



Federal Ministry
for Economic Cooperation
and Development

TOPICS 156

Nature Protection in the Caucasus



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The rich biodiversity of the Caucasus region

The Caucasus region covers 580,000 km² between the Black Sea and the Caspian Sea. This area – where Europe and Asia meet – is shared by six countries: Armenia, Azerbaijan, Georgia, Iran, the Russian Federation and Turkey. The prominent topographical features are the Caucasus mountains: the Greater Caucasus Mountain Range in the north with peaks over 5,000 m, and the Lesser Caucasus Mountain Chain in the south. The region is characterised not only by a broad variety of landscapes but also by ethnic diversity and exceptional biological diversity, harbouring a rare wealth of plant and animal species.

The global conservation organisation WWF (World Wide Fund for Nature) has classified the Caucasus as one of its Global 200 Ecoregions, thus recognising its outstanding biodiversity and also its extreme vulnerability. The North American organisation Conservation International has identified the region as one of the 25 most remarkable and most threatened biodiversity hotspots of the world. No other ecoregion in temperate climatic

zones has such a high proportion of endemic plants, i.e. species that are found nowhere else on earth. A multitude of animal species is also endemic to the region. If they should fall victim to a threat and become extinct in the Caucasus, their genes and appearance will be irretrievably lost to humankind.

Why is the Caucasus region so rich in species? There are many reasons. Firstly, the tremendous variations in altitude between the Caspian Sea at 28 m below global sea level and the highest mountain chains mean that the region embraces nearly all climatic zones. More than one hundred landscape types are found here – from desert vegetation to numerous glaciers. Furthermore, from time immemorial animals from Europe, Central Asia, the Middle East and North Africa have converged on the Caucasus, while every year millions of migrating birds use stopover sites here before continuing on to their winter homes. An additional factor is that the Caucasus region was spared from glaciation during the last Ice Age.

Hence, several relic plant species dating back to the Tertiary Period, which ended two million years ago, have been able to survive in isolated areas. Some of the endemic species are therefore relicts of evolution.

The richness of the biodiversity of the Caucasus region is only matched by the vulnerability of this wealth. About 700 higher plants are named in the national Red Lists of endangered species. International organisations have identified approximately 50 species of globally threatened animals in the Caucasus. The greatest threats to the biodiversity emanate from illegal logging for fuelwood harvesting and timber export, overgrazing, poaching, uncontrolled hunting and overfishing. At the root of the problem are the economic decline and poverty of large sections of the population in the wake of the dissolution of the Soviet Union, which left behind countless unprofitable and now decaying industrial plants and a damaged environment. Furthermore, in many places the management of natural resources was poorly organised.

In an effort to conserve biological diversity in the region, protected zones were already established many decades ago. Following rigid criteria, these protected areas are classified in the following order: strict nature reserves, national parks and sanctuaries or protected areas of similar status.



Unlike strict nature reserves, national parks are accessible to the public for the purposes of recreation, environmental education and controlled use of natural resources in specially designated zones. In the Caucasus region 9.5 per cent of the total surface area is under protection. The 22 existing national parks account for 1.8 per cent of the area in all. Outside the protected zones, it is of decisive importance to use the natural resources – such as forest and wildlife – more effectively and more sustainably.

Superlatives in a unique world

The Greater Caucasus boasts the highest mountains in Europe: the Elbrus (5,642 m), Dykh Tau (5,203 m), Shkhara (5,068 m) and Kazbek (5,033 m).

The Caspian Sea is the largest lake or inland sea in the world, with an approximate area of 422,000 km² and 6,397 km of shoreline.

The Caucasus region displays nine of the earth's 11 major climatic zones, ranging from alpine to subtropical.

More than 6,500 vascular plants, which include all species of higher plants (such as flowering plants), grow in the Caucasus, and at least one quarter of these are endemic, i.e. found only here. Nowhere else in temperate climate zones are there so many unique plants.

Also, one third of the over 200 species of fish that abound in the rivers, lakes and seas of the Caucasus region are endemic.

Of the 14 amphibian species encountered in the Caucasus, four are endemic to the region. Similarly, 28 of the 77 species of reptiles are found nowhere else in the world. Of the 26 globally known species of lizards belonging to the Darevskia genus, 25 occur in the Caucasus region and 23 are endemics.

The Caucasus region has populations of 400 bird species. It provides a stopover habitat for millions of migratory birds.

Roughly one fifth of the 153 species of mammals inhabiting the Caucasus region are endemic.

Fifty-one species of animals in the Caucasus are in danger of extinction, including 11 large herbivores and five large carnivores.



Pioneering work – Borjomi-Kharagauli National Park

Working together with WWF Germany and on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), KfW Entwicklungsbank launched a BMZ-funded pilot programme in 1998 designed to support Georgia in the establishment and management of the country's first national park in Borjomi-Kharagauli. Georgia, a party to the UN Convention on Biological Diversity, had pledged in 1996 to place 20 per cent of its area (around 14,000 km²) under protection as a “gift to the world”. Two years previously the first management plan for the national park had been drawn up with WWF assistance and officially approved by the Georgian government.

The boundaries marked in the current management plan enclose a park area of 580 km². Devoid of human settlement, the national park consists of predominantly virgin mountain forest and is essentially a “wilderness park” with a level of biodiversity that is typical of the central Caucasus. Steep slopes hinder access to Borjomi-Kharagauli National Park. Hence its infrastructure could be kept to a bare minimum. The protected area is open to scientists, students of environmental education and groups of visitors wishing to gain information, hike or go horseback riding on the desig-

nated trails, while observing the protective function of the national park.

The overarching objective of the programme promoted by the KfW and WWF is to conserve biodiversity. German financial cooperation covered the costs of demarcating and securing the national park, in addition to necessary investments (facilities for rangers, scientists and visitors) and the training of park staff. Responsibility for implementing the programme is in the hands of the Georgian Ministry for Environment Protection and Natural Resources, represented by the division in charge of nature conservation areas. Since the national park opened in 2001, its administration has managed to substantially reduce violations of the specifications of the management plan and to alleviate the pressure exerted by users of the park's resources.

The development of infrastructure for tourists, such as visitors' centres, is concentrated on the zone surrounding the national park. This comprises five administrative districts with a population of about 200,000. The town of Borjomi is a historically important and world famous resort. It has been particularly hard hit by the dwindling



number of its traditional guests since the disintegration of the Soviet Union. The economic decline affecting the whole region forced the impoverished rural population, which is dependent on subsistence farming, to resort to increased use of the natural resources (pasture, timber, game) to secure their livelihood. This heightened pressure on the conservation area.

Economic promotion of the surrounding areas is a must to ensure acceptance of the national park by the local population. The forests surrounding the park can enhance their economic situation a little, if managed sustainably. With a multifaceted and balanced Buffer Zone Programme, KfW Entwicklungsbank has participated in studies, plans and measures that benefit the inhabitants of the surrounding areas. Borjomi-Kharagauli National Park now serves as a model for the entire Caucasus region.

Between 2004 and 2006, the Georgian government doubled its contribution to the operating costs of the national park, bringing its share to almost 50 per cent. German development cooperation will provide financial support for the national park by subsidising personnel costs in a transitional phase running until 2008. The land use and pasture management plans developed for the protected area are also considered exemplary. In the meantime, three further national parks have been opened in Georgia with World Bank financing. Georgia currently has 18 nature reserves, four national parks, and 11 sanctuaries or other protected areas of similar status to its credit. It has thus come a good deal closer to achieving its declared goal of placing 20 per cent of its total area under nature protection.

Treading softly ...

Just a few years back it was believed extinct – the Caucasus leopard (*Panthera pardus ciscaucasica*), one of 27 subspecies of the leopard species worldwide. However, since 2001 investigations by the WWF have shown that an estimated 20 to 30 animals have survived in the Caucasus region. Most of them can be found in the central highlands of the Lesser Caucasus and in southern Armenia and Azerbaijan. With its drastically reduced gene pool, the small leopard population is still critically endangered.

No other large cat is distributed over such an enormous area, extending from Africa to the eastern extremity of Siberia. As a nonspecialised carnivore, the leopard adapts itself to the most varied types of landscape, vegetation and climate. Cold winters alternate with hot dry summer months in the Caucasus, where the leopards live in forests, thickets of shrubs and meadows. The males roam an area of 30 to 80 km², while the females restrict themselves to smaller, sometimes overlapping ranges. After mating, leopards live and hunt alone. The females produce two to four offspring, which stay with their mother for a good two years. Leopards have a life span of 10 to 15 years and need around 3 kg of food per day.

The leopard is threatened by extinction in the Caucasus for a number of reasons. Poachers hunt it for its golden fur patterned with dark rings and spots. Livestock farmers kill it for preying on animals from their herds. A major reason for the decimation of the leopard population is the continual reduction of the bases of its existence owing to deforestation and the frequently uncontrolled hunting of its primary food base, particularly (red) deer, goats and wild boars. Exacerbating the problem are the dispersed habitats of the leopards, which are often so far apart that the search for food and reproduction are made more difficult. Inbreeding makes the animals more prone to disease.

The survival and long-term recovery of the Caucasus leopard population will only be possible if protected areas and corridors (protected migratory routes) are established. Anti-poaching brigades must be set up and equipped to check illegal hunting. Compensation programmes could appease angry farmers for each animal lost. However, the major task is to win the support of the local population for the conservation of this remarkable animal.





The Caucasus Initiative

In April 2001 the Federal Ministry for Economic Cooperation and Development (BMZ) presented an initiative in which Germany underscores its will to contribute towards the economic, social and political development of the southern Caucasus. The German government's Caucasus Initiative promotes cooperation among the three countries of this region – Armenia, Azerbaijan and Georgia – through projects and programmes within the scope of financial and technical cooperation. Since gaining independence, these nations have been undergoing a difficult process of transition. Furthermore, conflicts regarding territorial integrity flared up in the first half of the 1990s, both within the individual countries and between them. These tensions still exist. Through its Caucasus Initiative, the German government endeavours to encourage collaboration among all three states in joint programmes, or at least to foster cooperation between two neighbouring countries in individual cases. In this respect, Georgia is recognised both by Armenia and Azerbaijan as a neutral mediator. Transnational projects can play a special role in defusing conflicts and promoting crisis prevention in the region.

The BMZ Caucasus Initiative is supporting the establishment of transboundary national parks in

the southern Caucasus through KfW Entwicklungsbank. Its guiding premise is that bringing decision-makers and experts from all three countries together to work at one table will nurture the peace process.

In this specific field, practical reasons in any case make transnational cooperation of this type indispensable. After all, neither environmental pollu-

The cornerstones of the Caucasus Initiative

The BMZ's Caucasus Initiative is based on the following cornerstones:

1. Consolidating a democratic legal system
2. Strengthening local-level democracy and civil society
3. Promoting the private sector
4. Promoting the energy sector
5. Combating tuberculosis

6. Establishing transboundary national parks

Development policy that sees itself as peace policy lays the foundations for lasting peace across the region. By helping to build democratic political systems and improve the economic and social situation of the people, it reduces existing conflicts and contributes towards sustainable crisis prevention throughout the region.

tion and the ruthless exploitation of nature nor natural ecosystems stop at political borders. It is no coincidence that some 10 per cent of all nature conservation areas worldwide are now conceived as transboundary areas. Yet only a transnational supervisory body can ensure the conservation of biodiversity in the national parks and prevent infringements. The Caucasus Initiative is thus planning to set up a joint transboundary secretariat to coordinate the various national park projects. It will initially be based in the Georgian capital Tbilisi.



Despite unresolved political conflicts, technical exchanges are necessary and feasible. In the process, contacts are established that intensify from year to year and give rise to ever closer networks, thereby fostering understanding for the particular situation of neighbouring states and building bridges for a peaceful future in the Caucasus.

This is best illustrated by an example. A German expert was witness to an interesting reversal of roles during a planning workshop in Tbilisi. The participants had met to discuss the basic outlines of a regional planning concept for the future of the southern Caucasus. Suddenly the representatives of the agricultural ministers of Armenia and Azerbaijan formed an alliance against the arguments

of environmental activists from those two countries. They had found common ground beyond nationalistic sentiment and rhetoric. Ultimately, agreement was reached on many points.

Cooperation among the three neighbouring countries has also been made easier by including additional countries that share the same ecoregion, namely Iran, the Russian Federation and Turkey. The Regional Council for Biodiversity Conservation and Sustainable Resource Use in the Caucasus has been in existence since 2004. It consists of scientists, representatives of non-governmental organisations and of the governments of all six countries making up the Caucasus region. It convenes every six months.

Master plan for an ecoregion

The Caucasus is one of the Global 200 Ecoregions, identified by the WWF as being outstanding by virtue of its biodiversity. Independent of political borders, ecoregions constitute geographical and ecological units whose soils, watersheds, climate and vegetation have common characteristics and whose native flora and fauna are unique.

Financed by the German government, the MacArthur Foundation and the Critical Ecosystem Partnership Fund and in close collaboration with many experts from the six countries concerned, a strategic master plan to conserve this species richness was developed.

The Ecoregional Conservation Plan for the Caucasus has been available since March 2006. It presents a vision and long-term goals, which are to be attained within the next 50 years by means of short and medium-term actions. The endangered

ecosystems with their myriad forests and alpine zones, freshwater and marine areas are to be protected and conserved sustainably by means of modern park management. Where necessary, conservation corridors are to connect the habitats of critically endangered animal species to ensure that they can migrate without hindrance in future.

The vision

The Ecoregional Conservation Plan for the Caucasus contains the following vision statement:

“Our vision for the Caucasus is of a region where healthy populations of native plants and animals flourish; habitats, landscapes and natural processes are preserved; and where vibrant and diverse peoples actively participate in the equitable and sustainable management and use of natural resources.”





These include the Caucasus leopard, the striped hyena, the Caucasian chamois, the Armenian mouflon, the imperial eagle and the Caucasian salamander.

In addition, awareness-raising among the local population on protection of the environment and threatened species is of prime importance. The people living in the areas surrounding the protected zones must be brought on board for the set objectives. That is why the master plan provides for the continued use and management of the natural resources around the conservation areas, as well as partially – to a very limited and controlled extent – within these areas: but this must be done in a sustainable manner. Intact forests, erosion-free soils, clean bodies of water and restored fish stocks can also benefit the local inhabitants. Additional income can be generated through “minimum impact” ecotourism, a sector in which protected areas of nature exude far more appeal than unprotected ones.

Since the six countries of the Caucasus Ecoregion are already parties to the international Conven-

tion on Biological Diversity, the Ecoregional Conservation Plan gives them the means of translating the commitments undertaken into action. They include using natural resources wisely and thus sustainably, putting an end to the illegal trafficking of wild animals, and preserving particularly valuable natural and cultural sites as part of our world heritage. The Plan can help to harmonise legislation and fosters regional, transboundary research, monitoring and cooperation.



Socioeconomic development

The ethnic and cultural diversity of the Caucasus Ecoregion can barely be equalled anywhere in Europe. The region is home to roughly 35 million people, around half of whom live in rural areas. The poor economic situation has resulted in increased migration, especially of young people, and falling birth rates. The overall population has consequently decreased by almost 10 per cent since 1990. The bulk of the rural population lives in extreme poverty. Many people are therefore forced to secure their food supplies by growing their own vegetables, keeping livestock, fishing and hunting. Even so, the general level of education is so high that most sections of the population are already aware of the region's environmental problems.

During the Soviet era, agriculture was a leading economic sector in Armenia, Azerbaijan, Georgia and the Russian Caucasus. The region exported grapes, wine, tobacco, tea, citrus and other fruits, vegetables and cotton to other Soviet republics. Since 1990 only one third of the previous export quota has been reached. Overfishing has brought about the demise of the once flourishing fishing industry, affecting sturgeon stocks in particular.

Wood processing has declined to next to nothing and tourism must be re-established.

Infrastructure is chiefly concentrated in and around large towns and cities. The road network in rural areas is underdeveloped, not only because of the rugged relief but also due to lack of funds for road construction and maintenance. Areas that are remote from urban centres have been left untouched and unimpaired by large-scale infra-

A transboundary joint secretariat

A transboundary joint secretariat for Armenia, Azerbaijan and Georgia is to be established in Tbilisi under the German government's Caucasus Initiative. The three countries will be represented by experts in this body, which will be financed by the German government via KfW Entwicklungsbank. The secretariat's task will be to intensify cooperation among the three countries and to provide conceptual and logistical support for the national park projects. In addition, it is to create an information platform for the actors involved and help to heighten the population's awareness of environmental issues. These activities are to be closely coordinated with the environmental programmes financed by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety and the European Union.



structure projects, apart from oil and gas pipelines. Large swaths of intact natural habitats therefore remain along the national borders, i.e. the areas which are most distant from the administrative centres.

The unique Caucasus Ecoregion can be preserved only by addressing social, political, economic and ecological concerns in an integrated manner. Various sectors of society – from politics and regional business to science and the general public – must be encouraged to actively pursue a common vision. National governments with their environmental ministries, bilateral and multi-lateral donors, non-governmental organisations, scientific institutions, businesses and the mass media must work together in order to do justice to the interests of nature conservation and the local population.

Regional non-governmental organisations receive assistance for projects geared to securing the living conditions of the local population and biological diversity from many sources. These include bilateral and multilateral donors, such as the World Bank; the Global Environment Facility (GEF); the United States Agency for International Development (USAID); the European Union's TACIS Programme; the United Nations Develop-

ment Programme (UNDP); the Critical Ecosystem Partnership Fund (CEPF) and the German government via the Federal Ministry for Economic Cooperation and Development (BMZ – in cooperation with KfW Entwicklungsbank, GTZ/CIM, InWEnt); the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) and the German Federal Agency for Nature Conservation (BfN). They are also supported by a large number of non-governmental organisations such as the WWF, the Michael Succow Foundation and NABU.





New national park projects

In the Javakheti wetlands

High up on a plateau astride the Armenian-Georgian border, where these two countries meet Turkey, is an ecosystem of inestimable ecological value thanks to its biodiversity: the Javakheti area. Some 140 species of native and migratory birds use its lakes and wetlands as breeding places and stopover sites. Here, rare pelicans and several heron and stork species congregate. The mountain steppes and alpine meadows that also form part of this area are unique in the Caucasus, harbouring 40 species of mammals – from endemic rodents to wolves – and snakes that live only in the Caucasus.

The wetlands of Lake Arpi in Armenia have already been placed under protection. However, agreements between Armenia and Georgia to classify other parts of Javakheti as conservation areas have not yet been implemented. The mountainous region directly on the border used to be a prohibited military zone and has thus suffered little degradation to date. However, there has been increasing human pressure on the wetlands in recent years. Most people living in the Georgian part of Javakheti depend on subsistence farming and use the wetlands for irrigation and pasture. The infrastructure of the remote Javakheti area, which largely lies at altitudes of over 2,000 m, is

not developed. All the conditions that would make ecotourism possible, such as accommodation, passable roads and a regular power supply, are still lacking in the surrounding area.

On behalf of the BMZ, KfW Entwicklungsbank is financing the development of two national parks in the Javakheti area, extending over approximately 20,000 ha on the Georgian side and around 16,000 ha on Armenian territory. The planned measures include delineation of the boundaries, the creation of infrastructure in the parks (such as ranger stations and hiking trails), the training of national park staff and the establishment of a transboundary management committee. All relevant stakeholder groups and representatives of the local population are involved in the management plans for the parks. The national parks are to be integrated into the land use plans of the surrounding communities in an effort to minimise conflicts of use.

Samur-Yalama National Park

Samur-Yalama is an area covering 12,500 ha on the Caspian Sea in north-eastern Azerbaijan, right on the border to the Russian Republic of Dagestan. It comprises a coastal strip with spawning areas for 76 species of fish, including a number of critically endangered sturgeon species; a wetland and



reedy marsh zone where 126 bird species nest and rare frogs, lizards and turtles have also found shelter; and a floodplain forest of a type that has become extremely uncommon in the Caucasus.

A ministerial conference in Berlin

8 p.m. on 8 March 2006: In the Konzerthaus on the Gendarmenmarkt, one of Berlin's most graceful squares, one last cough is stifled before the orchestra strikes up. The sounds of Sulchan Nassidse's Symphony for String Orchestra No. 3 fill the concert hall. The Georgian composer, who wrote the piece in 1970, died 10 years ago. The Caucasian Chamber Orchestra performs with feeling under the direction of its German conductor Uwe Berkemer, who lives in Tbilisi. Classical Caucasian music of the 20th century is on the programme this evening. The ambassadors of Armenia, Azerbaijan and Georgia are among the guests to enjoy this concert, on the eve of a conference being awaited with eager anticipation. The next day, the ministers of environment of all three countries are to meet: Vardan Aivazyan from Armenia, Huseyn-gulu Baghirov from Azerbaijan and George Papuashvili from Georgia. Despite the present conflicts between their countries, they will make a joint appearance, talk with each other and reach agreements.

The atmosphere at the three-day conference on Nature Protection in the Caucasus with its host of presentations and workshops is relaxed and open, and the discussions reveal a high level of commitment and expertise. The three environmental ministers assess the subject of the conference, namely support for nature and species protection in the Caucasus, objectively and realistically. The problems at hand are very similar and the ministers are aware of the fact that the enormous challenges can only be met step by step, through trans-boundary cooperation.

One participant summed up the essence of the issue diplomatically in his statement: "No state can protect the highly threatened Caucasus leopard alone. This is why the launch of this regional conservation fund is so important." And that's exactly why Heidemarie Wiczorek-Zeul, Federal Minister for Economic Cooperation and Development, announced at the beginning of the conference that her Ministry would be providing five million euros as start-up support for the trust fund planned by KfW Entwicklungsbank and the WWF. The three environmental ministers no doubt heartily welcomed this commitment. Later, the WWF and Conservation International announced that they too would contribute a total of three million euros to the fund. So it's all systems go for the establishment of the trust fund.

This almost unique combination of ecosystems is exposed to major threats. Firstly, the poor local population, which ekes out a living from subsistence farming, has already destroyed substantial tracts of the forests in order to obtain fuelwood, farmland or new grazing areas illegally. Secondly, the wetlands directly adjacent to the beach are endangered owing to the impacts of regional tourism and the attendant construction boom. Even during Soviet times, the coast near Yalama was a popular local recreation spot for visitors from Baku. The transit route and railway line to Russia also pass through this area.

In order to preserve the natural environment and foster sustainable development in this area, a national park is to be created and an environmentally compatible concept for tourism drafted. Measures have been scheduled to provide capacity building for the personnel of the responsible government agencies, to train park staff, and to initiate participatory land use planning. Moreover, a visitors' centre is to be set up and concepts devised for ecologically sound waste disposal. All in all, the national park programme is an important contribution that will help Azerbaijan to honour its obligations under the international Convention on Biological Diversity.

A trust fund for the future

In the second half of 2006, KfW Entwicklungsbank – in collaboration with the WWF (World Wide Fund for Nature) – will set up the Caucasus Protected Areas Fund as a trust fund, with a view to guaranteeing the long-term financing of priority conservation areas in the Caucasus Ecoregion. The contributions themselves will not be used: only the interest earned on the invested capital is to be employed for the purpose of the trust. The Caucasus Protected Areas Fund (CPAF) is to be established as a tax-exempt and charitable international foundation under German law; its regis-



tered office will be in Germany. Its primary function will be to co-finance the operating costs of the protected areas in the southern Caucasus. Only about 20 per cent of these costs is currently met from the government budgets of the three states concerned. However, co-financing of costs by the trust fund will be limited to 50 per cent as an incentive for these countries to step up their own efforts in the field of nature protection.

An estimated 1.7 million euros will be required annually to finance 50 per cent of the management costs of the high priority biodiversity conser-

vation areas and corridors – a relatively small amount. Nonetheless, it is vitally important to provide this support in the form of long-term funding, in contrast to most international donor-funded conservation projects that only run for a few years. This is the sole way of ensuring management of the national parks and conservation of the biodiversity on a sustainable basis. In order to make 1.7 million euros available yearly, the trust fund needs to raise a core endowment of at least 44 million euros. But even a lower amount can go a long way in the interest of the fund.

The trust fund will be overseen by a Board of Directors comprising no more than five members, who will act in an honorary capacity. The Board of Directors will decide on the allocation of funds on the basis of standard criteria applicable to all protected areas. The environmental ministries of the three countries can submit proposals each year. These may be reviewed and commented on independently by the Regional Council for Biodiversity Conservation and Sustainable Resource Use, whose members include scientists and representatives of non-governmental organisations.

The Caucasus Protected Areas Fund will be the first regional fund worldwide to support complete transboundary conservation area systems.

German development cooperation

The Federal Ministry for Economic Cooperation and Development (BMZ) is responsible within the German government for planning and coordinating German development cooperation activities. The BMZ has supported some 400 nature conservation projects and programmes worldwide since 1985. The major challenge for development policy is to preserve nature and biological diversity while doing justice to the interests of the local populations that use the natural resources.

On behalf of the BMZ, three development cooperation institutions are active in this field in the southern Caucasus: KfW Entwicklungsbank (KfW development bank), the Centrum für internationale Migration und Entwicklung (CIM) and InWEnt (Capacity Building International).

KfW Entwicklungsbank is responsible for preparing financial cooperation measures and steering their implementation. It finances investments that are important in development policy terms and supports them in an advisory capacity. It assists with the establishment and further development of social and economic infrastructure, helps to create efficient financial institutions and also contributes to the sustainable conservation of natural resources and a healthy environment. In addition to German federal budget funds, KfW Entwicklungsbank uses its own funds to finance development projects. In so doing, it reinforces the position of German development cooperation in the international dialogue with governments and the donor community, and broadens the scope for fostering positive structural changes in its partner countries. Germany has pledged approximately 560 million euros in financial cooperation for bilateral and regional projects in the Caucasus. To promote nature conservation in this region, KfW Entwicklungsbank is financing national park projects, a transboundary secretariat and a trust fund.

CIM places management and technical experts in partner countries with a view to promoting development. It thus helps to meet the demand for highly qualified professionals that the partner countries are not yet able to supply themselves. CIM is a joint operation of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH – German Technical Cooperation – and the German Federal Employment Agency (BA). In the southern Caucasus, CIM is currently supporting eight experts, two of whom are working in environmental protection and conservation of natural resources in Azerbaijan and Georgia. Another two experts are due to be assigned to nature protection tasks there during 2006.

InWEnt conducts education, exchange and dialogue programmes for around 55,000 individuals each year. It was founded as a joint initiative of the German federal government, the federal states (Länder) and the private sector. Its courses are designed for professionals, managers and decision-makers in politics, administration, industry and civil society.

www.bmz.de

www.kfw-entwicklungsbank.de/caucasus

www.cimonline.de

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At the conference in Berlin. In the front row the Ministers for Nature Protection of Azerbaijan, Georgia and Armenia.

Facts and figures on the trust fund

Trust fund for Armenia, Azerbaijan and Georgia

Total area of the three countries: 186,100 km²

Total of all protected areas (to date) in 37 priority zones: 16,326 km²

Proportion of total area under protection: 8.8 per cent

Classified as national parks: 8,658 km²

Armenia: 3,893 km² protected (= 13.1 per cent of national area)

Azerbaijan: 7,611 km² protected (= 8.8 per cent)

Georgia: 4,822 km² protected (= 6.9 per cent)

Annual costs for the conservation of biodiversity: 1.7 million euros

Share of the partner countries: 50 per cent

Required core endowment of the trust fund: 44 million euros

Amount pledged by the German government: 5 million euros

Cost of asset management of the trust fund: no higher than 0.75 per cent of the fund's capital

Administrative costs of the trust fund: if possible less than 10 per cent of the annual budget after the first three years

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