training in the FPA concept and its implementation.

4.4.3 Trainings

The discussions with the communities revealed that they would like to continue but saw several difficulties and opportunities ahead. They recognised, in their own words, "that the initial activities had been good appetisers, but that now their new appetite had made them feel hungry indeed". They formulated the following ambitions:

a) They saw that their potential was limited, because key skills, notably in terms of financial literacy, and business skills, were lacking.

b) During the first tests they had been creative in “producing things”, and had been successful at it. They now saw the challenge lying ahead of “selling the darn produce”. They wanted try out ways to promote and market the goods that they produced.

c) The community discussions as a spin-off of the contests had made them aware of the additional value to be extracted from the near-by State Reserve in terms of its marketable tourism potential. Consequently ideas were formulated:

   i. promoting sustainable biodiversity related products;
   ii. develop and provide (eco-)tourism services.

This was not completely unexpected. The newly generated local awareness about development needs is of course one of the intended impacts of the FPA. People had found out for themselves and now wanted to do something with it. Yet such a strong and rather immediate impact was considered pleasantly surprising.

The national project support team consequently organised ahead of the implementation of the other FPA components information and training sessions in the area for potential participants. These were implemented by members of the project support team and a member of the RWG for respectively financial literacy, product promotion and sustainable use of bio-diversity resources. For eco-tourism development opportunities an external
consultant was employed. The initiative was excellent. Yet, during the evaluation no reference was made by the participants to the trainings showing that this had not made an impact that the people could relate to (see chapter 2, theoretical concept).

Lesson learned:

9) The trainings topics should be identified according to the needs of the participants (target groups), who will able - based on their own experience - to understand what they need to discuss, experience and learn more about, e.g. business and marketing skills. Therefore, the contents and pedagogic methodology of training should not be developed by the facilitator or project support team according to a classically expert driven class-room concept in relative isolation from the target group. Instead, it is recommended that a facilitator or project support team will fine-tune the final objectives, the contents of the training, and the training methods with the participants or at least with the RWG and the VWGs, if such are in place. Training should use adult learning and experiential learning methodologies.

4.4.4 Local capitalisation fund for women’s groups

As a result of the inclusion of the Chakaten and Nerkin Hand communities it was decided to set up a LCF for women’s groups in these villages also. As a result of the success of the 2012 pilot activities the first 3 villages requested that in their communities new groups could be set-up also. Women who had been reluctant or hesitant to join in 2012 now changed their minds and wanted to participate after all. In all 5 new groups were founded in the new villages and 3 in the old villages. The total number of participants more than doubled.

<table>
<thead>
<tr>
<th>Village</th>
<th>Women participants</th>
<th>No. of groups</th>
<th>Total participants</th>
<th>Total groups</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
<td>2013</td>
<td>2012</td>
<td>2013</td>
</tr>
<tr>
<td>Chakaten</td>
<td>0</td>
<td>16</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Nerkin Hand</td>
<td>0</td>
<td>21</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Shikahogh</td>
<td>26</td>
<td>6</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Srashen</td>
<td>17</td>
<td>4</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Tsav</td>
<td>23</td>
<td>23</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66</strong></td>
<td><strong>70</strong></td>
<td><strong>9</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

|               |                   |               |                    |             |
|               |                   |               | **Total participant** | **Total groups** |
|               |                   |               | **136**             | **17**      |

Table 5: Participation and groups in the LCF’s for woman in Shikahogh
The evaluation found that in 2013 similar activities were developed as in 2012. The enthusiasm of the participating women was undiminished, though it was considered to be more “normal” than the year before.

4.4.5 LCF 2nd generation

Several women’s groups that started their activities in 2012 had been successful to the extent that they had become emerging businesses (notably the sewing workshops, and production of local non timber forest products (NTFP) and farm products). It was considered worthwhile to bring these groups to a higher level of business activities. Consequently in the 3 initial villages all women’s groups were invited to submit proposals to lift their activities to a higher, business oriented level in order to generate higher turnover and profits and ensure longer term sustainability. This took place in several steps.

The concept was to request initial broad proposals. A selection would be made and feasible proposals would receive funds to further elaborate their plans. The best second round proposals would then be awarded a prize as an encouragement to start implementation. The best implementation would be eligible for a TJS special award. In all 12 initial proposals were received, of which 5 were funded for further elaboration. In the end the jury decided to award all 5 business proposals an “implementation encouragement prize”.

The jury, composed of 4 members from the region, of which 3 were women, applied criteria pertaining to the following themes:

- Impact on community
- Impact on ecology
- Creativity
- Business success potential
- Market awareness
- Financial solidity
- Funding sources

Figure 8: Tsav operational commercial school canteen
The following business proposals were awarded:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Community</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tsav</td>
<td>Commercial operation of the Tsav school buffet</td>
</tr>
<tr>
<td>2</td>
<td>Tsav</td>
<td>Expansion of sewing workshop and marketing of products to Kapan</td>
</tr>
<tr>
<td>3</td>
<td>Tsav</td>
<td>Mini cannery and bottling operation for local NTFP and agricultural products</td>
</tr>
<tr>
<td>4</td>
<td>Shikahogh</td>
<td>Blackberry wine production</td>
</tr>
<tr>
<td>5</td>
<td>Srashen</td>
<td>Flower growing, design and packaging</td>
</tr>
</tbody>
</table>

Table 6: LCF 2nd generation winning proposals in Shikahogh

During the evaluation all 5 activities were in operation. The next challenge will be to officially register and licence these activities. For this additional capacity building support and training will be necessary.

4.4.6 Family contest

During the 2013 campaign an open family contest on how to best improve and manage family income was on the FPA agenda. Again, there was some anxiety amongst the national project support team about the need to present a balanced jury result with a potentially high diversity of themes and fear that with 5 communities participating those who did not win would challenge the result and the fairness of the jury. In consultation with the RWG and the VWGs it was decided to propose one single theme for all: commercialisation and improvement of marketability of local products. The original FPA guidelines proposed did not intend to set a central common theme for the family contests, but favoured an open contest geared towards economic initiatives in general. Yet it was clear that the theme agreed to relates to a common concern, as so many participants had embarked on local products. The theme became an overnight success in terms of participation. Interested families in the 5 communities were requested to register their intention to participate, as well as up to 3 different types of products. During a presentation session
they would then try to convince the jury that their products were the best in terms of taste, packaging, labelling, appearance, quality, etc. A training session was organised in marketing\textsuperscript{23}. Basic packaging material was made available. The contests were conducted at village level.

In total 60 of the 85 registered families participated, which represents close to 20% of total population. The jury consisted of the 5 Heads of the VWGs and one representative of the RWG. VWG heads were not allowed to assess the results in their own village. Assessment criteria concerned the following issues: Product appearance, quality of packaging and labelling, originality, cost, ecological soundness, market responsiveness, representation of the Shikahogh area, appropriateness for product conservation, quality of information (including conservation expiration dates), suitability for use / marketing in other area. In all 28 prizes were awarded. The distribution of villages among villages was relatively even.

The neutrality of the juries was later heavily discussed. Especially those who did not win, considered that the jurors may have conspired amongst each other to favour friends and relatives. The fact that the jury results were announced without any further justification strengthened these suspicions. The evaluation did not detect any particular favouritism from the jurors, but also concludes that transparency may not have been apparent at all times.

**Lessons learned:**

10) The jury was composed of the heads of the village working groups. They had an interest in making sure that their villages would receive prizes. Consequently they tacitly agreed on organising “a fair deal” for all. This was very well noticed by the participants. It is recommended that juries will include outside referees in sufficient numbers to avoid (at least the appearance) of organised bias.

11) In order to boost the transparency of the jury process all criteria should be known to the contenders and publicly announced for all to know before the start of the contests. The jury, when announcing its results, should explain publicly the reasons that underlie

\textsuperscript{23} See par. 4.4.3
its decisions in a clear and understandable way and preferably in the presence of media representatives. This will encourage jury diligence and transparency. As much as possible jurors should come from outside the area and be knowledgeable. The overhead budget of the FPA should take this into account.

Notwithstanding the criticisms the family contest was considered an enormous success by all.

4.4.7 Short story contest

The communities around the Shikahogh State Reserve share an age old history of living together with, from and off the natural forest resources in their area, which now makes up the State Reserve. The latter day restrictions in the use of forest resources has, since the State Reserve has been put in place, constituted a rupture with this heritage. For centuries those natural resources where an integral part of their livelihoods without which they could not survive. That age old experience of symbiosis and synergy is still alive in old stories that people sometimes tell amongst themselves in the communities, in their public spaces, around the woodstoves that heat the family dwellings, at the dinner table, at festive occasions, while toasting to “our parents and those who lived before us”, etc. Most of the stories are usually told informally as social “chatter”, to pass the time, to feel good together. Yet they carry strong messages, often “subluminal” and hidden, also about the positive and constructive relationship between man and nature. For the purpose of the project and its objectives it was considered worthwhile to bring these stories forward and to bring their messages to the surface of today’s everyday life and as such re-activate the socio-cultural values they hold.

To do this a short story contest was launched about life in Shikahogh and the need to preserve nature as being part of the local heritage. The objective was:

i. To collect stories, both old and modern, that tell about man and nature and its positive constructive relationships that implicitly embrace the need to protect nature, also as part of the Armenian cultural identity and heritage.

ii. To bring the stories and the values that they hold to the public conscience and awareness as sources of inspiration for modern behaviour and strengthen the relationship between man and the Shikahogh State Reserve.

iii. To create a potential source for media distribution (written, audio, visual).
The contest was launched open to anybody from the communities who wanted to submit a short story of not more than 1200 words, which could be told in about 10 minutes. The national project support team deviated from the original concept by organising a separate sub-contest for children and nominating in the overall jury the school teachers from the 5 village schools. Consequently this made the process difficult and turned it into a competition between village schools. At the same time parents involved themselves heavily in challenging the outcome, because they were convinced that the submissions of their own children were without any contestable doubt the very best.

It was intended by the FPA pilot to submit the best stories to the local media (news-papers, radio, TV, etc.) to develop programs about the perceived relationship about nature in Shikahogh and the livelihoods and well-being of people. It was also intended to produce a booklet. This has not yet happened. In all 106 short stories were submitted, 55 from adults and 51 from school children.

**Lesson learned:**

**12**) There should always be a certain room to deviate from any theoretical FPA facilitation guidelines, as each national context is different. It is recommended, however, that any major deviation from the suggested FPA format be discussed and agreed in the wider conceptual frame of the FPA approach which has been successfully tested and implemented in other regions of the world.

**13**) The potential of the FPA to attract media attention and coverage is enormous and diverse, and has a tremendous impact on the potential for cognitive development learning. It is important that the media coverage is mainstreamed for each and every FPA activity.

### 4.4.8 Other activities in Shikahogh

TJS implemented several other test activities during 2013, which in the context of this evaluation do not need elaborate descriptions. Main conclusions which may be derived from these activities will be summarized in this paragraph.

**Improvement of village spaces:**

In a similar way as the previous year the national project support team organized a contest on how to improve village spaces around a central, common theme. The subject of the competition was the installation of village lighting. Each community received the equivalent of €400,- to put in place a grid. The jury applied the following criteria: quality of the work done, the number of lanterns put in place, the coverage of the grid and the in-
kind and financial contribution from the local population. Prizes were awarded to all communities, ranging from €300,- to €100,-.

**Local initiative fund for businesses and the integrated tourism development package contest:**
As during the previous year a business contest was launched in several stages: call for proposals, first selection of realistic proposals and funding for further proposals development, awarding of winning prizes to encourage implementation. As during the previous year about 40 proposals were submitted with 8 finalists receiving funds for development of their proposals. All finalists were also awarded the implementation encouragement prizes, ranging between €900,- and €750,-. The winners have proposed activities in greenhouse development (3), cucumber and wheat production, as well as in raising horses, food processing and packaging and setting up a hairdressing salon. The activity was successful in principle. Yet the evaluation considers that the contest-principle with its cognitive learning impact, was subordinate to desire from the national project support team to rather equally distribute the funds, also among the different communities.

During this contest a new phenomenon appeared: commercial proposal writing. Some participants hired outside people, whom they paid, in order to develop a winning proposal. The fact that the jury requested written proposals as files at all stages favoured this tendency in order to apply desktop assessment. This was heavily debated. The quality of the proposals clearly improved technically, financially and in terms of presentation. The question was whether this could still be considered fair competition. In principle the FPA does not oppose the involvement of outside expertise initiated by the target population. Where required outside expertise called by the contender may be an important element for cognitive learning. Yet “ownership” of the contents of the proposal, above all in psychological / emotional terms, should clearly lie with the person(s) who submit the proposal.

**Lesson learned:**

14) The initial proposal at the beginning of the contest should be presented orally by the contender to the jury and judged on contents only, not on form. At the further stages

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24 Also see lesson learned 22.
any form of presentation will be allowed, but the submission of the proposal must be presented in person by the contender allowing the jury to pose challenging questions to the contender. The assessment should be based on contents only. A jury procedure which consists merely of receiving files and desktop processing behind closed doors should be avoided. The result of the jury should be presented publicly by the jury chair person.

A similar additional contest was launched, however, with a thematic focus on developing integrated tourism development packages. In all 20 initial proposals were submitted, of which 8 received funds for further development of their proposals. The same 8 received awards to encourage the implementation of their proposals, ranging from €600 to €430. Winning proposals included the development of an eco-tourism centre (1), the set-up of bed and breakfast facilities (4), tourism guide services (3). The evaluation has visited 3 operating B&Bs.

**Collaboration arrangements**

The contest did not produce “integrated packages” with individual entrepreneurs. There was a clear individual differentiation of activities and specialisations. Yet the evaluation did detect that among the entrepreneurs collaboration arrangements developed. B&B’s would work together with tourist guides and other service providers; they are also inclined to promote the sale of local products which have been developed during previous contests. The evaluation met one young man, whose proposal for tourism guide services had not been selected, yet who now travels to Kapan weekly in order to learn English. He works together with another young man, whose proposal to set-up horse riding services was not selected either, but was so enthusiastic about his own idea, that he started the business any way.

**Collateral impacts from the contests**

This latter phenomenon was observed also in other cases of “collateral benefits” from the contests. A clear example observed in Shikahogh. A business proposal to initiate a local bakery for “lavash” did not win a prize. The contenders were still convinced of the

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25 Traditional Armenian bread
value and feasibility of their concept and started the business with their own funding. The evaluation has visited the now fully operational bakery. In 2012 a contender in Tsav, after submitting the initial business proposal received funds of €70,- to further develop a proposal to raise pigs. He did not win a prize at the second stage, but used the money which was left to buy a pig. With his own funds he constructed a stable and holding pen, which turned out to be rather big. With the help from relatives he bought a second pig and a calf. At the time of the evaluation he was running a proper and successful pig and calf raising business.
4.5 Results from the survey in Armenia

During the evaluation a survey was conducted among 25 participants to the FPA pilot activities from all 5 villages, selected at random. The villages were represented equally. The survey presented open-ended and Likert-scale questions regarding the appreciation of the FPA activities by the participants. Where necessary the responses were clustered. The key summary results from the survey are presented below\textsuperscript{26}:

All respondents considered the activities had helped them to think about development in a new way.

<table>
<thead>
<tr>
<th></th>
<th>(\text{%})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>To what extent did your participation help you become aware of new development initiatives?</strong></td>
<td></td>
</tr>
<tr>
<td>1 Very much</td>
<td>28</td>
</tr>
<tr>
<td>2 Much</td>
<td>44</td>
</tr>
<tr>
<td>3 Just a little</td>
<td>28</td>
</tr>
<tr>
<td>4 Not much</td>
<td>0</td>
</tr>
<tr>
<td>5 Not at all</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

In particular they appreciated the capacity to generate new development ideas and to develop business plans. Yet it is striking that a sizeable part of the respondents used words related to hope and believe in their own capacities.

<table>
<thead>
<tr>
<th></th>
<th>(\text{%})</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>What have people learned from the FPA tests in practical terms?</strong></td>
<td></td>
</tr>
<tr>
<td>1 New ideas and how to develop them</td>
<td>44</td>
</tr>
<tr>
<td>2 To develop plans to set up a business</td>
<td>32</td>
</tr>
<tr>
<td>3 Not much</td>
<td>12</td>
</tr>
<tr>
<td>4 The power to hope and to believe in ourselves</td>
<td>8</td>
</tr>
<tr>
<td>5 Other</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

The respondents see a clear relationship between the FPA activities and the improvement of their socio-economic conditions 68 \%, though some consider it to be "just a little" (28 \%).

\textsuperscript{26}The survey form is in annex 3
Link between FPA activities and improved socio-economic conditions

<table>
<thead>
<tr>
<th></th>
<th>Very much</th>
<th>Much</th>
<th>Just a little</th>
<th>Not much</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24</td>
<td>44</td>
<td>28</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

The majority perceived that income had improved and a fair number indicated that village life had been activated:

Why do you think living conditions have improved?

<table>
<thead>
<tr>
<th></th>
<th>Those who participated generated additional income</th>
<th>Village life has been activated, it is cleaner and there is light at night</th>
<th>It helped, but only a few</th>
<th>Nothing has happened yet, but I clearly see chances</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>60</td>
<td>16</td>
<td>8</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

More than half of the respondents do think that as a result of FPA activities village cooperation has improved much.

Did the FPA contribute to village cooperation or not?

<table>
<thead>
<tr>
<th></th>
<th>Very much</th>
<th>Much</th>
<th>Just a little</th>
<th>Not much</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24</td>
<td>40</td>
<td>28</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

This is mainly caused by simply getting together and exchange ideas.
Why did village cooperation improve?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>We started to discuss and find solutions for our problems together</td>
<td>48</td>
</tr>
<tr>
<td>2</td>
<td>When we look at each other we motivate ourselves</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>The exchange of experience creates friendships</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>The women’s groups worked well together, the others not so much</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>There was not much cooperation</td>
<td>16</td>
</tr>
</tbody>
</table>

Total 100%

People think there is a very clear relationship between FPA activities and nature conservation.

Is there a relationship between FPA activities and nature conservation?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Very much</td>
<td>24</td>
</tr>
<tr>
<td>2</td>
<td>Much</td>
<td>52</td>
</tr>
<tr>
<td>3</td>
<td>Just a little</td>
<td>24</td>
</tr>
<tr>
<td>4</td>
<td>Not much</td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td>Not at all</td>
<td>0</td>
</tr>
</tbody>
</table>

Total 100%

Yet the feelings remain asked how the FPA contributes to nature conservation:

Can you explain why FPA contributes to nature conservation?

<p>| | | |</p>
<table>
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<tbody>
<tr>
<td>1</td>
<td>We want to protect nature, but we have no gas, so in winter we will continue to use local firewood</td>
<td>39</td>
</tr>
<tr>
<td>2</td>
<td>With the program we talked much about nature and want to use nature without damaging it, because that is also good for us</td>
<td>34</td>
</tr>
<tr>
<td>3</td>
<td>We were better in conservation when the project was active</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>The Government has it all under control so we can’t do much damage</td>
<td>11</td>
</tr>
<tr>
<td>5</td>
<td>Other</td>
<td>10</td>
</tr>
</tbody>
</table>

Total 100%
4.6 Preliminary conclusions about the FPA in Armenia

The following preliminary conclusions can be drawn about the FPA pilots in 2012 and 2013 in Shikahogh:

i. In spite of process facilitation weaknesses by the national project support team, due to a lack of specific cognitive development learning experience, the evaluation finds that the FPA in Armenia has been much more successful than initially anticipated. The outcome beats all expectations in terms of participant appreciation, development dynamics, in anticipated economic effects and in generating popular acceptance for the SPPA in Shikahogh. From that point of view the FPA test in Armenia must be considered very successful.

ii. Due to the facilitation weaknesses mentioned above, the national project support team sometimes reverted to classical project interventions and put themselves in classical expert positions. There was a tendency to adapt the concept and align it with “common sense” development project experiences without consultation of the available international FPA knowhow. Consequently the tests sometimes deviated somewhat from the intended approach. In spite of this, the tests were successful. The evaluation only found people satisfied with the FPA activities and the dynamic developments they had initiated. Criticism was limited and concerned mainly the implementation, not the FPA concept. In spite of some implementation shortcomings, which must be considered “teething problems”, the process did trigger a strong development response from the targeted population. In spite of most local expectations the process did live up to the expectations.

iii. A genuine cost-benefit analysis has not been implemented. The test was very limited in time in order to come to conclusions about the return on investments over a longer period of time. Also the investments concern very diverse purposes, requiring a very high evaluation sample. If the FPA activities continue it will be desirable to set-up a simple cost-benefit assessment in order to come to more precise conclusions regarding the impact of FPA activities on the local economy. It is however possible to draw some preliminary conclusions:

- Close to a 100% of prizes and funds awarded are invested in productive activities;
- The high ownership of the activities proposed ensures an equally high effort in making the activities a success;
- The extent of the success is highly variable, though; it is likely that many, but not all will succeed and have a multiplier effect on the local economy (e.g.: all

27 These weaknesses are hard to avoid though. This was the first time that this approach was implemented in Armenia and therefore specialists with relevant facilitation skills were virtually not available.
women’s groups were self-sustaining after one year, e.g. the sewing workshop, school cafeteria, village bakery, B&Bs, animal breeding, etc.); activities launched will be sustainable or sustained; yet key business activities

- All these activities have mobilised considerable additional capital, including many activities which were proposed but did not receive FPA funding);

iv. The short term visible value of the FPA in Shikahogh is in launching a successful development dynamics at the level of the communities themselves, which enhances their creativity and the self-confidence that they can advance their own situation and the situation of their community themselves;

v. The fact that the solutions and activities to existing problems have been identified by people themselves ensures a high level of local compatibility as well as a high level of local ownership, which both contribute significantly to their success potential;

vi. The FPA has contributed to a higher acceptance among the local population of the “big project” (the SPPA) which is about to be launched;

vii. Perceived jury neutrality is an issue for concern, which can undermine the sincerity and credibility of the FPA. Though the national project support team clearly acted in good faith they had not anticipated the challenges that were being put-up by those who did not win. The evaluation has developed recommendations for this.

viii. On several occasions the national project support team moved somewhat away from the intended approach by replacing thematically open contests by contests which had a central theme developed by the support team. The evaluation considers that care should be taken in identifying these “communal themes” in a way that does not allow for any interference from local politics or authorities. In general this is to be avoided. Yet it is also clear that in the case of Shikahogh no harm was done.
5 Pilot activities in Georgia

5.1 Introduction
Initially it was intended that a similar FPA pilot programme would be launched at the same time in Georgia, in the area where the KfW SPPA would support the Kazbegi National Park. Yet the situation in Kazbegi differed considerably from the one in Shikahogh (Armenia). The Agency for Protected Areas (APA) in Georgia considered that the relationship between the national authorities in charge of nature protection and the local population of Kazbegi was delicate. There were rumours among the local population that the upcoming extension of the national park and the support programme for Kazbegi would reduce age-old access to natural resources. There was fear among the locals that the National Park would limit opportunities for economic development in an area which was already considered to be impoverished and resigned to emigration. Consequently the relationship between the local population and National Park initiatives were considered tense. APA wanted to be reassured that new initiatives would not further aggravate the existing situation. As a consequence, TJS made a special presentation of the FPA principles at APA headquarters in March 2012, and later submitted a special work plan for Kazbegi. APA finally approved Kazbegi as test area and the FPA pilot started during the last quarter of 2013.

5.2 FPA Kazbegi work plan 2012
In the Georgian pilot area, situated in the vicinities of the Kazbegi National Park, TJS set-up a national project support team in a similar way as in Armenia. The team was composed of a local consultant for FPA process facilitation, the TJS national coordinator for Georgia and a local NGO charged with financial management and local logistics.
A rapid rural appraisal (RRA) was implemented by TJS in June 2012 which lead to the following assessment:

a) The communities in Kazbegi have strong oral traditions about the way they managed their lives, villages and towns in pre-soviet times. They take great pride in that heritage and are at the same time weary about their present difficult conditions.

b) In the Kazbegi area two different kinds of communities can be found:
   i. Communities which are isolated from the main road and the main centre, which are losing their population to (seasonal) migration with an economy that is not fully monetised;
   ii. Communities which are closer to the main road which have interesting economic development opportunities;

The economic gap between the two types of communities is considerable.
The work plan was developed to take into account these characteristics, while also showing the potential for socio-economic development through the FPA.

The following activities were planned:
A. A knowledge contest at the regional level about knowledge of old and existing practices that may support family economics;
B. Family contest among permanent residents of isolated villages. For this purpose the participating families would receive a donation of € 100,- to use for best practices on how to spend winter in Kazbegi. A total of 10 prizes would be made available;
C. Planning contest between three small isolated villages (with participation from both permanent and seasonal residents) regarding the future of the village;
D. Contest between large roadside villages on how to best manage the village territory and communal life;
E. Local initiative fund with subsidies to further develop the 10 best plans submitted to start micro-businesses; with at a second stage a financial contribution for the implementation of the 3 best proposals.

For the FPA test 3 large villages were selected close to the main road and 6 smaller villages remotely located in the valleys.

As in Armenia, a Regional Working Group (RWG) of 14 members was set-up. The RWG had the following composition:

<table>
<thead>
<tr>
<th>Component</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Villages28</td>
<td>9</td>
</tr>
<tr>
<td>Municipalities of Stepantsminda</td>
<td>2</td>
</tr>
<tr>
<td>Church</td>
<td>1</td>
</tr>
<tr>
<td>Kazbegi National Park (APA)</td>
<td>1</td>
</tr>
<tr>
<td>NGO</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

*Table 7: Composition of the Kazbegi RWG*

The representative of the municipality was the de-facto chair of the RWG. APA proposed that the RWG would have specific terms of reference29 and that the RWG would obtain a legal status and was therefore nominated as a "board" by the NGO that handled the finances and logistics of the FPA pilot.

---

28 1 representative for each village
29 See annex 2
5.3 FPA test in Kazbegi and assessment

The test activities started during the last quarter of 2013 and were still underway when the mission took place that provided the basis of this assessment report. At the time of the assessment mission - in March / April 2014 - the following activities had been implemented:

- Regional knowledge contest (A);
- Contest on activities on how to best pass winter in remote small villages (B);
- Village participatory planning contest in large villages close to the main road (D).

The remaining two activities, the planning contest between isolated villages (C), and the local initiative fund for small business development (E) were implemented during the summer months of 2014 and could not be integrated in the present evaluation.

5.4 Results from the assessment mission

At the time of the mission, detailed reporting from the national project support team had not yet taken place. Moreover, the weather in the Kazbegi area was still difficult, with heavy snowfall at times. Though the villages could be reached, the mission had to leave earlier than foreseen, because the main pass road heading out of Stepantsminda was being closed for an unspecified time. The mission spent two full days in the area. The mission organized meetings with the RWG, the head of the Kazbegi National Park, and the mayor of Stepantsminda. A survey, similar as the one conducted in Armenia, was implemented among 22 participants. Many interviews were conducted at the homes of the participating families.

The scope of the assessment in Kazbegi is reduced as compared to the Armenian situation, as the activities of the FPA in Kazbegi were still being implemented when the mission took place. Still, the assessment led to valuable conclusions: The survey, because of its contents, sample size and sampling allows for comparable conclusions.

On individual FPA activities the appreciation of participants is summarised as following:
Appreciation of individual FPA activities

<table>
<thead>
<tr>
<th></th>
<th>Village winter contest</th>
<th>Knowledge contest</th>
<th>Village planning contest</th>
</tr>
</thead>
<tbody>
<tr>
<td>No of participants</td>
<td>9</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Average appreciation (1 low - 5 high)</td>
<td>4,1</td>
<td>4,4</td>
<td>4,8</td>
</tr>
<tr>
<td>Highest Score</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Lowest score</td>
<td>3</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

Participants considered that the activities contributed highly to their becoming aware of new development initiatives.

To what extent did your participation help you become aware of new development initiatives?

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<tr>
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<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very much</td>
<td></td>
<td>55</td>
<td></td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Much</td>
<td>32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Just a little</td>
<td>14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not much</td>
<td>0</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Not at all</td>
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In the motivation of their responses stand out comments related to the fact that many development initiatives could be launched by people themselves with only little funds.

What have people learned from the FPA tests in practical terms?

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<th>4</th>
<th>5</th>
<th>6</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Trust people and have constructive relationships</td>
<td>32</td>
<td>23</td>
<td>23</td>
<td>14</td>
<td>4</td>
<td>4</td>
<td>100%</td>
</tr>
<tr>
<td>Take charge of their own lives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Specific skills (handicrafts, use money)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Develop and implement ideas</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
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<td></td>
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<tr>
<td>Do not know</td>
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Total 100%
The words “trust” and “relationships” were applied in one thirds of the responses. One participants expressed himself very powerfully: “I learned to trust others to support us; and to trust us to be able to help ourselves”.

<table>
<thead>
<tr>
<th>Link between FPA activities and improved socio-economic conditions</th>
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</thead>
<tbody>
<tr>
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<td>3</td>
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<td>5</td>
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<td>Total</td>
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People clearly indicated appreciating that they move away from an “assistance attitude”. Participants mention an increased sense of responsibility about their own conditions: “When people themselves start thinking about their development then this is good for their own living conditions».

<table>
<thead>
<tr>
<th>Did the FPA contribute to village cooperation or not?</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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<td>4</td>
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<td>5</td>
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<tr>
<td>Total</td>
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The participants provided several explanations for their assessment. It is considered the first time that people really start implementing things together. At the same time relationships between the young in the communities improved, as they saw interesting challenges ahead: “This was all about healthy competition to identify new ideas and learn from each other.” It was striking that people had great fun coming together and working on common projects, also in ways that were reminiscent of earlier times, when internal social cohesion in the communities and the valleys was stronger.

Participants also clearly detected a positive relationship between the project and nature conservation.
### To what extent is there a positive relationship between the FPA activities and nature conservation?

<table>
<thead>
<tr>
<th></th>
<th>Very much</th>
<th></th>
<th>Much</th>
<th></th>
<th>Just a little</th>
<th></th>
<th>Not much</th>
<th></th>
<th>Not at all</th>
<th></th>
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<td>Total</td>
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</tbody>
</table>

In their comments the participants indicated that they consider there is a clear link between poverty alleviation and reducing the use of local natural resources, especially timber products. Several comments still made a reference to the fact that the tradition of hunting will eventually disappear, though it may linger on for some time, as it is so deeply embedded in the local culture.

The evaluation has found that the FPA activities have very clearly won over the participants to the National Park and the SPPA support project. Where scepticism and distrust ruled in the past it has been replaced by significant enthusiasm. That is a major milestone.

### Additional observations

Post survey discussions with the participants as well as with the RWG allow for additional comments on the functioning of the FPA in Georgia:

- The **RWG** worked well and was considered by all to be efficient, adequately representative, as well as appropriately neutral. Each village had a representative in the RWG. This was considered to be adequate representation. The village representatives discussed the proceedings of the RWG in the village. Consequently it was not considered necessary to also set-up village working groups, as was the case in Armenia. The evaluation considers that this may have worked well in the current situation, with relatively small communities. Yet, where communities are large, with more than 200 families (800 – 1000 inhabitants), there may be a need to consider setting-up village working groups that suitably represent the demographic and socio-economic composition, while maintaining a village representative in the RWG.

- The participants overwhelmingly approved the functioning of the juries in the Kazbegi FPA. They were considered to be sufficiently neutral. There were some considerations to increase the number of jury members and to include more technical expertise. When the RWG in Georgia proposed jury members they requested the participants to amend or propose additional members. Consequently the jury composition was as a rule
agreed with a large consensus\textsuperscript{30}. Furthermore the judging was public and the judgements were explained. This has considerably contributed to judging transparency and jury acceptance.

\textbullet{} Media involvement was considered a great source of pride and encouragement. Especially the article and features in news-papers and on local and national radio and TV were very popular. The fact that the FPA was put on Facebook and other web-based social media was not particularly successful, as very few people in the area use make use of them.

\textbf{Lessons learned:}

\textbf{15)} The RWG which have representatives of the participating communities appear to be functioning well. Where communities are small there is no immediate need to set-up VWGs, provided that the communities are represented in the RWG. For large communities the need to set-up representative VWGs should be considered.

\textbf{16)} The jury composition should be proposed and discussed publicly during the public announcement of the contests / activities. This significantly helps generate jury acceptance among the participants, and tends to avoid unnecessary disagreements and challenges of the outcomes.

\textbf{17)} It is important that the selection criteria that will be applied by the jury will be announced very early in the process and preferably at the moment of the public announcement of the contest.

\textbf{18)} It is important that the jury will themselves announce the result of their deliberations as well as the considerations that have motivated their decisions. This helps on the one hand to avoid post-fact discussions among the participants, while on the other hand encouraging the jury to come to a thorough decision-making process (as they know that they will be held accountable).

\textbf{19)} Media involvement is generally very useful and a main source of pride, encouragement and motivation in the case of the written press, radio and television. Social media and other internet based coverage is not very effective, especially in remote rural areas where populations have limited internet access and / or computer literacy.

\textsuperscript{30}The final jury composition was pronounced and participants were requested to either agree or “speak now or forever hold your peace”. Apparently this worked very well.
6 Some remarks on impact

It is much too early to say anything conclusive about impacts. The FPA activities were still ongoing, when the assessment mission took place, and the experience acquired is only recent. Though, the following observations and comments can be derived:

i. The assessment mission found that the FPA tests did create a significant development dynamics in the communities where the tests were being conducted both in Armenia and in Georgia, with interesting and potentially viable activities launched. It is likely that without additional support several activities launched will have generated sufficient momentum to remain sustainable. This is at present more visible in Armenia than in Georgia, where the FPA started later.

ii. The vast majority of participants (80 % or more) continue to work with the funds that have been made available (both funds for seed money as well as prize-money).

iii. It is striking that many of those who are not winners also continue, one way or the other, with the activity launched because they believe in their own ideas.

iv. The Armenian situation has shown, that the FPA activities launched proved to be strong mobilisers of additional funds, because people added their own funds and resources; in addition outside partners showed interest in the ideas generated (both local authorities, relatives, acquaintances, etc.).

v. Consequently there are clear, though rough indications, that the FPA pilots provided an important multiplier effect and that the investments made show an important return. It is recommended to collect and analyse systematic financial and economic data on this.

vi. Before the FPA pilots in Armenia and Georgia started, there were doubts among the local populations about the protected areas and the planned support projects. The situation could be called tense or even troubled in the case of Georgia. When the assessment mission took place, this had profoundly changed, with the image of the project significantly improved. People were calling for the project and were clearly seeing economic opportunities for them as a result of the increased effort at nature protection. The FPA efforts have won the people over for the project. A positive and constructive attitude could be detected that had not been there before. As positive as this may be, it will be a challenge for the SPPA projects to maintain this positive momentum.
7 Lessons learned and way forward

By way of conclusion, the following lessons may be learned from the pilot FPA in Armenia and in Georgia:

1) The general objectives embedded in the TJS FPA pilot activities, as mandated by the FC, have been achieved in the tests implemented in Armenia and in Georgia.31

   a. The sense of competition for resources that communities experienced with protected areas has been converted in an attitude of acceptance and welcome of the related support programmes (SPPAs). This is clearly the case both in Armenia and in Georgia. The participating local communities have been won over to the projects.

   b. The key socio-economic aspirations of the related communities may not have been entirely satisfied. The tests were too short and too limited for that. Yet the Armenian example in particular has shown that the FPA has helped local communities successfully explore ways to improve their livelihoods, with every pilot-year bringing them to a new level of development dynamics (from ideas, to first production implementation, to business skills, etc.).

   c. Both the Armenian and Kazbegi examples have shown that compatibility, symbiosis, if not outright synergy between socio-economic development activities and nature protection is very well achievable with the context of the FPA.

2) The Kazbegi test did not experience the level of tensions, deviations from the approach, internal debates and arguments as was the case in Armenia. The lesson learned from this is that when it comes to the FPA approach, it is more important than in “usual” socio-economic development approaches, to look for staff with specific social process facilitation skills and experiences. That is also one of the inconveniences of the approach. It is very difficult to implement for a technician who has worked with groups in more classical approaches and tends to continue with this methodology. Having said this, the end result in Armenia may be called very satisfactory, as also experienced by the beneficiaries. It is that just the result could have been better.

3) Both in Armenia and in Georgia, the FPA implementation managed to achieve the programme process objectives:32

   a. Transfer of decision-making and budget management to local actors, providing local actors with opportunities and resources to learn and undertake;

   b. Open-up new development horizons and opportunities;

---

31See also page 5
32See also page 14
c. Focus above all on the “potentials to be unleashed” rather than on the « problems to be solved »;

d. Combine learning and financing of actions;

e. Instil dynamic development learning by doing together.

4) The subtle steering mechanisms embedded in the approach to achieve or contribute to the overall project objective have clearly worked. They consist of setting the main themes for the activities and the contests together with the identification of suitable criteria to appreciate the outcome of the contests. In the context of the relationship with the PAs and the upcoming SPPAs, the FPA managed to convert nature protection originally perceived as a source of competition between projects and nearby communities into a socio-economic development asset appreciated by the locals.

5) The assessment found that the FPA mobilised additional funding by the participants themselves in a much more important and diverse way than initially expected. There are clear indications, that the activities generated have a strong multiplier effect.

6) Initially it was feared, both by the national project support teams and the local authorities that the capitalisation activities would lead to people using the funds for their own consumptive purposes, rather than investing them in the activities which they proposed. Afterwards it was confirmed that this did not happen. The evaluation has not been able to identify abuse, though the participating communities had been assistance driven. Intense ownership of the development initiatives generated strong impulses to invest the associated funds in the way intended. Experiences with the FPA elsewhere are similar in this regard.

7) The possibilities in the approach for using exchange visits and mobilising expertise have been underutilised. They intend to serve to deepen the learning experience and to intensify the adaptation of specific knowledge into local experience and development. Furthermore better use of media and better explanation of the judgements would enhance the learning effect.

8) The theoretical setting of the FPA approach holds that its activities should align with agricultural cycles. In Georgia this was not respected, without any detectable negative impact. In this context a lesson learned is that this depends on the specific context of implementation.

In terms of “way forward”, at present TJS is in the process of developing a FPA user manual / toolkit, which may help future implementation of the FPA and continuation of the activities started. For the concrete cases in Shikahogh and Kazbegi it is expected that the relevant SPPA projects will continue the efforts begun. It is important that the SPPAs try to
stick to the process approach. This will be a major challenge as in the Caucasus process facilitation approaches and related human consulting resources are rather new. It is hoped that the implementing agencies and their consultants will not lose the opportunity created and will be able to field the required process facilitation expertise.
Annexes

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Annex 1: Collective Lesson learned

1) Apply the FPA activities to the intended target communities only. An exception may be the media coverage which very well may cover a wider area. The target communities derive important motivation from the fact that “their information” is disseminated widely and receives a large audience. It also triggers a keen interest from a wider area in terms of “what is going on”.

2) A characteristic of classical approaches of development projects is that they tend to look for harmony and balance, avoid tensions. The FPA has a more nuanced and realistic view on this. Sociologically speaking tensions are part and parcel of every society. Every group permanently experiences underlying tensions, which are solved, only to be replaced by new ones emerging. These tensions are generally important vectors of change. The dialectical process which kicks in to either “solve” or “settle” them, or to come to graps with them creates new options, attitudes and behaviour. A rigid search for harmony, to avoid all discontent, stifles these opportunities. The FPA fully recognises this reality. The very nature of “contests” implies that there are winners and there are those who do not win. The purpose is to identify “winning ideas”, and to flag them up and have people relate to them and learn from them. A reflection on “why did my neighbour win and why did I not win”, with all the embedded emotions which then emerge, is part of a learning process, and should not be avoided. It carries a strong potential advantage and is indeed a trajectory for development change. The evaluation of the FPA test in Armenia shows that facilitators of the FPA approach must underline strongly the purpose of the FPA in terms of generating ideas and people being able to learn from them and rewarding the implementation of good solutions to perceived problems, and avoid or counter any suggestions about the project objective being the balanced redistribution of available funds to the communities. This requires special facilitation skills.

3) Depending on the situation it may be useful to include in the set of criteria, which juries apply to assess the proposals that participants submit, explicit limitations on proposals that may trigger religious and / or political connotations. At all times this should be an item for discussion in the RWG when setting the criteria. Another criteria that should be discussed at all times concerns a limitation on proposals that may obstruct the main global objective of the project and possible rewards for proposals that are in line with the global objective. In the case of the FPA test in Armenia such a theme concerns the protection of nature and bio-diversity.
4) The fact that when women are organized in groups turns out to be a considerable advantage, as this provides them with an active platform for exchange and decision-making. With very simple training in group facilitation and limited coaching, they will be able to increase performance in terms of generating productive ideas, planning, organization of operations, elementary business planning, etc.

5) Facilitators or project teams which support the FPA process are best advised to avoid making decisions on behalf of the potential participants regarding the direction of their creativity, beyond identifying the general context and the general conditions of the contests. They facilitate the process.

6) While village working groups can be useful attention should be paid to ensure a balanced representation of the communities. This includes the young and the women.

7) Just like the communities taking part in the FPA the national support teams also have their own social frame of reference (Also see the theoretical concept of the FPA in chapter 2). Especially in the context of the new independent former soviet republics the social frame of reference of many actors involved in development still carries with it strong associations related to central, expert driven planning which do not align easily with the principles of the FPA. In the FPA this could become a problem if the actors in the national support team do not have any significant experience with or knowledge of process facilitation and the underlying principles. The national support team, logically also passes through a learning process. This is not necessarily disastrous, but does require strong and very regular coaching from international experts together with close monitoring. It requires intense and regular communication.

8) It is important that the jury should announce not only the results of its deliberations, but also explain on what grounds it came to its conclusions. This has several advantages:
   a. The jury is pushed to additional diligence and care in coming to their decisions, as they know that they will be held accountable;
   b. Explaining why someone has won and is better, and why somebody else did make the grade and is not as good, is fully part and parcel of the learning process;
   c. Justification will help people understand and avoid criticism and discontentment caused by lack of information.

9) The trainings topics were identified according to the principles of the FPA approach: participants, because of their previous experience had understood that they needed to learn and experience more about business skills and marketing, and discussed these needs with the RWG and the national project support team. Their contents and pedagogic methodology was developed by the national support team according to a rather classically expert driven class-room concept in relative isolation from the target
group. The question about business skills was not addressed, whereas the need was expressed as high. It is recommended that the final objectives, the contents of the training, and the training methods will be fine-tuned with at least the RWG and the VWGs.

10) The jury was composed of the heads of the village working groups. They had an interest in making sure that their villages would receive prizes. Consequently they tacitly agreed on organising “a fair deal” for all. This was very well noticed by the participants. It is recommended that juries will include outside referees in sufficient numbers to avoid (at least the appearance) of organised bias.

11) In order to boost the transparency of the jury process all criteria should be known to the contenders and publicly announced for all to know before the start of the contests. The jury, when announcing its results, should explain publicly the reasons that underlie its decisions in a clear and understandable way and preferably in the presence of media representatives. This will encourage jury diligence and transparency. As much as possible jurors should come from outside the area and be knowledgeable. The overhead budget of the FPA should take this into account.

12) There should always be room to deviate from the guidelines which were provided for the FPA. It is recommended that any major deviation from the suggested format be discussed and agreed in the wider teams that provide support.

13) The potential of the FPA to attract media attention and coverage is enormous and diverse, and has a tremendous impact on the potential for cognitive development learning. It is important that the media coverage is mainstreamed for each and every FPA activity.

14) The initial proposal at the beginning of the contest should be presented orally by the contender to the jury and judged on contents only, not on form. At the further stages any form of presentation will be allowed, but the submission must be presented in person by the contender allowing the jury to pose challenging questions to the contender. The assessment should be based on contents only. A jury procedure which consists merely of receiving files and desktop processing behind closed doors should be avoided. The result of the jury should be presented publicly by the jury chair person.

15) The RWG which have representatives of the participating communities appear to be functioning well. Where communities are small there is no immediate need to set-up VWGs, provided that the communities are represented in the RWG. For large communities the need to set-up representative VWGs should be considered.

16) The jury composition should be proposed and discussed publicly during the public announcement of the contests / activities. This significantly helps generate jury
acceptance among the participants, and tends to avoid unnecessary disagreements and challenges of the outcomes.

17) It is important that the selection criteria that will be applied by the jury will be announced very early in the process and preferably at the moment of the public announcement of the contest.

18) It is important that the jury will themselves announce the result of their deliberations as well as the considerations that have motivated their decisions. This helps on the one hand to avoid post-fact discussions among the participants, while on the other hand encouraging the jury to come to a thorough decision-making process (as they know that they will be held accountable).

19) Media involvement is generally very useful and a main source of pride, encouragement and motivation in the case of the written press, radio and television. Social media and other internet based coverage is not very effective, especially in remote rural areas with populations that have limited internet access and / or computer literacy.
Annex 2: Terms of reference for the Kazbegi RWG

Terms of Reference

for the regional working groups put in place for the functioning of the
Participatory Financial Approach in the Kazbegi Region

1. Background
Within the context of the context of the Financial Cooperation of the German Government participatory planning, management and socio-economic development in and around Protected Areas (PAs) are essential elements of its vision and operational technical approaches. Consequently, the use and implementation of these themes is part and parcel of the TJS approach during its second phase. TJS is currently initiating a pilot approach to socio-economic development in the Kazbegi region, in those areas that are linked to and/or associated with the extension project of the Kazbegi National Park. This Participatory Financial Approach to socio-economic development to be piloted entails a highly participatory methodology, based on the “contests and awards” principles. For its operations it depends to a significant extent on the functioning of a Regional Working Group (RWG), composed of representatives of local authorities, civil society (including the church) and representatives of important social groups and categories. These terms of reference concern the inherent responsibilities and tasks of the RWG.

2. Scope of the RWG
The RWG is composed of representatives of local authorities, important civil society organizations (including representatives of the important and influential religious organizations in the area), and representatives from the villages involved in the FPA pilot in Kazbegi. It is essential that the RWG also includes women and individuals younger than 40 years as representatives of the communities involved in the FPA pilot. The RWG will implement, coordinate and supervise the implementation of the different FPA activities in the Kazbegi area, and as such ensure that the different activities are implemented coherently, fairly and transparently. For this purpose it will receive appropriate training and further assistance from the TJS national FPA expert. The RWG will approve the expenditures of the FPA budget available and account for these, assisted by the local NGO which has been contracted for this purpose.
To deal with these responsibilities the RWG will have to be effective and sufficiently open to a wide representation. If required the RWG may decide to put in place a reduced executive body.

3. **Main Activities**
The main activities of the RWG will concern the following:

1. **Determine its own internal rules for its functioning, notably in terms of**
   - Internal division of responsibilities (chairing, administration, financial management, contacts with media, with authorities, etc.);
   - When to hold meetings;
   - Setting the agenda for meetings;
   - Making decisions;
   - Monitoring progress on decisions made as well as the general FPA pilot programme;
   - Reporting (on meetings and other issues), etc.

2. **Discuss the 2013 FPA program submitted by the FPA team agreed and coordinate its implementation. Discuss with the FPA team on a monthly basis progress, and propose minor adjustments to the implementation modalities if required;**

3. **Set criteria for the selection of members for all juries;**

4. **Set assessment criteria for all contests. For these criteria the FPA team may issue technical guidelines / recommendations to be taken into account.**

5. **Apply the jury selection criteria and select and nominate juries for each activity. If necessary additional outside expertise may be proposed;**

6. **Receive the results from the jury assessment and formally award prizes;**

7. **Discuss final results of the FPA pilot with the FPA team at the end of the test round.**

8. **Timely approve all expenditures proposed by the FPA team and the NGO contracted to provide assistance, as well as the final financial accounts presented by the NGO and the FPA team.**

4. **Timing of the activities**
The main activities will be implemented between March and November 2013, in line with the general activity plan.

5. **Outputs**
The RWG will produce the following outputs:
1. Minutes of meeting in the Georgian language ((part of) which may be translated into English as considered useful by TJS). The Minutes of the first meeting will also describe the decisions made under activity 1 (see paragraph 3);
2. Lists of criteria for the selection of each jury;
3. Nomination lists for each jury;
4. Approved results from each jury;
5. Formal decisions about the prizes awarded for each contest;
6. RWG approved financial accounts presented by the NGO;
7. These terms of reference signed by each member of the RWG as a mark of approval and acceptance upon joining the RWG.
### Annex 3: Example of survey form used

<table>
<thead>
<tr>
<th>Identification n°</th>
<th>Date: (dd.mm.yy)</th>
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<tbody>
<tr>
<td>Interviewer:</td>
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#### Community
- Chakaten
- Shikahogh
- Srashen
- Nerkin Hand
- Tsav

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<thead>
<tr>
<th>First name</th>
<th>Who are the members of your household who live in your household permanently (all year)</th>
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<td>(First name)</td>
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- Do you expect that in the near future some of your permanent household members will leave the area to migrate (seasonally or permanently)?
- If yes, how many will migrate in the next 5 years? [ ]

#### Who are the members of your household who now do not live in the household at least some time of the year?
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<th>No</th>
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<th>Age</th>
<th>Living where</th>
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1. In which of the following FPA activities did you take part?

- 1. Knowledge contest
- 2. Participatory Planning Contest (PPC)
- 3. Local capitalisation fund (LCF) (women’s groups)
- 4. Contests between families
- 5. Local initiative fund for business contests
- 6. Local capitalisation fund second generation (for women)
- 7. Intermediary contest on improvement of village space
- 8. Integrated tourism package development (ITPD)
- 9. Short story contest
- 10. Inter-community contest

2. One of the objectives of this project is to help people show themselves that with limited financial means they can generate and implement new development initiatives.
To what extent did your participation help you become aware of new development initiatives?
Not at all  Not much  Just a little  Much  Very much

Please explain your response:

3. If you participated in more than one of these activities:
Which one of these activities did you like best?

Why did you like this activity?

Which one of these activities did you like least?

Why did you not like this activity so much?

4. If you participated in only one of these activities:
What did you like about this activity?

What did you not like about this activity?

5. On a scale of 1 to 5 (1 being bad, 5 being excellent) would you rate the FPA activity in which you took part?

1  Knowledge contest
2  Participatory Planning Contest (PPC)
3  Local capitalisation fund (LCF) (women's groups)
4  Contests between families
5  Local initiative fund for business contests
6  Local capitalisation fund second generation (for women)
7  Intermediary contest on improvement of village space
8  Integrated Tourisms package development (ITPD)
9  Short story contest
10  Inter-community contest

6. What was the main purpose of these project activities, as they were explained to you?

7. To what extent has this project purpose been achieved?
Not at all  Not much  Just a little  Much  Very much

Can you please explain your response?

8. What, to your mind, was the role of the juries in the different contests?

9. To what extent was the composition of the juries adequately neutral / fair?
Not at all  Not much  Just a little  Much  Very much
10. What would you change next time in the jury composition?

11. The presentation of the proposals that took part in the contests was public (including local radio, tv, newspapers), as was the announcement and the granting of the awards. To what extent are you satisfied with this public display?

Not at all  Not much  Just a little  Much  Very much

12. Can you explain what you have learned from your participation in the project in terms of practical skills?

13. Has the project contributed to a better cooperation in the village?

Not at all  Not much  Just a little  Much  Very much

14. Has the project contributed to better living conditions (including income, employment)?

Not at all  Not much  Just a little  Much  Very much

15. The project also intended to highlight the close relationship between the well-being of the communities, the households and the availability of sustainable natural resources in the area. To what extent has the project been successful in this?

Not at all  Not much  Just a little  Much  Very much

Could you, please, explain your response? (If not, no problem.)

End of the interview. Thank you for your cooperation