

## CEPF FINAL PROJECT COMPLETION REPORT

### I. BASIC DATA

**Organization Legal Name:** World Wide Fund for Nature Caucasus Programme Office

**Project Title (as stated in the grant agreement):** Development of Eco-tourism Infrastructure in the Shirvan and Hyrcan National Parks of Azerbaijan

**Implementation Partners for this Project:** Local NGO in Azerbaijan - ``Technologies of Stable Democracy`` (TSD)

**Project Dates (as stated in the grant agreement):** 1 June, 2008 – 30 June, 2009

**Date of Report (month/year)<sup>1</sup>:** 10 March 2010

### II. OPENING REMARKS

*Provide any opening remarks that may assist in the review of this report.*

**Introduction:** The project - ``Development of Eco-tourism Infrastructure in Shirvan and Hyrcan National Parks of Azerbaijan`` came into force since 1 June 2008 and came to the end on 30 June 2009. The initial agreement has been concluded between Critical Ecosystem Partnership Fund (CEPF) and WWF Caucasus Programme Office in June 2008 and based on this document a sub-grant agreement has been concluded between WWF Caucasus PO and local NGO in Azerbaijan - ``Technologies of Stable Democracy`` (TSD). This was the case when CEPF preferred to work with the local NGO in Azerbaijan in close cooperation with- and trough support from WWF Caucasus PO. CEPF and WWF agreed on this cooperation and WWF Caucasus PO was considered as a main mediator and facilitator for the implementation of the above-mentioned project and not as a direct implementer.

**Importance of the project:** Azerbaijan's system of Protected Areas has a long development history from the twenties of XX century. National parks are relatively new category for Azerbaijan. The Ministry of Ecology and Natural Resources started establishment of National Parks since 2003 and during the last five years 6 National Parks were established and 2 more new parks are under establishment. Shirvan National Park is one of the most attractive tourist destinations in Azerbaijan and it is located in the Caspian Corridor – under the priority site # 67.

Shirvan National Park covers 54 374 ha of semi-desert area on the Caspian coastal plain and it is famous with its largest gazelle population (5000 – 6000 ind.) in the Caucasus. The adjacent territories are protected by Shirvan Reserve (6232 ha) and Bandovan Sanctuary (4930 ha). Totally

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<sup>1</sup> A narrative final progress report was provided earlier however not in the given template.

65 580 hectares of gazelles habitats are under protection in this area. The park area is the range for the certain CEPF priority species and besides, around 230 bird species occur in its territory. The Caspian coast is the most important migratory way / route for migratory bird species which itself makes Shirvan National Park crucial for birds species.

Close location of Shirvan National Park to Baku (capital city of Azerbaijan) makes this area easily available for tourists, however due to this park is newly established, not relevant tourist infrastructure is developed for visitors. CEPF support was envisaged in long-term for tourism development which will serve as a sustainable source of additional alternative income for the National Park and local population.

***The first transfer:*** Following the concluded agreement, WWF Caucasus PO received the first transfer from CEPF – US\$ 100 000. Itself, based on the sub-agreement with the local NGO concerned, WWF Caucasus PO transferred the first installment to TSD in July 2008 with the amount of US \$ 98000. After long consultations with different key stakeholders in Azerbaijan, commencement of the project implementation on the ground was supposed right after the funds receiving. However, suddenly, the project implementation was delayed and not immediately started.

***Delay in the project implementation:*** The project implementation was delayed due to some possible modifications in the project concept proposed by the Government / Ministry of Ecology and Natural Resources of Azerbaijan and these issues were actively discussed among different key stakeholders concerned, including the Government representatives. WWF Caucasus PO was supervising and facilitating the process since it had a role of mediator in the project implementation. There were several consultancy meetings and negotiations with a sub-grantee – TSD and the Ministry of Ecology and Natural Resources of Azerbaijan, particularly with Minister and Head of Biodiversity Protection Department under the Ministry. Personally, Director of WWF Caucasus PO had two meetings with Minister on the possible revisions in the project - the first meeting in September 2008 and second one in October, 2008. There were several meetings convened with the Ministry staff in 2009 as well. The main ``discussion issue`` in the consultancy process was increasing Governmental funding to Hyrcan National Park. Justification from the side of the Ministry was that Hyrcan National Park receives enough governmental funding and it is more important to focus on Shirvan National Park and be more effective within one National Park. There is an e-mail letter from Head of Biodiversity Protection Department of the Ministry of Ecology and Natural Resources which confirms increasing governmental funding for Hyrcan National Park in 2008-2009.

Generally, the Ministry staff and particularly, Minister were very supportive to the CEPF funded project. However, to highlight once more, the project revision argument was that funding situation changed since the sub-agreement between WWF Caucasus PO and TSD was signed and it was important to make the revision and implement the project only in Shirvan National Park with more tangible results.

During the period explained above, WWF Caucasus PO had very close consultations and correspondences with the CEPF relevant staff – Caucasus Grants Director and Caucasus Grants Coordinator, on this issue with detailed explanation about new existing circumstances around the

project. Following a general approval of the CEPF Caucasus Grants Director on the project revision and consultations with local stakeholders including the Government, the project has been revised and submitted to CEPF in Grant Writer template. Review of the revised proposal took very long time. Finally, the revised proposal was not approved by CEPF and a decision was to terminate the project: (i) On 15<sup>th</sup> May 2009, the WWF Caucasus PO received a notification from CEPF to suspend all work under the project and accordingly, WWF Caucasus PO notified the local NGO TSD in Azerbaijan and (ii) On 10<sup>th</sup> September 2009, WWF Caucasus PO received a notification from CEPF about the termination of the project. The main reason for the termination was that the local NGO TSD did not fully follow the CEPF procurement policy. Again, WWF Caucasus PO informed the local NGO accordingly about the project termination from the CEPF side.

***The problem locally after the CEPF project termination:*** The problem was that TSD had a sub-contract concluded with the construction company on the amount of around US\$ 130 000 for a guest-house construction in Shirvan National Park and after termination the CEPF project, many internal problems have raised between the local NGO and construction Company due to lack of funding and not meeting taken financial responsibilities from the local NGO side. In order to avoid internal tension among different key stakeholders in Azerbaijan and a full fail of the project, WWF Caucasus PO again played the mediator role, facilitated the situation and financially contributed to the local NGO to fill the financial gap and complete the construction of guest-house in Shirvan National Park. So, finally the situation was that \$US 99 800 was allocated from the CEPF project and the lack of funding with amount of more than US\$ 30 000 was allocated by WWF Caucasus PO. Currently, the rest amount from this CEPF project at WWF Caucasus PO bank account is US\$ 50.30 (*see the financial report in the GEM reporting format*): For the transfer of US\$ 99 800 to the local NGO in Azerbaijan, a bank charge was US\$ 149, 70 and for this reason the rest at the account of WWF Caucasus PO is US\$ 50.30.

It should be mentioned that all activities from the side of WWF Caucasus PO, in the frame of the CEPF project, were completed before the official suspension and termination of the project activities from the CEPF side.

### III. ACHIEVEMENT OF PROJECT PURPOSE

***Project Purpose:*** *Hyracan and Shirvan National Parks and the local population around and in the parks benefit from the development of eco-tourism infrastructure.*

Planned vs. Actual Performance

Indicator	Actual at Completion
<b>Purpose-level: Hyrcan and Shirvan National Parks and the local population around and in the parks benefit from the development of eco-tourism infrastructure.</b>	This project purpose was not achieved due to sudden proposed changes, delays in the project implementation and project termination by CEPF: see the detailed information above under the opening remarks section / paragraph.

<i>1. Constructed buildings and purchased equipments are indicators for infrastructure development.</i>	Due to some changes in the project implementation, only one guest-house was built in Shirvan National Park.
<i>2. Number of trained local guides and number of local population involved in the project is indicator of the benefit of locals.</i>	See above

***Describe the success of the project in terms of achieving its intended impact objective and performance indicators.***

N/A

***Were there any unexpected impacts (positive or negative)?***

Yes, since the project came into force, there were many unexpected changes and decisions from all key stakeholders involved in- and related to the project implementation. It was quite difficult for WWF Caucasus PO to facilitate this unexpected process and conduct negotiations among the Government, sub-grantee / the local NGO-TSD and CEPF and come to the concrete agreement with all stakeholders concerned. Of course, all these unexpected new circumstances raised while the project implementation where directly negatively reflected on the overall project implementation and its results.

<b>IV. PROJECT OUTPUTS</b>
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***Project Outputs:*** Enter the project outputs from the Logical Framework for the project

**Planned vs. Actual Performance**

Indicator	Actual at Completion
<b>Output 1: Eco-tourism infrastructures developed at Shirvan and Hyrcan National Parks.</b>	
<i>Indicator 1.1: One guest-house constructed in each National Park by the end of the project.</i>	<p>This was achieved partially only in Shirvan National Park:</p> <p>✓ <b>Architectural Plan:</b> The Ministry of Ecology and Natural Resources of Azerbaijan was fully supportive of- and contributed to the project. Thanks to co-effort and co-funding of the Ministry, the architectural / construction plan for two-storied</p>

	<p>guest-house in the visitors` zone of Shirvan National Park was developed and approved by Minister of Ecology and Natural Resources of Azerbaijan.</p> <p>✓ <b>Selection of a building / construction company:</b> Based on the above mentioned architectural / construction plan, TSD started a bidding procedure and communicated the relevant announcement to four building companies at the early April 2009. As a result, TSD received proposals from three building companies. For selection of the relevant building company, a special ``selecting group`` has been created consisting of persons from TSD, Shirvan National Park, the Ministry and also, from WWF Azerbaijan participating as an observer. The main selection criteria were quality and costs.</p> <p>✓ <b>Contract with the building / construction company and the first transfer:</b> Following the review and selection process, the building company - ``Chinar`` has been selected and it was contracted by the local NGO TSD on 4th May 2009 with the amount of AZN 104 090 which is equal to around US\$ 130 000. This contract was the main reason that CEPF decided to suspend the project: this action was considered as a violation of the CEPF procurement provisions – section II.D of the Attachment 3 to the Grant Agreement. It should be noted that generally the work was done through bidding procedures and upon request all relevant documents were provided</p>
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	<p>by the TSD to WWF Caucasus PO and CEPF.</p> <p>✓ <b>Construction of the guest-house:</b> The guest-house in the Shirvan National Park was constructed and now forms a basis for future ecotourism development at the site.</p>
<i>Indicator 1.2: Five camping-shelters constructed in each National Park by the end of the project.</i>	This was not achieved due to the project termination.
<i>Indicator 1.3: 20 km length of nature trails planned and created in each National Park by the end of the project.</i>	<p>This was achieved partially only in Shirvan National Park:</p> <p>✓ In close cooperation with Shirvan National Park, the nature / tourist trail has been planned and mapped for this National Park.</p>
<i>Indicator 1.4: Four boats purchased for Shirvan National Park by the end of the project.</i>	This was not achieved due to the project termination.
<i>Indicator 1.5: Five horses for Shirvan NP and ten horses for Hyrcan NP purchased by the end of the project.</i>	This was not achieved due to the project termination.
<i>Indicator 1.6: One minibus purchased for each National Park by the end of the project.</i>	This was not achieved due to the project termination.
<b>Output 2: Cooperation with Authorities of Shirvan and Hyrcan National Parks built and their capacities developed.</b>	
<i>Indicator 2.1: The Protocol of Understanding signed between NGO "Technologies of Stable Democracy" and Authorities of Shirvan and Hyrcan National Parks by September, 2008.</i>	<p>This was achieved partially only in Shirvan National Park:</p> <p>✓ The protocol of Understanding on cooperation between TSD and Authority of Shirvan National Park has been signed on 1<sup>st</sup> of May 2009.</p>
<i>Indicator 2.2: The staff of Shirvan and Hyrcan NPs working under the Parks' Visitors Programs trained by December, 2008.</i>	This was not achieved due to the project termination.
<b>Output 3: Local population around- and within Shirvan and Hyrcan National Parks support and benefit from eco-tourism.</b>	
<i>Indicator 3.1: At least 10 local guides trained</i>	This was not achieved due to the project

<i>for each National Park by the end of the project.</i>	termination.
<i>Indicator 3.2: Local population started to get the benefit from eco-tourism development and selling their goods to tourists.</i>	This was not achieved due to the project termination.
<b>Output 4: The project implementation process led by local NGO - ``Technologies of Stable Democracy`` in Azerbaijan monitored and supervised by WWF Caucasus PO.</b>	
<i>Indicator 4.1: The biannual Performance and quarterly Financial reports submitted by the local NGO - ``Technologies of Stable Democracy`` to WWF CauPO.</i>	The reporting was followed accordingly considering the real existing conditions around the project. All additional materials and documentation required by WWF Caucasus PO were provided by the local NGO-TSD and consequently, all these documentations were provided to CEPF by WWF Caucasus PO.

***Describe the success of the project in terms of delivering the intended outputs.***

N/A

***Were any outputs unrealized? If so, how has this affected the overall impact of the project?***

As you can see above, the most of the outputs are unrealized and of course, this big fail was totally reflected on the overall impact of the project. However, through the WWF Caucasus PO's mediator role and contribution to the project on the site level, the CEPF has one tangible result on the ground: at least one guest-house built in Shirvan National Park and it will play an important role to succeed in further tourism development efforts.

## V. SAFEGUARD POLICY ASSESSMENTS

***Provide a summary of the implementation of any required action toward the environmental and social safeguard policies within the project.***

N/A

## VI. LESSONS LEARNED FROM THE PROJECT

***Describe any lessons learned during the various phases of the project. Consider lessons both for future projects, as well as for CEPF's future performance.***

The most key lesson learned from the given project is that the organization should never take too much responsibility as a mediator when this organization is not involved directly in the project implementation process and consequently, can not fully control the situation on the ground.

When any unexpected difficulties / delays / changes occur in the project concept at a whole, all key stakeholders, including donors and the Government, involved in- and related to the project implementation process, should have direct consultations to understand each other better and get real feeling of the situation. This is very important for right decision-making from all sides involved.

*Project Design Process: (aspects of the project design that contributed to its success/failure)*

*Project Execution: (aspects of the project execution that contributed to its success/failure)*

<b>VII. ADDITIONAL FUNDING</b>
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*Provide details of any additional donors who supported this project and any funding secured for the project as a result of the CEPF grant or success of the project.*

Donor	Type of Funding*	Amount (US\$)	Notes
WWF Caucasus Programme Office	A	more than \$ 30 000	Due to the CEPF terminated the Agreement and the project implementation was stopped, WWF Caucasus PO additionally allocated more than US\$ 30 000 to complete the construction of the guest-house in Shirvan National Park.

*\*Additional funding should be reported using the following categories:*

- A Project co-financing (Other donors contribute to the direct costs of this CEPF project)*
- B Complementary funding (Other donors contribute to partner organizations that are working on a project linked with this CEPF project)*



*C Grantee and Partner leveraging (Other donors contribute to your organization or a partner organization as a direct result of successes with this CEPF project.)*

*D Regional/Portfolio leveraging (Other donors make large investments in a region because of CEPF investment or successes related to this project.)*

***Provide details of whether this project will continue in the future and if so, how any additional funding already secured or fundraising plans will help ensure its sustainability.***

The Government of Azerbaijan is very much interested to develop the relevant tourism infrastructure in Shirvan National Park which due to many reasons has a potential to attract a lot of tourists. WWF Caucasus Programme Office is, also, interested to support the Government of Azerbaijan in this direction and continues working with different donor institutions. For the time being, international expert was hired who is developing a tourism development plan for Shirvan National Park and such plan will be very important to have a right direction for- and succeed in tourism development.

## VIII. ADDITIONAL COMMENTS AND RECOMMENDATIONS

This project was very specific case and such approach did not work very well considering new circumstances raised while the project implementation. These new circumstances caused unexpectedly long-time discussions among CEPF, local NGO - TSD and the Government of Azerbaijan facilitated and managed by WWF Caucasus PO. It was quite difficult for WWF Caucasus PO to facilitate this unexpected process and conduct negotiations among the Government, sub-grantee / the local NGO-TSD and CEPF and come to the concrete acceptable agreement with all stakeholders. Of course, WWF Caucasus PO has a lot of experience in implementing big / large-scale projects through local NGOs on the ground but with the same rights on the implementation and managing funds.

In addition to the above-mentioned, the real cultural thinks in each particular country should be taken into account and governments` opinions and suggestions need to be carefully considered. Without a full support and cooperation willing from the Government, it is difficult and almost, impossible to implement projects in the field of protected areas. Besides, Azerbaijan was the country in the Caucasus with the lowest CEPF investment and this given project was considered by CEPF as the successful case when the Government expressed its willing to support and cooperate with this CEPF-funded project. While taking any decision, it is, also, very important to consider already achieved and built relationships among different stakeholders in the region and even, one little sensitive decision can be a promoter for breaking this strong partnership for which years were spent and itself, this will be finally reflected on biodiversity conservation efforts in the region.

## VIII. INFORMATION SHARING

CEPF is committed to transparent operations and to helping civil society groups share experiences, lessons learned and results. One way we do this is by making programmatic project documents available on our Web site, [www.cepf.net](http://www.cepf.net), and by marketing these in our newsletter and other communications.

These documents are accessed frequently by other CEPF grantees, potential partners, and the wider conservation community.

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