

Critical Ecosystem Partnership Fund

Second Meeting of the Donor Council
World Bank Headquarters, Washington, DC
11 December 2001

Priority area for the 3rd preparation cycle of the Critical Ecosystem Partnership Fund

Recommended Action Item:

The Donor Council is asked to **review** and **approve** the Caucasus hotspot (Armenia, Azerbaijan, Georgia, Iran, Russia) as a priority for ecosystem profile preparation during the Second Spending Plan. Along with the Succulent Karoo (Namibia and South Africa) and the Mountains of Southwest China, this hotspot would become eligible for grant funding during FY03 (July 02 – June 03).

Background:

One new biodiversity hotspot has been selected as a priority for the third cycle of ecosystem profile preparation based on biological and political criteria, urgency, and potential leveraging opportunities. In addition to priorities carried forward from the First Spending Plan, only one area is recommended at this time, effectively slowing down the release of new priorities at a time when CEPF is in the process of operationalizing six hotspots for grant funding. Preparation activity in this hotspot would supplement ecosystem profile development already underway in two other areas approved as priorities in the 2nd cycle of funding, the Succulent Karoo in Namibia and South Africa, and Southwest Sichuan Province in the Mountains of Southwest China hotspot.

Situated between the Black Sea and the Caspian Sea, the Caucasus hotspot is home to diverse habitats ranging from temperate forests to grasslands. The Caucasus is a transition zone between Europe and Asia, providing vital landscape for plants and animals representative of both continents. Especially noteworthy is the diversity of plants: some 6,300 species have been recorded here, more than 1,600 of which are found nowhere else on Earth. The Caucasus hotspot is the only hotspot in Central Asia.

Today, however, less than 12 percent of the region's original biodiversity is intact. Up to 80 species are classified by the IUCN as threatened with extinction, including the chamois and goitred gazelle. Some species are on the verge of extinction.

Each of the Caucasus' governments is in the process of developing policies regarding protected areas, biodiversity conservation and sustainable use. This makes it a particularly critical time for CEPF investments to strengthen conservation institutions and involve local communities in the conservation of natural resources for long-term success.