



INCREASED FINANCIAL SUPPORT FOR THE INTERNATIONAL WATERS FOCAL AREA IN GEF-5

October 2009

In the context of the GEF negotiations for the **period 2010-2014**, to be concluded by the end of 2009, **WWF calls on GEF Council donor states to secure US\$ 800 million for implementing the *International Waters Focal Area***, as requested by the GEF secretariat under the high replenishment scenario of US\$ 9 billion.

This level of funding will enable the *full implementation of existing strategic action programmes* in key shared freshwater, coastal, and marine ecosystems. It will also allow for GEF-5 interventions to *benefit a larger number of countries, transboundary water systems and marine areas beyond national jurisdiction*.

Multinational and cross-sectoral approaches are crucial for fostering and catalyzing the sustainable management, use and protection of the aquatic environment and the biological resources within and dependent upon the world's international freshwater and marine ecosystems. Such approaches call for meaningful levels of replenishment under GEF-5.

The states concerned have a duty to secure the health of these water ecosystems, including, as appropriate, through the *adoption and effective implementation of global and regional treaties*, as well as of the *relevant policy, legal and institutional reforms at national and sub-national levels*.

In so doing, such states have much to gain from GEF's and its implementing agencies' support to promote dialogue and confidence-building, develop foundational capacity at all levels, advance targeted research and learning objectives, and mediate ongoing disputes – goals that can only be fully achieved under the US\$ 800 million scenario.

Through an adequately-funded GEF-5, the international community and the states concerned will be able to mobilize the necessary resources for addressing ongoing and emerging challenges, such as climate change and variability, the integration of groundwater management into existing freshwater governance frameworks, and the protection of vital fisheries in the high seas.

FRESHWATER

Cooperation between states sharing freshwater resources is today more important than ever; and so is GEF's role in creating the necessary enabling conditions at the global, regional, basin, sub-basin, national and local levels.

This is especially true considering the status of the governance of most of these watersheds. Cooperative management frameworks exist for only about 40% of the world's international watercourses. Even where states have adopted specific treaties, most are inadequate, do not involve all states within a basin or have not been fully implemented.

In most cases, therefore, additional financial, technical and human resources are needed for sustaining effective development and implementation of international obligations and for ensuring that all key stakeholders, governmental and non-governmental, are involved in the process. Neutral third parties can also assist states in the identification of the benefits associated with the integrated and cooperative management and development of shared basins.

THE GLOBAL FRESHWATER CRISIS: Worldwide, over 884 million people lack access to safe drinking water. Around 2.6 billion people have no access to adequate sanitation. Water shortages already affect two billion people in over 40 countries. Freshwater ecosystems play a vital role for securing livelihoods, human health and development, but are the most threatened of all biomes.

In meeting the freshwater challenge – one of the most serious and urgent tasks of the 21st Century – we will depend not only on water bodies located entirely within one state's territory. Current trends will dramatically exacerbate ongoing pressures on freshwater resources, further increasing countries' dependency on transboundary rivers, aquifers and lakes. Such trends include the predicted sharp rise in global water demand resulting from population growth and economic development (and associated changes in consumption patterns and dietary shifts).

MARINE

As human activities on the oceans steadily increase in scope and reach, international cooperation is becoming truly essential for the conservation of marine biodiversity, for ensuring universal standards for responsible maritime industries, and for the sustainable management of fisheries.

GEF has a unique role in coordinating all relevant stakeholders to develop and implement transparent mechanisms that foster cooperation and ensure sound ocean governance. This is especially urgent for the 64% of oceans outside of national jurisdiction, the high seas.

Universal participation in international agreements is crucial to ensure good ocean governance and sustainable use of the oceans and their resources. This requires significant financial resources for building the capacity of relevant states to negotiate, join, implement and enforce adequate international treaties.

THE GLOBAL OCEAN CRISIS: More than 2.6 billion people around the world obtain a significant proportion of protein from seafood. The oceans are also used by a fast growing maritime transport industry facilitating global trade, and increasingly for exploration and extraction of oil, gas and valuable minerals.

In the last decades, overexploitation of fish stocks, by-catch of non-target species and destruction of habitats by use of inappropriate gear have led to the decline or even the local and regional extinction of a number of commercial and non-commercial species. In fact, 78% of fish stocks are overexploited or fished to the limit of their capacity.

In turn, the exploitation of marine areas beyond national jurisdiction has increased considerably over the years. This is due to the depletion of coastal and near shore fish stocks, as well as of easily accessible fossil fuel and mineral reserves, fuelled by rising demand and leading to rising commodity prices.

Those trends and pressures, including climate change and variability, will make it harder for states to identify win-win solutions in the joint management of their shared freshwaters and, at the same time, require even closer levels of cooperation.

In such a scenario, the potential for disputes within and between countries will be higher, and the number of transboundary water resources at risk or threatened is likely to increase. This will be especially the case where robust governance frameworks at both the international and national levels are absent.

Transboundary basins, often with extremely variable intra- and inter-year hydrological characteristics, are among the most important and vulnerable resources on the planet.

There are 263 transboundary river basins, including at least 100 shared lakes, plus countless aquifers that underlie the territories of two or more countries or are connected to those basins. International watercourses cover half the Earth's surface, cross the territories of 145 countries, are home to 40% of the world's population and generate around 60% of global freshwater flow. They include conservation hot spots and vital water sources, such as the Amazon, Congo, Ganges-Brahmaputra, Plata, Mekong, Nile and Zambezi basins.

International freshwaters sustain much of today's food production, industrial manufacture and energy generation – developments at times associated with mismanagement and unilateralism among the states concerned. For the most part, these systems (and thus the communities and ecosystems that depend on them) are under pressure from population growth, rapid economic development, urbanization and competition among users within and between countries.

About 70% of these basins drain the territories of developing and emerging economies, where 90% of global population growth is expected to take place. It is also in these regions where lack of legal, institutional and infrastructure capacity pose serious obstacles to sound water management and to transboundary cooperation.

Across the marine environment, the WSSD target of 10% of the oceans protected by 2012 is unlikely to be achieved.

Among other factors, the rising levels of atmospheric CO₂ caused by burning of fossil fuels are not only contributing to climate change, but also causing ocean acidification, eroding the very foundations of marine life: calciferous plankton and coral reefs.

Another root cause of environmental degradation in marine ecoregions is the lack of capacity of developing states to participate in the drafting and implementation of relevant regulations. A lack of guidance for industry on what areas to avoid with a view to reducing its environmental impacts further aggravates the problem.

Similarly, illegal, unreported or unregulated fishing leads to major risks to the environment. As with shipping, vessel owners and operators using indifferent flag states, driven by the growing costs of compliance, often fail to meet international legal standards on environmental, vessel and crew safety and security.

Such activities also contribute to unfair competition with compliant operators using responsible flag states that have joined all the relevant international agreements.

Conservation hot spots of particular concern include, but are not limited to, the Coral Triangle, Eastern and Western Africa, Mediterranean Sea, Small Pacific Island States, North Atlantic, Arctic and the Southern Ocean.

Many of these host vulnerable human populations who are already feeling the effects of resource overexploitation, pollution, invasive species and climate change.

In some areas, often those where the most important commercial fish stocks occur, so many serious pressures concur that ecosystems are on the brink of collapse, entailing loss of fisheries and other ecosystem services. If current trends persist, the oceans' capacity to generate ecosystem services for mankind will continue to be drastically reduced.

BENEFITS FROM COOPERATION IN SHARED RIVER, LAKE AND AQUIFER SYSTEMS:

The picture may appear grim, but what we are facing is a key moment of opportunity. Many states within transboundary watersheds are already working together to face common challenges and share the benefits from close and meaningful cooperation.

- **Regional security:** In the Indus basin, a treaty signed in 1960 between India and Pakistan, under the mediation of the World Bank, has sustained transboundary water cooperation and prevented disputes from escalating into violent conflict for almost 50 years. The treaty has survived three armed conflicts.
- **Joint river development:** The Senegal River Basin Development Organization is in charge of building and operating multipurpose dams that benefit economic activities in all states within the watershed. Such states have agreed beforehand on a formula for allocating among them the costs for these investments.
- **Environmental protection:** The Rhine basin states share a long history of cooperation that culminated with the adoption of a groundbreaking treaty in 1999. Since then, the states concerned have jointly achieved significant water quality improvements that would not have been possible without close cooperation.

BENEFITS FROM COOPERATION IN TRANSBOUNDARY MARINE SYSTEMS AND MARINE AREAS BEYOND NATIONAL

JURISDICTION: Global awareness of the ocean crisis creates a unique opportunity for the international community to work together to ensure biodiversity protection, whilst guiding industry to act in a sustainable manner on the oceans. Specific examples of issues where international cooperation on the high seas is leading to better governance arrangements, and from which lessons can be learnt are:

- **Biodiversity protection:** Scientific expertise, mandated by states led by Germany, is working in the CBD process to establish scientific criteria to identify areas that need to be set aside for biodiversity conservation, and lead to the establishment of global networks of representative high seas marine protected areas, as per the WSSD commitment.
- **Fisheries management:** The CCAMLR treaty for protection and management of marine living resources in the Southern Ocean is a unique and successful multi-state effort to ensure sustainable fishing according to ecosystem principles on the high seas.
- **Industry guidance:** A multi-user approach through relevant international regulatory bodies is being used to afford full protection of a section of the Mid-Atlantic Ridge, earmarked as a high seas marine protected areas by OSPAR, the regional intergovernmental body in charge of the environment.

WWF calls on GEF to make a serious, long-term commitment to meeting the challenges facing the world's international waters, in both marine and freshwater ecosystems.

With growing awareness of climate change and variability, there is far greater willingness from governments to engage in meaningful international cooperation. Numerous governments have already voiced their commitment to strengthen governance frameworks aiming to promote the principles of equity and sustainability in the collaborative management of the world's vital international waters. GEF can and should play a critical role in facilitating and steering this process worldwide.