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## **GEF Support Toward Sustainable Development of Large Marine Ecosystems**

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Large Marine Ecosystems during Climate Change  
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Good afternoon everyone and thank you for coming. It is fitting that we are here at the JFK Library, with its view of Boston Harbor, once one of the most polluted waterways in America and now in the final stages of a major clean-up effort. Protecting marine environments is what has brought us together, and my organization – the Global Environment Facility – is a proud partner with others represented here today.

Boston Harbor is cleaner today thanks to a long-term, determined policy and political effort and the support of the public. But I am concerned, and I am sure you are too, that despite efforts such as this, our entire earth's ecosystems are under severe threat. We all know we have already gone beyond some of safe planetary boundaries. We are collectively failing to reverse the damage we are doing to our global commons – the air, land, and water on which our lives depend. And our oceans are perhaps the most dramatic example of the tragedy of the global commons, because oceans suffer from a market failure and fragmented governance structure.

I became the CEO of the GEF last August, determined to address the tragedy of the global commons by building on our past contributions. I believe that what we need is transformational change to address this collective failure. For this

purpose, I have initiated long term visioning exercise, GEF2020. We will address the tragedy of ocean and large marine ecosystems as part of it.

Today I would like to emphasize four key points:

**First**, our oceans are badly managed, and large marine ecosystems or LMEs represent the right approach to address multiple stresses in a comprehensive way.

**Second**, I want to outline what the GEF has done for LMEs.

**Third**, I would like to present two examples of GEF-funded projects that have shown the way to achieving results on a global scale.

And **fourth**, I want to make very clear that oceans are a fundamental part of the GEF's essential role as a champion of the global commons. Large Marine Ecosystems will be an important part of our long-term strategy.

Let me start with the first point. We humans live on the land, and that naturally takes our focus away from the sea. We forget that most of our planet is made up of coastal and marine ecosystems and that our economies depend on them.

More than half the carbon sequestered by nature can be attributed to marine ecosystems. They play a major role in regulating Earth's temperature.

Coastal economies generate roughly \$70 BILLION dollars per year in international trade in marine fisheries products.

However, more than 40% of the world oceans are threatened by overfishing, pollution, physical alteration and destruction of habitats, and climate change.

60% of the world's major marine ecosystems is estimated to have been degraded or is being used unsustainably.

Why does this degradation continue? Because, in my view, we are failing to properly value our ocean ecosystems, and there is no effective governance mechanism to bring collective action. The Stockholm Environment Institute calls our oceans the victim of a massive market failure. It stated the true worth of its ecosystems, services and functions is persistently ignored by policy makers.

Coastal ecosystems such as deltas, reefs and mangroves are increasingly threatened by agricultural runoff and wastewater. Yet how many people are aware that these 'blue forests' are believed to store carbon at rates several times higher than terrestrial carbon sinks, such as tropical forests? We need to vigorously promote LME approach to address the causes of the problem in a comprehensive manner.

Now my second point: The GEF has been fighting these worrisome trends. Today, the GEF remains the world's largest financier of transboundary water collaboration. The GEF has been helping 172 countries work together on shared water systems with \$1.1 billion in grants which leveraged an

additional \$6.6 billion of co-financing. Of this \$1.1 billion, about one-third -  
- \$380 million in grants – has gone toward LMEs, accompanied by  
additional \$2.35 billion in co-financing.

Currently, 122 countries work with GEF finance on 20 Large Marine  
Ecosystems (LME) s globally, representing one-half of all LMEs shared by  
developing countries.

Many countries have agreed to joint commitments for significant action,  
such as the Benguela Current and Guinea Current LMEs in Africa, and the  
South China Sea and Yellow Sea LMEs in Asia. GEF supported  
interventions occur at different scales, ranging from reduction of land-based  
pollution to municipal or provincial projects for integrated coastal  
management, to LMEs to global-scale efforts. This approach recognizes that  
problems in the ocean ecosystem far offshore often originate far inland.

Let me move on to my third point about sharing critical lessons. The GEF  
has supported an ecosystem-based approach in the Benguela Current, one of  
64 LMEs. The project is building political and stakeholder commitment to  
action, setting the stage for the world community to invest in capacity-  
building and technology. GEF support resulted in the establishment of the  
world's first LME Commission—the Benguela Current Commission  
(BCC)—representing multiple sectors in Angola, Namibia and South Africa,

the three countries directly engaging in the sustainable management and utilization of the transboundary resources associated with the LME. The GEF has funded a second project for a legal agreement, the Benguela Current Convention. We are expecting to have a high-level signature ceremony for the Convention next month.

Another example: We at the GEF are particularly proud of one of our earliest projects – in the Danube River Basin – which has led to the recovery of the northwestern shelf of the Black Sea. Once a dead zone, this body of water been significantly improved with a dramatic return of fish stocks. We learned critical lessons from this project:

- Pollution from land-based sources flowing into LMEs can only be addressed in a coordinated fashion by all involved states;
- A Strategic Partnership with the World Bank, UNDP and UNEP were key to mobilizing the necessary co-financing, institutional reforms and investments;
- Through the GEF, political commitments were garnered from the 17 States, and nutrient reduction projects were initiated by Austria and Germany. The Partnership is now bringing coordinated support and benefits to the transboundary basin and the marine environment under the Bucharest Convention and the Istanbul Convention.

This Strategic Partnership serves as an example of how the GEF can be a catalyst for the needed policy, legal, and institutional reforms, and for the technical investments in sectors required to address a serious transboundary water problem.

Places like Boston Harbor and the Black Sea demonstrate what concerted, coordinated effort – with strong political support – can achieve. However, in far too many places, our coasts and oceans are seriously degraded.

The good news is that there is increasing recognition on the magnitude of the problem and a shared sense of urgency.

At the World Economic Forum in Davos last month, I was pleased to see environmental issues recognized very high on the global risk agenda. World Bank President Jim Yong Kim said in Davos: “In the worst climate scenario, my kids will live in a world without coral reefs, with acid oceans and with wars fought over water.” We cannot allow that to happen.

With these concerns in mind, we at the GEF are developing its long term strategy, GEF2020, as well as the GEF-6 funding strategy.

This is my last point.

Throughout this long-term vision exercise, we will explore how we can play a role as a champion of the global commons. We want to catalyze transformational change to reverse the worrisome trend in the global commons

together with partners in the international community. We want to continue to pilot innovative models to bring about the systemic change. We would like to strengthen our collaboration with the private sector.

The exercise has just been initiated and your inputs are most welcome. Together with this long-term exercise, preparations for our four-year fund raising exercise, GEF-6, are also under way. Here we will formulate concrete programs for the next four years and propose them to donors. In the area of oceans and international waters, what we may want to propose is to focus on comprehensive approaches for reducing ocean hypoxia; expanding sustainable coastal management, particularly on protection of coastal ecosystems; and scaling up integrated approaches to abate unsustainable fisheries practices. In particular:

- GEF will aim to catalyze a transformation in the nutrient economy that will reduce nutrient pollution and coastal hypoxia in sizeable part of Large Marine Ecosystems
- The GEF will invest in the conservation of ‘blue forests’ to prevent further loss and degradation of coastal habitats.
- GEF will invest in policy, legal, institutional reforms and strategic partnerships that contribute to recovering and sustaining fish stocks, including regional and national legal and governance reforms.