

CRITICAL ECOSYSTEM PARTNERSHIP FUND OPERATIONAL MANUAL

The Critical Ecosystem Partnership Fund (CEPF) Operational Manual contains the operating policies and procedures of the program for all new investment regions beginning in fiscal year 2008. It includes grant application and reporting forms, information related to safeguard policies, the decision-making process, grant agreement and reporting forms, and provisions to avoid conflict of interest, among other procedures.

The Operational Manual may only be amended with approval by the CEPF Donor Council.

CEPF Program Overview

The Critical Ecosystem Partnership Fund (CEPF) provides strategic assistance to nongovernmental organizations and other private sector partners to help conserve biodiversity hotspots, Earth's biologically richest and most threatened regions (see list and map of all biodiversity hotspots).

The 34 biodiversity hotspots hold especially high numbers of endemic and threatened species, yet their combined area of remaining habitat covers only 2.3 percent of the Earth's land surface. Each hotspot faces extreme threats and has already lost at least 70 percent of its original natural vegetation.

The hotspots approach to the conservation of critical ecosystems is a highly targeted strategy for tackling the challenge of biodiversity loss at the global level. As many hotspots cross national borders, the approach transcends political boundaries and fosters coordination and joint efforts across large landscapes for local and global benefits.

The convergence of critical areas for conservation with millions of people who are impoverished and highly dependent on healthy ecosystems for their survival is also more evident in the hotspots than anywhere else. By strategically focusing on the hotspots, CEPF provides critically needed resources where and when it matters most.

As one of the founding partners, Conservation International administers the global program through a CEPF Secretariat.

Grants

CEPF activities and funding priorities will be guided by current knowledge of globally important biodiversity as well as the socioeconomic, policy, and civil society context and current investments. Regional investment strategies will draw information from a number of sources, including experts, governmental partners, local organizations, and communities in the focal areas. This multi-tiered, consultation-based approach helps determine the CEPF niche and how the program can provide the greatest incremental value per dollar spent.

CEPF investments:

- Target hotspots in developing countries for maximum impact (eligible countries must be signatories to the Convention on Biological Diversity and be client members of the World Bank).
- Are guided by region-specific ecosystem profiles developed with stakeholders and approved by the Donor Council that governs the global program.
- Go directly to civil society groups to build this vital constituency for conservation alongside governmental partners.
- Create working alliances among diverse groups, combining unique capacities and eliminating duplication of efforts.
- Achieve tangible results through an ever-expanding network of partners working together toward shared conservation goals.

Openness and Transparency

CEPF will operate using the principles of openness, transparency, and partnerships as part of its commitment to strengthen and empower civil society. These steps are also designed to avoid potential conflict of interest. All groups seeking funding from CEPF and implementing projects with CEPF support will be required to fulfill the defined protocols and methodologies established for the program.

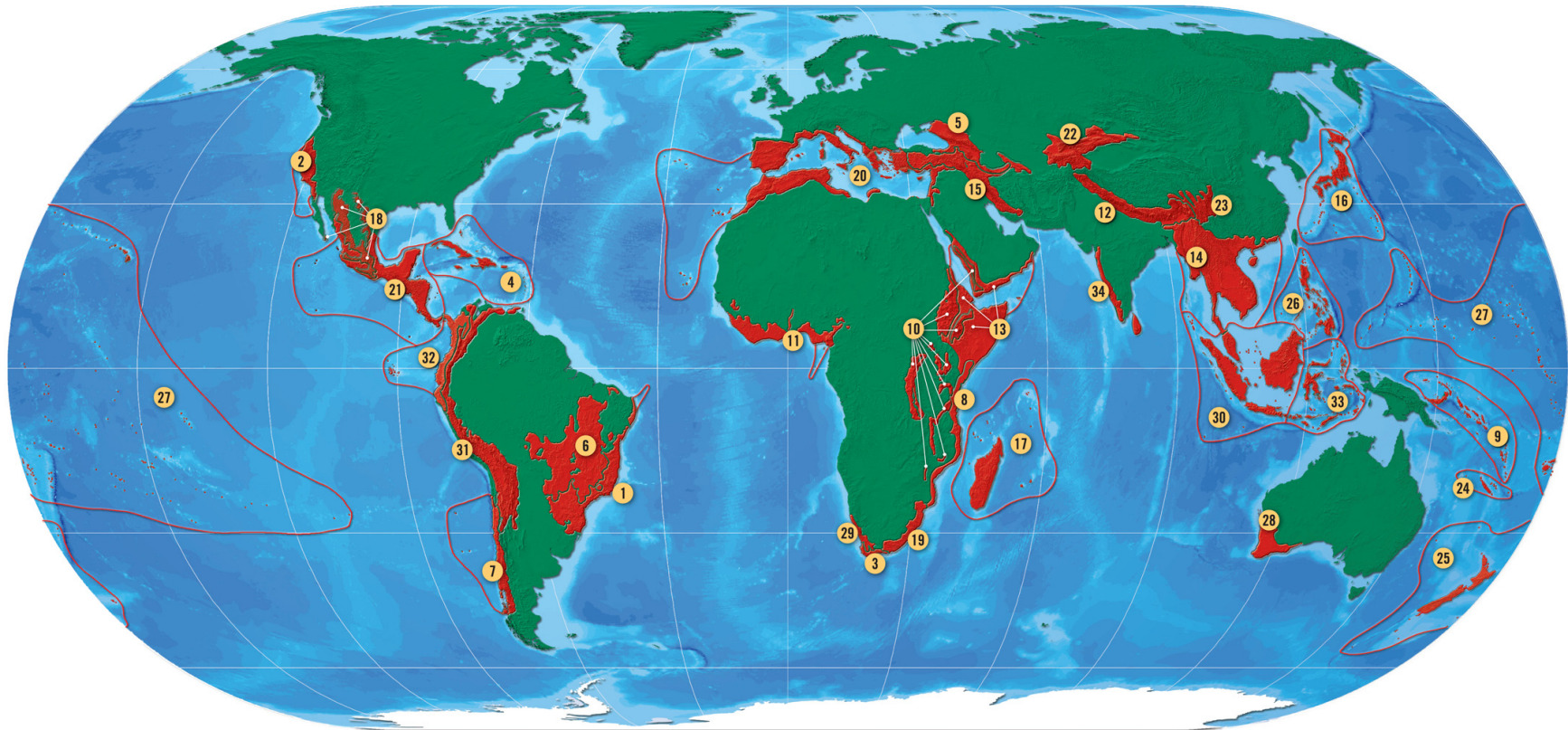
List of Global Biodiversity Hotspots

1. Atlantic Forest
2. California Floristic Province*
3. Cape Floristic Region
4. Caribbean Islands*
5. Caucasus
6. Cerrado
7. Chilean Winter Rainfall-Valdivian Forests
8. Coastal Forests of Eastern Africa
9. Eastern Afromontane
10. East Melanesian Islands
11. Guinean Forests of West Africa
12. Himalaya
13. Horn of Africa
14. Indo-Burma
15. Irano-Anatolian
16. Japan*
17. Madagascar and Indian Ocean Islands
18. Madrean Pine-Oak Woodlands*
19. Maputaland-Pondoland-Albany
20. Mediterranean Basin*
21. Mesoamerica
22. Mountains of Central Asia
23. Mountains of Southwest China
24. New Caledonia*
25. New Zealand*
26. Philippines
27. Polynesia-Micronesia*
28. Southwest Australia*
29. Succulent Karoo
30. Sundaland
31. Tropical Andes
32. Tumbes-Chocó-Magdalena
33. Wallacea
34. Western Ghats and Sri Lanka

Source: Mittermeier, R.A., Robles Gil, P., Hoffmann, M., Pilgrim, J.D., Brooks, T.M., Mittermeier, C.G., & Fonseca, G.A.B. da. 2004. *Hotspots Revisited: Earth's Biologically Richest and Most Endangered Ecoregions*. Mexico City: CEMEX.

* Not all countries in this hotspot would be eligible for funding under the CEPF investment criteria. However, the CEPF Donor Council may choose to establish funding windows outside the eligibility criteria to accommodate the strategic interests of specific donors. The Council may also choose to include marine ecosystems within targeted hotspots.

Map of Global Biodiversity Hotspots



■ Biodiversity Hotspots

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|---|--|---------------------------------|--------------------------------|
| 1 Atlantic Forest | 10 Eastern Afromontane | 19 Maputaland-Pondoland-Albany | 28 Southwest Australia |
| 2 California Floristic Province | 11 Guinean Forests of West Africa | 20 Mediterranean Basin | 29 Succulent Karoo |
| 3 Cape Floristic Region | 12 Himalaya | 21 Mesoamerica | 30 Sundaland |
| 4 Caribbean Islands | 13 Horn of Africa | 22 Mountains of Central Asia | 31 Tropical Andes |
| 5 Caucasus | 14 Indo-Burma | 23 Mountains of Southwest China | 32 Tumbes-Chocó-Magdalena |
| 6 Cerrado | 15 Irano-Anatolian | 24 New Caledonia | 33 Wallacea |
| 7 Chilean Winter Rainfall-Valdivian Forests | 16 Japan | 25 New Zealand | 34 Western Ghats and Sri Lanka |
| 8 Coastal Forests of Eastern Africa | 17 Madagascar and Indian Ocean Islands | 26 Philippines | |
| 9 East Melanesian Islands | 18 Madrean Pine-Oak Woodlands | 27 Polynesia-Micronesia | |

The designation of geographic entities on this map does not imply the expression of any opinion whatsoever concerning the legal status of any country, territory or area or of the authority or legitimacy of any delineation of frontiers or boundaries and may not be used in support of any political claim or position.