

## Ministerial Conference: Nature Protection in the Caucasus

### Promoting Transboundary Cooperation for CBD Implementation

9-11 March 2006, Berlin - Germany

---

### Conference Documentation

Nature Conservation is a fundamental challenge in our time. Preventing further biodiversity loss and preserving our precious natural heritage for us and future generations is a natural albeit ambitious goal. Common transboundary activities are urgently needed, as well as cross-border and cross-level dialogue, and the establishment of regional financing instruments. The Ministerial Conference “Nature Protection in the Caucasus” was therefore designed to strengthen the dialogue between governmental and non-governmental stakeholders in the field of nature conservation and sustainable development in the Caucasus ecoregion. This high-level political platform gave governments and international organisations the opportunity to discuss their activities concerning the protection of biological diversity and to announce commitments towards their implementation within the Ecoregional Conservation Plan (ECP). This plan helps the countries to realize their obligations arising from the UN Convention on Biological Diversity (CBD).

The Ministerial Conference was held in Berlin between 9<sup>th</sup> and 11<sup>th</sup> of March 2006 under the auspices of the Federal Ministry for Economic Cooperation and Development (BMZ). The conference was organized by WWF Germany and KfW Development Bank and brought together the Ministers of Environment of Armenia, Azerbaijan and Georgia as well as representatives from Turkey, Russia and Iran and distinguished international nature conservation and donor institutions.

### Opening Speeches

The Conference Chair **Christopher Hails** (Programme Director, WWF International) welcomed more than 110 participants from over 40 different organisations to the conference, in particular the Caucasian ministers, namely Minister Vardan Ayvazyan of Armenia, Minister Huseyngulu Baghirov of Azerbaijan and Minister George Papuashvili of Georgia. He announced the aim of the conference, which was to strengthen the dialogue between the Caucasian countries regarding nature conservation in the Caucasus. A further issue was to discuss the Ecoregional Conservation Plan (ECP) and the Caucasus Protected Area Fund (CPAF) as instruments for the implementation of the CBD in the Caucasus and to derive concrete commitments in order to make the plan a success.

Subsequently **Ingrid Matthäus-Maier** (Member of the Board of Managing Directors, KfW Bankengruppe, Germany), gave an overview over the structure of KfW Bankengruppe, and an historical insight in the bank’s activities in the Caucasian region as well as its commitment and stance concerning biodiversity.

In the following **Peter Prokosch** (CEO, WWF Germany) stressed the importance of conserving the Caucasian biodiversity in a global context. He considers this conference as a milestone in securing the natural heritage of the Caucasus for future generations. Giving the example of the endangered Caucasian leopard which needs large areas in several countries to survive, he stressed that nature knows no boundaries and that we therefore have to cooperate across borders throughout the ecoregion. The ECP as well as the establishment of a Trust Fund are in his view the central instruments in helping the Caucasian states to fulfil the obligations arising from the CBD. He considers the excellent coordination between governments and international organisations – in particular BMZ/KfW, Conservation International (CI) and MacArthur Foundation – as key factor to successfully implement the CBD.

In her opening speech **Heidemarie Wieczorek-Zeul** (Minister for Economic Cooperation and Development) emphasized the common responsibility to save the natural heritage in the world and stressed the correlation between nature conservation and Economic Cooperation and Development: the number of natural disasters has increased significantly in recent years, to which especially poor people are vulnerable and the ones who suffer most from the consequences. It is obligatory to conserve the environment making poverty reduction possible. On the other hand nature conservation can only be sustainable if human needs are taken into account. Therefore, Ms. Wieczorek-Zeul underlined the importance of the fact that the Ecoregional Conservation Plan (ECP) comprises all six countries of the wider Caucasian region and was elaborated with partners from the governmental, non-governmental and academic level. She emphasized that nature conservation is one of the major sectors of the BMZ Caucasus Initiative which focuses on transboundary cooperation in the South Caucasus. To support the implementation of the ECP and to extent German nature conservation activities in Armenia, Azerbaijan and Georgia, Ms. Wieczorek-Zeul announced that the German government will support the capitalization of the Caucasus Protected Areas Fund (CPAF) with EUR 5 million.

## Presentations

### Convention on Biological Diversity (CBD): Implications for the Caucasus

Following the introduction and opening speeches, **Hamdallah Zedan** (Former Executive Secretary of the CBD), gave the first expert contribution to the Conference. Hamdallah Zedan presented the CBD, with a particular focus on the implications of the Convention for the Caucasus.

The CBD arose from the Earth Summit held in Rio de Janeiro in 1992 and established three main objectives: to conserve biological diversity, to use its components in a sustainable way and to share the benefits arising out of the use of genetic resources. Ten years later, the Parties to the Convention acknowledged that human activity represents a continued threat to biodiversity and that the Convention remains a key tool for sustainable development. In 2002, the Parties adopted a Strategic Plan, in which they committed themselves to a more effective and coherent implementation of the three objectives of the CBD in order to achieve a significant reduction of the current rate of biodiversity loss by 2010. Until today,

a serious constraint to the CBD is its inability to assess implementation, to identify progress made or obstacles encountered and to prioritize projects for future action. After 13 years of entry into force of the CBD, it is not possible to construct more than a partial picture of overall implementation.

For effectively implementing the Convention, a pragmatic approach is required at the national and regional level, particularly taking into account transboundary cooperation. By becoming Parties of the Convention, the Governments of the Caucasian region have committed themselves to the objectives of the Convention. To reach these objectives, the development of the Ecoregional Conservation Plan (ECP) and the establishment of a Regional Council for Biodiversity Conservation and Sustainable Management of Natural Resources represent unique tools for the Governments of the region. In order to further contribute to the preservation of this biodiversity hotspot, the Caucasus Protected Area Fund (CPAF) constitutes a significant contribution to the goal of ensuring financial sustainability of Protected Areas.

### **The Ecoregional Conservation Plan (ECP) and the Implementation Instruments**

**Claudia Loy** (Vice President Europe of KfW Entwicklungsbank), and **Giorgi Sanadiradze** (Director WWF Caucasus Programme Office) presented the ECP for the Caucasus and its implementation instruments.

The ECP is a comprehensive strategy for action to protect biodiversity and to support the regional development in the Caucasus. Its purpose is to serve governments as well as national and international organisations as an action guideline with a horizon of 20 years. At the same time, the ECP is a strategic planning instrument to help governments with the implementation of their obligations towards international conventions, especially the Convention on Biological Diversity (CBD). The ECP was developed by over 160 experts and representatives from governments, universities and NGOs of all six Caucasus countries. The ECP focuses on a variety of species and 4 important biomes (forests, freshwater, mountains, ocean and coasts) and identifies 56 Priority Conservation Areas (PCAs) and 60 important wildlife corridors. Its thematic focus includes the coordination of a protected areas network across the region, collaborative management through involvement of all stakeholders, transboundary cooperation, restoration of degraded ecosystems, harmonization of legislation and policy framework, synchronization of scientific research and monitoring and environmental education. Ecological and socio-economic interests and development scenarios were integrated on a regional level to develop a realistic and feasible implementation plan, to identify priority conservation areas and to draw up effective implementation instruments.

One example on how the ECP is implemented includes the BMZ/KfW financed Ecoregional Conservation Programme. Within this framework, three cross-border national parks in Javakheti (Georgia, Armenia) and Samur-Yalama (Azerbaijan, at the border to Russia) will be implemented as well as a Transboundary Joint Secretariat. The regional Joint Transboundary Secretariat, to be initially established in Tbilisi, Georgia with BMZ and KfW Entwicklungsbank support, will focus on improving transboundary

cooperation between the governments of Armenia, Azerbaijan and Georgia. Within this programme, the positive experiences made during the implementation of the KfW financed first National Park in Georgia, “Borjomi-Kharagauli” will be transferred to other projects in Protected Areas. Additional examples for the implementation of the ECP are the Iori-Mingechaur project which aims to conserve and restore the forest-freshwater complexes in the PCA in the transboundary area of Azerbaijan and Georgia – this project is funded by the Government of Norway; and the Critical Ecosystems Partnership Fund (CEPF) which supports local NGOs implementing activities according to the ECP.

Further more, several instruments for the implementation of the ECP have been established. These include: the Caucasus Protected Areas Fund (CPAF) which is designed to sustainably finance the protected areas networks in the South Caucasus; the Regional Council which engages in policy advice, strategic overview, monitoring and evaluation of the ECP as well as a Regional Monitoring Network which is planned to evaluate the effectiveness of ECP against the actual status of biodiversity in the Caucasus.

## Presentation of activities towards the Implementation of CBD and ECP

To the beginning of the **Minister Panel**, all three Ministers presented their activities and announced their plans and their commitment to the CBD implementation in the Caucasus.

**Vardan Ayvasyan** (Minister of Nature Protection, Armenia) underlined the focus of the Armenian government on nature conservation and referred to nature protection as an instrument for transboundary cooperation. Armenia is about to establish two additional National Parks and making progress on legislation on nature protection. One issue to address is the financing of regional projects. Mr Ayvasyan thanked BMZ for the implementation of the Caucasus Initiative to help with these issues. He emphasised the importance of international cooperation and a sound legal framework to facilitate the cross border collaboration in the Caucasus and named the Trust Fund as a possible solution for major obstacles they face. He explained Armenia’s readiness to cooperate on all levels regarding the implementation of the Ecoregional Conservation Plan (ECP).

**Huseyngulu Bhagirov** (Minister of Ecology and Natural Resources, Azerbaijan) emphasised the long tradition of nature conservation in his country. The focus is not only on preserving but also on creating new protected areas. During the last years Azerbaijan managed to double its protected areas to 12 % of its territory. However, Azerbaijan faces problems which can only be tackled with increased trans-regional and cross-boundary cooperation. International organisations themselves have to learn to adapt their strategies to regional conditions. An integral part of future political actions will be placed on raising the ecological awareness in the society. Mr Bhagirov lauded the significant support and help of its international partners in Germany.

**George Papuashvili** (Minister of Environment Protection and Natural Resources, Georgian) outlined accordingly Georgia's efforts in Nature Conservation. The government is about to create new National Parks, such as the Javakheti National Park near the boarder to Armenia and Turkey. As an instrument to control illegal logging as one of the threats to Georgia's natural heritage, environmental patrols have been established successfully. He also made clear, that sometimes nature protection is overruled by issues of national security but that transboundary cooperation can also help to ease regional conflicts and to facilitate and strengthen the dialogue between the Caucasian countries. He emphasised further the importance of cooperation in the Caucasus and the involvement of Turkey, Russia and Iran regarding the implementation of the CBD in the Ecoregion. Further more he thanked BMZ, KfW and WWF for the efforts made to establish the Caucasus Trust Fund as an instrument for sustainable financing of nature protection. In this respect he outlined that economic issues must be kept in mind in order to establish Protected Areas sustainable.

In the lively discussion following the speeches the Ministers gave some insight in political constraints they face such as competition with other ministries on governmental funds. Moreover, participants from Russia and Turkey presented their view on the activities in and attitudes to nature conservation in the Caucasian parts of their countries. Ecotourism and sustainable use of natural resources were mentioned as important instruments to create alternative income for the local population. Furthermore, ecotourism serves as an incentive for the tourism industry to invest in and to conserve nature. All speakers agreed on the need of facing the challenges imposed by biodiversity loss and outlined the importance and the possible gains of transboundary cooperation.

## **Contributions of International Institutions and Donors**

Representatives of the following institutions participated in a discussion bringing together international and national organisations as well as donors: **Conservation International, WWF Germany, BMZ, World Bank, European Commission, Norwegian Ministry of Environment, Council of Europe's Committee of Experts.**

All participating institutions acknowledged the fact that nature conservation requires combined efforts and resources at the international level. The Convention on Biological Diversity (CBD) and its regional implementation plans, such as the Ecoregional Conservation Plan (ECP), were identified as a key element in addressing the conservation of biodiversity. All institutions expressed their commitment to the goal specified in the CBD Strategic Plan of reducing the loss of biodiversity by 2010. The ECP was considered a strong mechanism for the coordination of donor activity. Further, the institutions recognized the importance of involving the local population in nature conservation activities. All institutions welcomed the initiative to establish the Caucasus Protected Areas Fund (CPAF) as a further means of financing nature conservation.

**Dan Martin** (Senior Managing Director, CI) and **Jorgen Thomsen** (Senior Vice President, CI) presented the Critical Ecosystem Partnership Fund (CEPF). Donor partners to the CEPF are the World Bank, Global Environment Facility, Mac Arthur Foundation, the Government of Japan and CI, which acts as a managing partner. Each donor partner committed USD 25 million over five years to support civil society conservation efforts in the biodiversity hotspots. CI identified 14 biodiversity hotspots worldwide as global priority areas and supports a total of 610 projects in these areas. The Caucasus is one of these priority areas. CI stressed the importance of intensified donor coordination in the Caucasus and referred to the ECP as an example. CI welcomed the initiative of the CPAF and announced a contribution of USD 3 million. Further, CI agreed to provide USD 300,000 for financing the start-up costs of the CPAF.

**Peter Prokosch** (CEO, WWF Germany) explained that WWF is very active in the Caucasus, supporting a range of projects and programmes with the objective to conserve nature and to facilitate the sustainable use of resource in the Caucasus. The WWF Network fully supports the ECP, the Regional Council and the CPAF. Together with WWF Netherlands WWF Germany will contribute EUR 500,000 to the CPAF.

**Rainer Goerdeler** (BMZ) elaborated on its Caucasus Initiative from 2001, which finances regional cooperation projects, involving all three Caucasus countries. These projects include different nature preservation activities. Furthermore, BMZ finances a number of bilateral projects and programmes in the three countries. BMZ regards endowment funds as a means to go beyond investment financing and to finance operational costs in the long term. Mr. Goerdeler confirmed BMZ contribution of EUR 5 million to the CPAF announced by the German Minister during the morning session.

**Agi Kiss** (Lead Ecologist, World Bank) explained that the World Bank focuses on financial cooperation with individual countries, nevertheless supporting transboundary cooperation, too. In particular, the Global Environment Facility (GEF) provides large parts of financing to environmental projects. Besides providing financing for nature conservation projects through GEF, World Bank integrates ecological initiatives into its structural-adjustment programmes and other lending programmes. Currently, World Bank finances different projects in the Caucasus, including watershed, integrated coastal or forest management, establishment of National Parks, agro-biological diversity, environmental tourism, payment programmes for environmental services and carbon funds. With regard to the CPAF, World Bank suggests that national GEF contribution may be used as contribution to the Fund.

**Pierre Borgoltz** (DG Relex, European Commission) illustrated the political view of the EU with regard to the Caucasian countries and a particular focus on the European Neighbourhood Policy (ENP), which includes the three Caucasian countries. The ENP involves the intensification of political interaction with neighbours of the enlarged EU based on core values, such as democracy and human rights, rule of law, good governance, market economy principles and sustainable development and the establishment of a common zone of prosperity. Referring to the loss of biodiversity in the Caucasus, RELEX pointed out that the costs of non-action, including damages to crops, intensified conflicts over scarce resources or a higher occurrence of natural disasters, are likely to be higher than the costs for supporting biodiversity

conservation. The EU currently negotiates ENP Action Plans with the three Caucasian countries. These plans address, among other issues, environmental policy, framework legislation, monitoring, inspection and enforcement. Currently, the EU supports regional cooperation based on three pillars: water management, climate change and biodiversity. The EU also pointed out the strong link between biodiversity and the Millennium Development Goals, in particular with respect to ensuring environmental sustainability (Goal 8).

**Sylvi Ofstad Samstag** (Ministry of Environment, Norway) explained that the **Norwegian Government** has initiated different activities in the Caucasus. It supports the conservation of forests and freshwater habitats in the Iori-Mingechaur transboundary area of Azerbaijan and Georgia through WWF Norway, co-finances the launch of IUCN's Countdown 2010 Initiative in the Caucasus and initiates social programmes and regional cooperation programmes of municipalities.

**Jan Willem Sneep** (Chair of the Council of Europe's Committee of Experts) introduced the Pan-European Landscape and Biodiversity Strategy (PELBS), which was initiated by the Council of Europe and other institutions to promote the integration of biological and landscape diversity considerations into social and economic sectors and support implementation of the CBD. PELBS represents an innovative and proactive approach to halt and reverse the degradation of biological and landscape diversity values in Europe. Further, the PELBS Council serves as a forum for the different initiatives for national and international cooperation. He considers the ECP and the Regional Council as important tools for CBD implementation and offers the help of the Council's committee of experts.

## Workshops

### Workshop A: Financing Instruments for Biodiversity Conservation

The participants of Workshop A explored and discussed possible financing instruments available for biodiversity conservation. To ensure the sufficient financing of biodiversity conservation in existing Protected Areas (PAs) worldwide, an amount of USD 30 billion would be required each year. A recent estimate of global expenditure on existing PAs suggests that only 6.5 billion US-Dollars are actually spent on conservation financing. Consequently, the world experiences a biodiversity conservation financing gap of approximately USD 23.5 billion. The filling of this gap requires the development of new finance instruments and mechanisms. The workshop addressed this issue by focusing on global developments in conservation finance, with a particular focus on trust funds, especially the Caucasus Protected Areas Fund (CPAF).

In the first contribution to the workshop, **Hans Friederich** (The World Conservation Union - IUCN), provided a concise overview of global conservation finance and a number of mechanisms, including both traditional and market-based approaches. Traditional mechanisms include the financing made available by development banks or bilateral development assistance, the Global Environment Facility (GEF),

philanthropic donations, private charity or non-profit organizations. Further, fiscal instruments, including agricultural subsidies or tax breaks, may help to channel finance for the conservation of biodiversity. The different development banks and GEF were identified as the largest sources for providing conservation finance assistance. Nevertheless, Friederich stressed the importance of developing and implementing market-based mechanisms for the filling of the conservation financing gap. Market-based mechanisms include the payment for ecosystem services (e.g. eco tourism, organic foods, and certified 'sustainable products'); payment for watershed protection; carbon trading mechanisms; biodiversity offset trading; or trust funds. In the discussion following the presentation, participants introduced other market-based mechanisms, including conservation stamps, environmental lottery or tourism taxes, and commented on their – largely positive – experience with these mechanisms. Participants were concerned that market-based mechanisms are only effective as long as consumers are willing and able to pay the ecological services, which excludes many of the poorer areas in the world. Also, the cash flow generated by ecological services may be highly volatile, due to its dependency on climatic, political or economic conditions. Participants agreed that as resources become increasingly scarce, the willingness to pay for ecological services will increase. Lastly, the issue of ownership was addressed by several participants, suggesting that people shall be responsible for conserving their own resources.

In the second contribution to the workshop, **Michael Evers** (WWF Germany) and **Marcus Stewen** (KfW Entwicklungsbank) presented details on the Caucasus Protected Areas Fund (CPAF). To finance the conservation of all protected areas (PAs) that were identified within Priority Conservation Areas (PCA) in the Caucasus, a total capital stock of EUR 44 million is needed. This stock would yield an annual return of EUR 1.7 million, which would be available for covering the operating costs of the PAs. However, a smaller amount of EUR 15-20 million would be sufficient to support the most important PAs. The CPAF will be probably chartered in Frankfurt, Germany. Although other off-shore options were explored, a review of financial law in these countries revealed that Frankfurt does not hold any disadvantages against other locations. A Board of Directors will be established including the participating donors, which will meet on a regular basis to review proposals and decide on the allocation of fund revenues. The CPAF will finance up to 50 % of the operating costs of qualified PAs. Those PAs must be defined as a priority in the ECP or one of its amendments, their management has to be based on a thoroughly elaborated management plan that was approved by the country's Ministry and additional funding of at least 50% of operating costs has to be secured out of other sources. Securing funding commitments from donors, defining the management structure and working on the legal establishment of the fund were defined as next steps for the establishment of the CPAF. In the discussion following the presentation, participants voiced their concerns regarding a number of risks associated with the establishment of trust funds in general. These included a possible lack of co-funding, the risk associated with defining a too broad mission, the possible lack of entrepreneurship of the fund management, the lack of a well-defined financial plan and the possible intransparency of the decision-making process for the selection of projects. Participants presented their positive experience with other trust funds, such as the National Environment Fund in

Mexico. In particular, participants stressed the importance of promoting trust funds in order to achieve a general acceptance of this financing tool in the donor community.

**Kristina McNeff** (CI/ Global Conservation Fund - GCF) presented further insights into the establishment and management of funds. McNeff presented CI's experience with the different account types of trust funds, the definition of a mission and the establishment of an account structure. Further, McNeff stressed the importance of conducting a legislative review, hiring well-trained and motivated staff (especially with regard to the Board of Directors, which will review the projects), establishing a well-planned monitoring structure, conducting an independent audit of the fund and maintaining good relationships with the partner government, including the involvement of the partner government in the project selection process.

Participants commented on the importance of ensuring an adequate legal framework, including the selection of a legal entity responsible for the disbursements of the fund as well as a dissolution mechanism. Participants further pointed out that checks and balances have to be implemented at all levels of the fund management in order to avoid the risk that conflicting interests may represent.

## **Workshop B: Transboundary Cooperation for Nature Reserves and Biodiversity Monitoring**

The Workshop dealt with **Transboundary Protected Areas (TBPA)** in the morning session. Defined goals of this session were a common understanding of preconditions and requirements at regional and country level, a common understanding of elements, process and policy frame of transboundary-cooperation and to define regional challenges and opportunities.

**Thomas Petermann** (Senior Project Manager, InWEnt ) **and Ivan Vashakmadze** (Project Coordinator, Sustainable Tourism Center) addressed in their presentation "Institutional Framework and Policy Challenges for Transboundary Cooperation in the Caucasus" some of these issues: they defined common interest, legal framework, the acknowledgement of national sovereignty and the awareness of socio-cultural differences as important preconditions for successful establishment of TBPAs. Additionally they emphasised the importance of creating the right incentives in order to strengthen the interest of the local population in establishing and maintaining TBPAs.

**Zbigniew Niewiadomski** (Manager, ECBC Foundation) presented case studies from a trilateral TBPA in the East Carpathians. He defined TBPAs as ecological continuums beyond political boundaries, representing a commitment of two or more countries to a common management of frontier regions and shared ecosystems. In the case study presented he outlined the context, constraints, benefits and peculiarities. Several times institutions were planned to govern the area but never came into being. In this respect the importance of a well defined institution to head such a TBPA was emphasised. A further outcome was the need to set realistic and achievable goals and the preferability of a Trust Fund to provide support for initiatives. In the following discussion the most important precondition for establishing

TBPAs in the Caucasus were figured out. Amongst others a high level political umbrella, sustainable finance mechanism and the creation of regional management plans were named.

The second session which was taking place in the afternoon was about **Biodiversity Monitoring**. A major focal point was on issues concerning the common understanding of the need and the possibilities for transboundary biodiversity monitoring. Moreover a potential institutional structure for a regional monitoring system in the Caucasus was discussed; opportunities and obstacles to realizing a transboundary biodiversity monitoring system were identified.

In the first presentation of the afternoon, “Biodiversity Monitoring and CBD”, **Hamdallah Zedan** (Former Executive Secretary of the CBD) underlined the complexity of the topic. He defined the status of biodiversity, as well as the threats. In addition he pointed out the necessity of defining good indicators in order create the causal links of actions to results. In the second presentation, “Overview of biological monitoring schemes- problems and perspectives”, **Klaus Riede** (Researcher, Staatliches Museum fuer Naturkunde) introduced different types of monitoring, species distribution, migration and population trends. **Nugzar Zazanashvili** (Conservation Director, WWF Caucasus Programme Office, Georgia) presented a “Proposal for a Potential Institutional Structure for a Regional Monitoring System in the Caucasus”. In this draft focus species, biomes and landscapes are chosen and monitoring indicators defined. The conceptualised monitoring structure aims at the integration of governmental and scientific institutions, as well as civil society and NGOs of all countries. As an example for species monitoring, **Elchin Sultanov** (Chairman, Azerbaijan Ornithological Society) presented a case study of bird monitoring in Azerbaijan from point of view of transboundary cooperation.

In the final discussion recommendations of establishing a monitoring system in the Caucasus were figured out. The definition of indicators has to consider the regional and national level. The data collection can be enlarged to scientific institutions, NGOs, historical literature and existing data from governmental agencies. To monitor landscape changes remote sensing can be used. The major challenge of defining monitoring indicators is to find a good compromise between financing potentialities and the interest to compile a scientific significant monitoring data-base. Indeed, it is essential to base the selection of indicators on sound scientific assessment. However, the general conclusion of establishing a transboundary Monitoring System is to be pragmatic, to set realistic goals and to achieve significant results.

### **Workshop C: Biodiversity, Society and Economy – from Buffer Zone Development to Regional Planning**

Aim of the morning session of the workshop was to exchange information of different forms of buffer zone development: to present new ideas, factors of success and performance, experiences and lessons learnt.

**Hartmut Vogtmann** (President, German Federal Agency for Nature Conservation) stated in his introductory remarks that nature conservation is often misleadingly considered as an obstacle for economic progress. Particularly in rural areas the economic activities inherent to protected areas are promoting jobs in these regions and in surrounding buffer zones. The focus is thereby mainly on tourism and organic farming providing a possible source of income to locals.

In this view the first presentation by **Udo Hirsch** (Managing Director, Caucasian/Cuna, Georgia) addressed the issue of sustainable harvesting and economic potential of medical plants and herbs as well as organic agriculture in the Southern Caucasus. Traditional use of wild plants, fruits and forest products is an important additional source of income of local subsistence farmers. However, villagers and small scale producers have limited possibilities to produce and to market high quality products. Therefore, the organisation Caucasian Ltd. serves as a central processing and marketing unit for producers from support zones of protected areas. A mail order house has been established in Germany for marketing products in Western Europe. Additionally, the Caucasus Wild Plant Certification Center (CWC) has been created in Georgia, supported by WWF, CUNA Georgica and the German eco-certifier "Naturland e.V." in order to certify these products according to international standards. Thus, Caucasian Ltd. can serve as a role model for combining nature protection and sustainable economic harvesting.

**Karin Steinmetzer** (Advisor to the Georgian Department of Tourism) outlined in her presentation the development of sustainable tourism in the Caucasus on the basis of a case study from Borjomi-Kharagauli National Park/Georgia. However, main obstacles for tourism in the South Caucasus are poor standards of services, non-competitive price-quality ratios and inadequate infrastructure. Due to these obstacles as well as the overall unsettled situation in the Caucasus, there is only niche tourism at present, but much potential to develop into sustainable high quality tourism and ecotourism. As shown by the creation of the Borjomi-Kharagauli National Park, branding, international marketing and PR, support of private sector and infrastructure development as well as improving services in the public sector led to an increasing number of tourists in recent years. As tourism is heavily community-based it strongly contributes to regional development (especially in remote rural areas), increased acceptance and ownership among the local population and to the overall goal of poverty alleviation.

**Andrey Stetsenko** (Senior lecturer Lomonosov State University) focused in his presentation on "Protected Areas and Economy in Russia" on conservation activities and sustainable use of natural resources in the Arkhiz region in the Northern Caucasus. The comparably high economic activity in the Arkhiz region stands out through mineral water production, significant tourism and extensive forestry. Here, the challenge is to balance these economic activities with environmental friendly and sustainability criteria. Extensive forestry, mainly driven by external actors, not only endangers biodiversity of the region but erodes the fundament of mineral water industry and the attractiveness as a tourist destination too. As a consequence existing legal frameworks have to be applied more vigorous to reduce uncontrolled forestry and tourism. Furthermore Stetsenko demands a reallocation of economic benefits to local

stakeholders. Thereby their awareness and ownership towards a sustainable use of the natural resources in region could be raised.

The presentations of the afternoon outlined existing tools for Regional and Spatial Planning. Following the presentation of **Christina von Haaren** (Professor, University of Hannover), landscape planning address a wide variety of landscape functions, which range from the natural capacities of the landscape for agriculture and forestry, drinking water and flood protection to the actual function as habitats and for recreation. These landscape functions are integrated into a comprehensive concept which stresses the multifunctional character of the landscape features as well as measures to protect or develop these features. On the basis of such information and goals, landscape planning can support decision making in spatial planning on every planning tier of the planning system.

**Adrian Hoppenstedt** (Project Manager Foreign Countries, POEU) pointed out in his presentation on “Landscape Planning for setting up Biosphere Reserves” state-of-the-art zoning concepts in accordance with UNESO policy and the “Seville Strategy”. Spatial implementation should move along four “Objective Zones”: Core area (strict nature protection), Buffer zone (limited use with the aim to conserve a cultural landscape), Transition zone (development of sustainable land use) and rehabilitation zone (heavily damaged areas). In this regard he defined tasks of Landscape Planning such as determination of natural resources and cultural peculiarities, analysing of existing land use forms and conflicts (and its moderation) as well as marketing strategy for measures and products.

**Ruth Nussbaum** (Director, ProForest, United Kingdom) presented the “High Conservation Value Forest” (HCVF) - concept as a further tool of landscape planning. There are six different High Conservation Values (such as forest areas containing significant concentrations of biodiversity values or endangered ecosystems, forest areas that are fundamental to meeting basic needs of local communities and that are critical to local communities’ traditional cultural identity) that need to be identified and monitored as part of a three-stage process to use the concept.

Summarizing the presentations and following discussion, landscape planning tools can contribute to improve ecosystems. Applied in an open participative process they provide a frame for local communities to steer processes, taking into account economic interests and cultural values of the population, to facilitate decision making processes and thus enhancing democratization. A further relevant tool of landscape planning is marketing of nature, which includes remuneration of services, product marketing and product certification.

## Summary

After two interesting days of informative presentations and inspiring discussions we definitely fulfilled the aim of the conference to strengthen the dialogue between the countries and between different

governmental and non-governmental stakeholders. A better understanding of each others actions, opinions, experiences and goals was created. The importance of the Eco-regional Conservation Plan (ECP) as a key strategic document for nature conservation in the Caucasus and its implementation instruments was reiterated by all participating Caucasus countries and international institutions. A special highlight was the strong support from governments and international institutions for the Caucasus Protected Areas Fund (CPAF) and the almost EUR 8.5 million in seed capital which was committed.