The Caucasus spans 500,000 square kilometers of mountains in Eurasia between the Black and Caspian seas, including parts of Georgia, Armenia, and Azerbaijan and small portions of Russia, Iran, and Turkey. It is one of the 34 richest and most threatened reservoirs of plant and animal life on Earth. These areas, called biodiversity hotspots, cover only 2.3 percent of the planet yet contain 77 percent of all terrestrial species diversity.

The deserts, savannas, swamp forests, and arid woodlands that comprise the Caucasus Hotspot contain more than twice the animal diversity found in adjacent regions of Europe and Asia.

THREATS
Biodiversity of the Caucasus is being lost at an alarming rate. On average, nearly half of the lands in the hotspot have been transformed by human activities. The plains, foothills, and subalpine belts have been the most heavily impacted. Native floodplain vegetation remains on only half of its original area in the North Caucasus and only 2-3 percent of original riparian forests remain in the southern Caucasus. Numbers of large herbivores, such as red deer and saiga antelope, have dropped dramatically in the past century.

The major threats to biodiversity in the region are illegal logging, fuel wood harvesting, and the timber trade; overgrazing; poaching and the illegal wildlife trade; overfishing; infrastructure development; and pollution of rivers and wetlands.

CEPF STRATEGY
The Critical Ecosystem Partnership Fund (CEPF) strategy for this hotspot is based on the results of stakeholder workshops and background reports.
coordinated by WWF Caucasus. More than 130 experts representing scientific, governmental, and nongovernmental groups from the six countries participated in these preparations.

The CEPF niche for investment was formulated based on five major parameters: evaluation of the most important biological factors, determination of priority geographical areas, potential impact of thematic directions, assessment of available institutional capacity, and analysis of current funding gaps and opportunities.

The final CEPF investment strategy, called an ecosystem profile, will be funded over five years, beginning in 2003.

The strategy is underpinned by conservation outcomes—targets against which the success of investments can be measured. These targets are defined at three levels: species (extinctions avoided), sites (areas protected), and landscapes (corridors created).

As a result, CEPF investment in the Caucasus is focused on conserving the hotspot’s globally threatened species, the majority of which are found in specific sites in five target corridors: Greater Caucasus, Caspian, West Lesser Caucasus, East Lesser Caucasus, and Hyrcan.

STRATEGIC FUNDING DIRECTIONS
The CEPF strategy for the Caucasus ensures funding is directed where it is needed most and where it can do the most good.

CEPF investments in the region are guided by four strategic directions. Each project must be linked to one of these to be approved for funding:
1. support civil society efforts to promote transboundary cooperation and improve protected area systems in five target corridors
2. strengthen mechanisms to conserve biodiversity of the Caucasus hotspot with emphasis on species, site and corridor outcomes
3. implement models demonstrating sustainable resource use in five target corridors
4. increase the awareness and commitment of decisionmakers to biodiversity conservation in five target corridors