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Title **IMPLEMENTATION OF REGIONAL AND GLOBAL
OCEANIC FISHERIES CONVENTIONS IN THE PACIFIC
ISLANDS: CONCEPT FOR A FURTHER PROJECT
PHASE**

Summary

The Pacific Islands Oceanic Fisheries Management Project (OFM Project) evolved as a full Global Environment Facility (GEF) funded project from a first phase component under the Pacific region's *Strategic Action Programme for International Waters of the Pacific Islands (SAP IW)*. The Project commenced in October 2005 and is expected to conclude in October 2010 (five years).

In May 2009 the Regional Steering Committee and FFC70 reviewed a draft of a project identification form (PIF – a GEF project template) outlining the concept for the application of another phase of assistance for the implementation of oceanic fisheries conservation and management in the WCPO. It was explained that while significant gains had been made under the current project the complexity and burden of work that remained, especially for Pacific SIDS and was still an issue that needed to be addressed. Much effort and resource had been expended to see the WCPF Convention come into force but there was a need to stay apace of and lead conservation and management measures (CMMs) emerging from the WCPF Commission. The FFC70 endorsed the submission of the concept to the GEF Secretariat for entry into the GEF project cycle.

On advice from UNDP the draft PIF and budget have now been further revised to reduce the budget inline. The program of work and budget now stands at USD13.4m, which was arrived at by prioritising components and activities and reducing costs accordingly.

Recent information received from UNDP advises that while GEF-5 is expected to commence 1 July 2010 and last for 4 years, the GEF Council can't start approving PIFs or start allocating resources until the GEF Trust Fund reaches a certain level of capitalization from contributions. This typically occurs in early-mid of the year after the GEF-4 year cycle starts so the expectation is to start sending PIFs to Council in winter-spring 2011 if all goes as planned.

What this essential means for a submission from the Pacific is that when the current project ends at the end of September 2010, there will be a much as a 12 month (or possibly longer) gap between the end of the project and the possible start of a further phase.

Recommendation

The Regional Steering Committee is invited to:

- i.) note the work done to date on the development of the concept for a further phase of funding aimed at the implementation of regional and global oceanic fisheries management in the Pacific region;
- ii.) consider the revised draft PIF, noting the it is a work in progress and once completed will need the endorsement of GEF focal points in each country; and
- iii.) note the timing of the submission and consider the implications of the interruption between project end and the availability of GEF5 funding.

**IMPLEMENTATION OF REGIONAL AND GLOBAL OCEANIC FISHERIES
CONVENTIONS IN THE PACIFIC ISLANDS: A CONCEPT FOR A FURTHER
PROJECT PHASE**

Introduction

1. The Pacific Islands Oceanic Fisheries Management Project (OFM Project) evolved as a full Global Environment Facility (GEF) funded project from a first phase component¹ under the Pacific region's *Strategic Action Programme for International Waters of the Pacific Islands (SAP IW)*². The GEF Council endorsed the full project in February 2005, with final approval by the GEF CEO received on 24 May 2005. The Project commenced in October 2005 and is expected to conclude in October 2010 (five years).

2. Under the umbrella of the SAP IW, the pilot phase of GEF funding was timely in its assistance for Pacific small island developing states (Pac SIDS) to negotiate with other coastal and fishing states, the establishment of a regional arrangement for the conservation and management of oceanic transboundary fish stocks and related species. In June 2004 the Western and Central Pacific Fisheries Convention (WCPFC) came into force, 10 years after the first negotiations that had began in 1994.

Initial Discussions for Continuance

3. The prospect of applying for further funding assistance from the GEF has been raised with the FFA member countries that benefit under the current OFM Project and papers on the matter have been tabled at various regional fisheries meetings since mid-2008.

4. The fourth session of the Regional Steering Committee (RSC4) for the OFM Project held in Apia in October 2008 discussed sustainability issues in relation to the progress made by the OFM Project towards sustainable fish stocks and ecosystems results and their contribution towards global environmental concerns that underpin the rationale for GEF assistance to programmes they support.

5. The Mid Term Review (MTR)³ for the project was tabled at the Apia steering committee meeting. The MTR is a significant part of the project's monitoring and evaluation work plan designed to look at implementation mid way through the project. Coordinated by UNDP, the external consultants recruited concluded that "*...the project was well designed and implemented and already had a significant impact on the immediate regional objectives (i.e. improve OFM in Pacific SIDS and sustainable development of resources), and contributed to its wider global objectives (i.e. management of oceanic fishery and oceanic biodiversity).*"

¹ The GEF IW South Pacific SAP Project (see next footnote) was designed to address the concerns, threats and root causes identified in the SAP. Targeted actions within the South Pacific SAP Project were carried out in two complementary consultative contexts: An Integrated Coastal and Watershed Management (ICWM) Component and an Oceanic Fisheries Management (OFM) Component.

² At the time the SAP and the South Pacific SAP Project were prepared in 1997-1998, there was substantial uncertainty about the future pattern of management of transboundary oceanic fish stocks in the region. Negotiations had begun on new arrangements for the conservation and management of transboundary stocks of highly migratory species in accordance with the UN Convention on the Law of the Sea and the UN Fish Stocks Agreement, but there were a wide range of proposals tabled and it was not clear what the outcome of the negotiations would be. Because of this uncertainty, the activities of the OFM Programme were funded for only three years as a pilot programme within the broader five-year programme of the South Pacific SAP Project and terminated at the end of 2004.

³ www.ffa.int/gef

6. In addition to recommendations for corrective actions (design, implementation, management and evaluation), the MTR advocated that a new project should be developed for strategic, long term capacity-building in OFM in Pacific SIDS, and to specifically assist smaller Pacific SIDS and those with governance problems. Furthermore, they pointed out that special arrangements should be considered for OFM in small isolated SIDS given the lack of progress in capacity-building in the smallest of Pacific SIDS over the last 30 years.

7. It is also useful to note that a number of issues that could impact on the application for a further project phase were highlighted to the steering committee. These included the uncertainty of the level of funding available within GEF for the fifth disbursement (2011 – 2014), and anticipated adjustments to the GEF priorities for this funding round (to be discussed further later in this paper). Other issues that the RSC4 were asked to be aware of, were similar parallel GEF projects in the pipeline that may be perceived as overlapping or duplicating the intent of a further project from the Western and Central Pacific. Specifically these were the “West Pacific-East Asia Oceanic Fisheries Management Project” (WPEA OFMP)⁴ and the “Coral Triangle Initiative on Coral Reefs, Fisheries, and Food Security (CTI - CFF)”⁵. See **Attachment A** for a fuller explanation of WPEA OFMP & CTI –CFF.

8. After discussion some concerns expressed about continued reliance on donor funding, RSC4 decided that there was merit in seeking further funding assistance from GEF and referred their recommendations to a special Forum Fisheries Committee (FFC) meeting the following week, which included the commissioning of a draft concept that would outline the programme of work in the next project phase. This meeting (FFC69) further supported and endorsed the decisions of RSC4 saying that:

“The midway review of the Project indicated that while there had been significant gains towards targeted objectives, the complexity and burden of work remained, especially for Pacific SIDS, was still an issue that needed to be addressed. Much effort and resource had been expended to see the WCPF Convention come into force but there was a need to stay apace of and lead CMMs emerging from the WCPF Commission”

9. In the period between the Apia meetings in late 2008 and the annual session of the Forum Fisheries Committee (FFC70) held at Niue in May 2009, a draft GEF “Project Identification Form” (PIF) was produced by a consultant recruited to develop the concept⁶. The draft concept incorporated the comments and interventions made to date from a number of sources, including the Regional Steering Committee, FFCs, the Mid Term Review of the Project, the Baseline Study, Annual Reports, UNDP and the Secretariats of the FFA and SPC. The PIF presents a framework with which to develop a full programme of work (subject to the endorsement by the GEF Council) i.e. it does not contain the level of detail contained in a full project document.

10. In May 2009 at the 70th annual session of the FFC that met at Alofi, Niue, the first draft of the PIF was presented for discussion. Entitled, “Further Phase of Assistance for the Implementation of Oceanic Fisheries Conservation and Management in the Western and Central Pacific” it was explained that while significant gains had been made under the current project the complexity and burden of work that remained, especially for

⁴ This project is co-ordinated by the WCPFC Secretariat and seeks to improve the knowledge for oceanic fish stocks and related ecosystems and strengthen national capacities in oceanic fisheries management in Vietnam, Indonesia and the Philippines.

⁵ Involves Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor L’este for which USD72 million (includes WPEA OFMP) has been approved by the GEF Council and was formally endorsed by the leaders of the countries involved in July this year at Manado, Indonesia. The project is to be implemented by ADB.

⁶ PIF and concept are used interchangeably.

Pacific SIDS, was still an issue that needed to be addressed. Much effort and resource had been expended to see the WCPF Convention come into force but there was a need to stay apace of and lead conservation and management measures (CMMs) emerging from the WCPF Commission. The FFC70 endorsed the submission of the concept to the GEF Secretariat for entry into the GEF project cycle.

GEF International Waters Focal Area Strategy for GEF-5

11. This section has been taken directly from a recent GEF document “*International Waters Draft Focal Area Strategy for GEF-5*”. The complete document is appended at **Attachment B**.

12. Two long-term goals for the GEF International Waters focal area were included by the GEF Council in its 1995 Operational Strategy and remain relevant today for GEF-5. With only slight updating for GEF-5, the goals serve as politically pragmatic and cost-effective guidance for GEF to tackle the highly complex concerns of transboundary freshwater and marine ecosystems.

The goal of the International Waters focal area is the promotion of collective management for transboundary water systems and subsequent implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services.

13. The GEF Council-approved Operational Strategy in 1995 noted that global environmental benefits would accrue if countries worked together on priority concerns of these transboundary systems, which are the dominant waters on Earth, and that global environmental benefits relate to the interconnectedness of the global hydrologic cycle that dynamically links watersheds, aquifers, and coastal and marine ecosystems and their transboundary movement of water, pollutants, ships, and living resources.

14. Consistent with this approach, the goal for the IW and GEF-5 objectives contribute to the GEF institutional goal of delivering agreed global environmental benefits. In particular, IW programming for 2010-2014 supports GEF-5 corporate goal #1 on global natural resources and #4 on building national and regional capacities and enabling conditions for addressing transboundary systems.

15. The GEF-5 strategy for IW proposes to scale-up national and local action given sufficient resources. GEF operations would help catalyze initial implementation of multi-state agreed Strategic Action Programmes with shared visions for specific transboundary surface and groundwater systems or Large Marine Ecosystems. They would incorporate capacity building and knowledge generation to address climatic variability and change. With greater funding levels, more on-the-ground results would be achieved with a greater likelihood of national and local governance reforms being enacted as part of programmatic approaches.

16. The addition of climatic variability and change as a key transboundary concerns in GEF-5 is needed so that multiple priority stresses for individual waterbodies can be addressed together and collectively by states rather than by single themes or single states. Achieving in-water benefits contributing to MDGs and WSSD targets dictates that multiple stresses are addressed and multiple uses is balanced. Pollution reduction or improved fisheries management will still fail to provide impact if there is no water left in the river due to excessive water use and drought.

17. The draft GEF IW strategy would vary depending on level of donor replenishment funds. The strategy would be implemented through three objectives if replenishment is modest, and five objectives if replenishment is generous. The first three objectives are core objectives that will be included in both scenarios but would be

enhanced with more investments and national sector reforms in the \$9 Billion scenario along with two additional objectives being included.

18. The proposed GEF-5 IW objectives are:

- Catalyze multi-state cooperation to balance conflicting water uses in transboundary surface and groundwater basins while considering climatic variability and change;
- Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems while considering climatic variability and change;
- Support foundational capacity building, portfolio learning, and targeted research needs for ecosystem-based, joint management of transboundary water systems;
- Promote effective management of Marine Areas Beyond National Jurisdiction (ABNJ) directed at preventing fisheries depletion - joint with Biodiversity; and
- Undertake pilot-scale demonstrations of pollution reduction from Persistent Toxic Substances, particularly endocrine disruptors--joint with Chemicals.

GEF-5 Project Cycle and Replenishment Process

19. The GEF project cycle has been significantly shortened by the new CEO, with generally good results and the applicants work with the GEF Implementing Agencies (in the region's case UNDP) to prepare a PIF. It's expected that the preparation of a PIF for a further phase for Pacific oceanic fisheries management will be prepared in close collaboration with UNDP and other stakeholders.

20. The PIFs can be submitted on a rolling basis and once they are cleared by the GEF Secretariat they will go either to one of the quarterly GEF Council meetings or monthly inter-sessional (by mail) work programs of the GEF Council. **The PIF needs to be endorsed by each of the country GEF Political or Operational focal points.**

21. Once Council has cleared a PIF, a proponent can access "*Project Preparation Grant*" (PPG) funding⁷ to prepare the project document, within a maximum time span of 22 months from date the CEO approved the PIF. The project documents are submitted for CEO endorsement along with the new "*CEO Endorsement Template*".

22. In reviewing the PIF, the GEF Secretariat will focus on a number of elements that includes:

- Country eligibility;
- Consistency with GEF Strategic objectives/programmes;
- Comparative advantage of GEF Agency submitting PIF;
- Estimated cost of the project, including co-financing;
- Availability of resources for the GEF grant request within the focal area and under the Resource Allocation Framework; and Milestones for further project processing.

23. Once the submission has been reviewed by the GEF Secretariat, the PIF is then considered by the GEF CEO for inclusion in the work program. The cleared PIFs must then undergo a review by a technical committee (STAP – Scientific and Technical Advisory Panel).

24. All PIFs cleared for work program inclusion are then eligible for a GEF PPG approved by the GEF CEO for an amount based on financing the incremental costs of

⁷ This is the same as the PDF B funding available under GEF3

project preparation i.e. there is no set amount. Principally these are the first step in the GEF Project cycle⁸.

25. The process for a further round of GEF funding assistance will require a concerted effort not only by countries themselves but by the FFA Secretariat in coordinating an unhindered submission. Any follow-up project should be impact oriented and contribute to the maintenance and improvements of transboundary fish stocks and have quantifiable indicators.

26. Donor nations fund the GEF and every four years, they commit money through a process called the “GEF Replenishment”. At the November 2008 meeting, the Council requested the Trustee of the Global Environment Facility, in cooperation with the CEO and Chairperson of the Facility, to initiate discussions on the fifth replenishment of resources of the GEF Trust Fund, GEF-5.

27. To ensure uninterrupted funding of GEF operations and activities (GEF-4⁹ replenishment will fund activities until June 30, 2010) and donors should strive to conclude negotiations for the GEF-5 replenishment in early 2010. The GEF-5 replenishment is expected to fund 4 years of GEF operations and activities, beginning July 1, 2010 and ending June 30, 2014¹⁰.

28. Recent information received from UNDP advises that while GEF-5 is expected to commence 1 July 2010 and last for 4 years, the GEF Council can't start approving PIFs or start allocating resources until the GEF Trust Fund reaches a certain level of capitalization from contributions. This typically occurs in early-mid of the year after the GEF 4 year cycle starts so the expectation is to start sending PIFs to Council in winter-spring 2011 if all goes as planned.

29. What this essential means for a submission from the Pacific is that when the current project ends at the end of September 2010, there will be a much as a 12 month (or possibly longer) gap between the end of the project and the possible start of a further phase and there is a degree of uncertainty of the level of funding available in GEF-5.

Implementation of Regional and Global Fisheries Conventions in the Pacific Islands

30. With the advice from UNDP that in all likelihood there would now be a significant gap between the current project and the availability of next funding round which would not in fact be available until some time in 2011, they urged that consideration would need to be given to how the gap between the completion of the OFMP and the commencement of another phase would be bridged.

31. The concept embodied in the draft PIF and indicative budget that was reviewed by the FFC70, took into account two of the broader suggestions that any new project should be developed for the strategic, long-term capacity-building in OFM in Pacific SIDS and that it should be specifically designed to assist smaller Pacific SIDS and those with governance problems, i.e. a greater prioritised national focus.

32. The design of the draft PIF and budget was based on the following principles:

- OFMP II is proposed to be aimed at implementing conservation and management measures, rather than institution-building and strengthening which is the focus of the OFMP, with less focus on the Commission decision-making and more on national implementation;
- participants at RSC4 stressed the OFMP II should be more “national”;

⁸ http://thegef.org/interior_right.aspx?id=90

⁹ OFMP is funded under GEF-3

¹⁰ http://www.gefweb.org/interior_right.aspx?id=48

- an MTR recommendation noted that the Project Coordinating Unit in the OFMP is under-resourced and the project coordination function will have to be strengthened to enable greater focus on information dissemination, monitoring and reporting;
 - it also recommended a greater focus on smaller Islands States; and
 - a focus on a follow-up project on long term capacity building/academic training¹¹.
33. Ideas contributed to the draft PIF and budget by the FFA and SPC Secretariats include:
- Strengthening legal and policy frameworks and performance;
 - Providing near real-time information for fisheries and ecosystem management;
 - Improving the understanding of the warm pool LME;
 - Protecting biodiversity;
 - Deterring IUU fishing;
 - Target stock sustainability; and
 - Long term capacity building, knowledge management and sustainability.
34. The budget proposed for the PIF presented to FFC70 was for nearly US\$30 million. However, UNDP/GEF advised that it is very unlikely that in a final phase such an amount would not be available for the second phase. This has meant the activities proposed have had to be prioritised and substantial elements of the project have been culled based on finding common ground between GEF's focus on environmental benefits and the needs of the Pacific SIDS beneficiaries.

Revised PIF

35. The draft PIF and budget have now been further revised to reduce the budget inline with the advice from UNDP. Following the revisions to the PIF, the budget now stands at USD13.4m, which was arrived at by prioritising components and activities and reducing costs accordingly.
36. The main impact of the revision is the removal of the full component aimed at protecting biodiversity which sought to formulate effective implementation of WCPFC CMMs related to non-target species (sharks, seabirds, turtles etc.) and merging some activities in the broader component which seeks to provide information for the formulation and implementation of fisheries and ecosystems conservation and management measures. Changes also relate to replacing a component aimed at improving the understanding of Warm Pool LME with a lesser costing set of activities to help understand the impact of climate change on the regions fisheries, and retaining a similar resources project coordination unit instead of the MTR recommended enhanced unit.
37. The revised draft PIF appended at **Attachment C** will be complete once details of co-financing are determined by the Consultant and indicative calendar dates for the milestones are known, along with any further revisions generated by discussion at the special FFC being held the week before RSC5 and the RSC5 itself.
38. Further discussion on the draft PIF is also expected to take place with UNDP and GEF in the margins of the 5th GEF International Waters Conference to be held at Cairns,

¹¹ UNDP/GEF advise that they do not fund academic training.

Australia in 26 – 29 October, outcomes of which will be conveyed to RSC5 and also reflected in the PIF.

39. The Regional Steering Committee is invited to:
- i.) note the work done to date on the development of the concept for a further phase of funding aimed at the implementation of regional and global oceanic fisheries management in the Pacific region;
 - ii.) consider the revised draft PIF, noting the it is a work in progress and once completed will need the endorsement of GEF focal points in each country; and
 - iii.) note the timing of the submission and consider the implications of the interruption between project end and the availability of GEF5 funding.

FFC70¹²/WP21 Excerpts*WPEA OFM*

The recent initiative to strengthen fisheries data to enhance oceanic fisheries management in Indonesia, Philippines and Vietnam is a design sponsored by the WCPFC Secretariat who is in the process of submitting a PIF for GEF funding assistance. Similar to the OFM Project, the West Pacific-East Asia Oceanic Fisheries Management Project (WPEA OFM) seeks to improve knowledge for oceanic fish stocks and related ecosystems and strengthen national capacities in oceanic fisheries management.

The links between the WPEA and the OFM Project are maintained through the WCPFC Secretariat with Indonesia and the Philippines being full parties to WCPFC and along with Vietnam form the western boundary of the Western tropical Pacific warm pool large marine ecosystem, a globally significant marine region and one covered by the WCPF Convention. It's estimated that a significant percentage of the tuna and tuna-like species is taken by the Philippines, eastern Indonesia and Vietnamese fishers and that a climate of poor information, over exploitation and incomplete and inadequate collaborative arrangements for conservation and management prevails. The focus of the WPEA OFM project to assist the countries involved is comparable to those for OFM Project countries and more importantly the linkage through shared migratory fish stocks and ecosystems. The OFM Project is identified as contributing co-financing to this submission.

Coral Triangle Initiative (CTI)

Largely driven by environmental NGOs, the Coral Triangle Initiative on Coral reefs, Fisheries and Food Security (CTI-CFF) involves six countries: Indonesia, Malaysia, Papua New Guinea, Philippines, Solomon Islands and Timor-Leste. In April 2008, the GEF Council approved USD72 million for a five year CTI Support Programme with ADB as the implementing agency. The ADB is anticipating the inclusion of more countries in the GEF CTI Programme. The initiative is currently in a development phase with the construction of a regional plan of action being progressed at meeting held at Honiara in September 2008 and others since.

The Secretariats for WCPFC, FFA and SPC had the opportunity to review the draft CTI regional plan of action in September 2008. At the time they expressed concern for the potential for the duplication of existing efforts, such as those of the OFM Project, the established work program for regional fisheries management and the WCPFC process with the proposed work in the CTI regional plan of action, particularly the features of the plan associated with the tuna fisheries. In the CTI plan the goal for Ecosystems Approach to Management of Fisheries (EAFM) and Other Marine Resources is expected to target '*the sustainable management of shared tuna stocks achieved for all species of tuna exploited in the region with special attention to spawning areas and juvenile growth stages*'.

Potentially, there could be questions of overlapping benefits to PNG and the Solomon Islands if the design of a further project remains consistent with the current objectives and goals, as this work will also be mirrored in the proposed CTI work plan. For instance, CTI will address national and regional legislative, policy & regulatory frameworks for EAFM, improvement of enforcement (including an observer program) of IUU fishing, etc.

Finally, it is well recognized that the current Pacific meeting schedule for regional fisheries is fairly demanding and the region struggles to find ways to lessen this burden. The establishment of the proposed 'CTI Tuna Forum' is not likely to improve matters, particularly for those FFA countries participating in the CTI.

¹² 11 – 15 May 2009, Alofi Niue

INTERNATIONAL WATERS DRAFT FOCAL AREA STRATEGY FOR GEF-5

BACKGROUND

1. Water is the lifeblood of our planet. Human life depends on freshwater, and the Earth's climate and its habitability depend on ecosystem and climate services from the ocean. Slowly, the world community is recognizing the severity of the global water crisis. Not only are Millennium Development Goals (MDGs) and Johannesburg World Summit (WSSD) targets being missed, but economic opportunities and community security are now diminished because of little priority on water. Once thought to be simply related to mismanagement and policy failure, degradation and depletion of our planet's surface, ground water, and oceans are also caused by complex global pressures of population growth and forced migration, changing climate, global financial and trade distortions, food shortages, and changing diets.

2. Freshwater, saltwater, and their living resources know no borders. With 70 percent of the Earth being ocean and 60 percent of the land lying in cross-border surface and groundwater basins, most water systems on Earth are transboundary – and thus are at the heart of the GEF International Waters (IW) mandate. These water systems, that know no boundaries, produce food for global trade and domestic use, power industry and economies, quench thirst, and nourish the ecosystems that support life. Globally, these systems are overused, over-polluted, and suffer from serious transboundary and national governance failures.

3. Demands for freshwater continue to rise, resulting in competition among key sectors and ultimately between countries that share transboundary freshwater systems. In parallel, the human demand for protein from marine waters and pollution releases place stress on both coastal and ocean systems. The results are all too apparent—depleted and degraded surface waters, aquifers, and marine ecosystems that we see today with adverse impacts on human and ecosystem health, food security, and social stability. In addition, changes in global hydrologic cycles driven by changes in climate and climatic variability deepen poverty, reduce food supplies, damage health and further threaten political and social stability. Collective action among states and negotiation of legal/institutional framework are now critical to address these multiple stresses, including climatic variability and change, before tension between states gets even worse.

Evolution of the IW Strategy at the GEF

4. The GEF International Waters (IW) focal area addresses these very complex sustainable development challenges faced by States sharing transboundary surface, groundwater, and marine systems. Challenges range from pollution, loss of habitat, and ship waste, to overuse and conflicting uses of surface and groundwater, over-harvesting of fisheries, and adaptation to climatic fluctuations. The GEF serves a unique role in building trust and confidence among states for catalyzing collective management of these large water systems while providing benefits for environment, food production, economic development, community health, and regional stability. The GEF IW focal area has shown that cooperation among states on water, fisheries, catchments, and environment serves as a new path to secure these benefits for multiple water users and that the demonstration of appropriate technologies can catalyze investments for on-the-ground results. The challenges of climate and climate change add an additional impetus to the GEF work, especially as transboundary cooperation suffers most from “market failure” in tough times.

5. Both the third and fourth Overall Performance Studies (OPS3 and OPS4) document GEF success in catalyzing impacts related to multi-country cooperation for shared waters.

Outcomes have been robust, targets exceeded, and IW has proven to be an effective agent for policy, legal and institutional reforms and for enabling on-the-ground demo action. OPS 3 in 2005 concluded that the IW Focal Area was ready to move from a demonstration mode to scaling-up of full operations in support of reforms, investments, and collective management. This scaling up of on-the-ground actions was not possible during GEF 4 because funding was reduced.

6. While coping with small funding, GEF IW programming has focused on: (a) creating an enabling foundation in trust, confidence and capacity among states desiring to collaborate on sustainable use of their transboundary waters, (b) demonstrating simple GEF strategic approaches for scaling up impacts when larger funding levels become available, and (c) developing measures for groundwater protection and management to cope with increased use and more frequent droughts. To avoid irreversible economic and social damage while cost-effective measures can still work, the time for scaling up the IW area is now. A backlog of requests for action exists with GEF having built the capacity of 149 recipient countries to work together with 23 non-recipient countries on regional collective management for the particular transboundary water systems they share—22 river basins, 8 lake basins, 5 groundwater systems, and 19 Large Marine Ecosystems.

7. As recommended by OPS3 in 2005, the time is at hand to scale-up funding in the GEF IW focal area to achieve results before conditions become irreversible. GEF5 presents a crucial opportunity to scale up collective action for freshwater basins, aquifers, and marine systems. Beyond GEF4 priorities, new imperatives in International Waters relating to climatic variability and change and incorporation of groundwater concerns must be integrated into mainstream work to produce actual results that benefit communities. The capacity that has been built through previous GEF interventions means that many states are ready to move forward in scaling up impacts contributing to MDGs and WSSD targets while also incorporating climatic variability and change as a new transboundary concern for action.

INTERNATIONAL WATERS STRATEGY, GOAL AND OBJECTIVES

8. Two long-term goals for the GEF International Waters focal area were included by the GEF Council in its 1995 Operational Strategy and remain relevant today for GEF5. With only slight updating for GEF-5, the goals serve as politically pragmatic and cost-effective guidance for GEF to tackle the highly complex concerns of transboundary freshwater and marine ecosystems.

The goal of the International Waters focal area is the promotion of collective management for transboundary water systems and subsequent implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services.

9. Since 1995, GEF has placed human needs at the center of transboundary water systems and based interventions on modifying human activities and institutions toward sustaining multiple uses of and human well-being for these sensitive waters. The GEF approach has provided opportunities for states wishing to address transboundary water-related conflicts and development concerns in a collective manner while respecting the political interests of hesitant states.

10. The GEF Council-approved Operational Strategy in 1995 recognized the sensitive international political dimensions of assisting states in collective management of transboundary water systems. The Council noted that global environmental benefits would accrue if countries worked together on priority concerns of these transboundary systems, which are the dominant waters on Earth, and that global environmental benefits relate to the interconnectedness of the global hydrologic cycle that dynamically links watersheds, aquifers,

and coastal and marine ecosystems and their transboundary movement of water, pollutants, ships, and living resources.

11. Consistent with this approach, the goal for the IW area and GEF-5 objectives contribute to the GEF institutional goal of delivering agreed global environmental benefits. In particular, IW programming for 2010-2014 supports GEF-5 corporate goal #1 on global natural resources and #4 on building national and regional capacities and enabling conditions for addressing transboundary systems. Through its previously stated support of Agenda 21 Chapters 17 and 18 as well as the MDGs and WSSD targets, the IW focal area also contributes to human well being and poverty eradication by sustaining water-related and dependent livelihoods, securing food sources, promoting equitable access to water, and reducing water-related health risks in addition to resolving and preventing water-related use conflicts in these large bodies of water.

SUMMARY OF GEF5 DRAFT IW STRATEGY

12. The GEF5 strategy for IW follows the successful approach described in the OPS4 review with progressive programming of GEF resources accompanying progressive multi-state commitments to collective action. This strategy builds on the foundational capacity built and pilot scale work accomplished in GEF 3 and 4 and proposes to scale-up national and local action given sufficient resources. GEF operations would help catalyze initial implementation of multi-state agreed Strategic Action Programmes with shared visions for specific transboundary surface and groundwater systems or Large Marine Ecosystems. They would incorporate capacity building and knowledge generation to address climatic variability and change. With greater funding levels, more on-the-ground results would be achieved with a greater likelihood of national and local governance reforms being enacted as part of programmatic approaches. With less funding, fewer results would be catalyzed and scaling-up for measureable impacts would be limited.

13. Adding climatic variability and change as a key transboundary concern in GEF-5 is needed so that multiple priority stresses for individual waterbodies can be addressed together and collectively by states rather than by single themes or single states. Achieving in-water benefits contributing to MDGs and WSSD targets dictates that multiple stresses be addressed and multiple uses be balanced. Pollution reduction or improved fisheries management will still fail to provide impact if there is no water left in the river due to excessive water use and drought.

14. Concerns of droughts and floods would now have to be incorporated into transboundary surface and groundwater basin IW projects through Integrated Water Resources Management (IWRM) approaches that link aquifers and surface water basins. Likewise, for Large Marine Ecosystems (LMEs) and their coasts, concerns related to coastal climatic variability, sea-level rise, ocean warming and acidification, and ecosystem resilience, would be incorporated through governance reforms at the LME level as well as in Integrated Coastal Management (ICM) at local levels, including environmental flows where needed in linked freshwater systems. Lessons from previous GEF IW projects show that climatic variability must now be included as a priority transboundary concern along with the other multiple drivers of depletion and degradation to achieve impacts. Additionally, for transboundary surface water basins, groundwater (accounting for 97% of our planet's unfrozen fresh water) will play a large role and must be protected.

15. Beyond this focus on implementation of agreed action programmes, the strategy continues to provide for support to states for foundational capacity building activities for new transboundary water systems not yet addressed by GEF. Limited funding would be provided for processes pioneered by GEF to build trust and confidence among states so that they may work together collectively on their transboundary water systems toward increased stability

and water security. Additionally, a number of needs for targeted research as it applies to management of waters will be addressed, and experience sharing and learning within the GEF IW portfolio will be enhanced based on successful pilots in this focal area (GEF IW:LEARN) as noted by OPS4.

16. The draft GEF IW strategy would vary depending on level of Replenishment. The strategy would be implemented through three objectives if Replenishment is modest and five objectives if Replenishment is generous. The first three objectives are core objectives that will be included in both scenarios but would be enhanced with more investments and national sector reforms in the \$9 Billion scenario along with two additional objectives being included. The following sections introduce the proposed GEF 5 objectives and their expected outcomes for the two different Replenishment scenarios. The detailed results framework for the IW focal area is presented in Annex 1 for both the \$5 and \$9 Billion Replenishment scenarios.

17. The proposed GEF 5 IW Objectives are:

- a) Catalyze multi-state cooperation to balance conflicting water uses in transboundary surface and groundwater basins while considering climatic variability and change;
- b) Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems while considering climatic variability and change;
- c) Support foundational capacity building, portfolio learning, and targeted research needs for ecosystem-based, joint management of transboundary water systems;
- d) Promote effective management of Marine Areas Beyond National Jurisdiction (ABNJ) directed at preventing fisheries depletion --joint with Biodiversity;
- e) Undertake pilot-scale demonstrations of pollution reduction from Persistent Toxic Substances, particularly endocrine disruptors--joint with Chemicals

DESCRIPTION OF PROPOSED GEF 5 IW OBJECTIVES

Objective One: Catalyze multi-state cooperation to balance conflicting water uses in trans-boundary surface/groundwater basins while considering climatic variability and change

Rationale

18. This objective relates to GEF assistance to states for implementing agreed Strategic Action Programmes (SAP) for interventions in cross-border surface and groundwater basins. GEF has previously supported such foundational capacity building in almost 30 transboundary freshwater systems. Overuse and conflicting uses of water resources in transboundary surface and groundwater basins result in significant ecological and economic damage, reduced livelihoods for the poor, and increased political tensions among downstream states that get worse with increasing climatic variability. Shallow groundwater over-extraction, saline intrusion, and pollution of groundwater supplies must now be factored into GEF projects, especially for many SIDS where water supply threats are becoming major threats to their viability. Use of IWRM plans and policies at the basin level consistent with WSSD targets has been identified as an answer to balancing competing and conflicting uses of water resources to inform tradeoffs being made.

19. With the high scenario, the focal area would be able to help states avoid more conflicts in water use, prevent more water pollution, protect additional aquifers for use in droughts, and introduce more widespread national water sub-sector reforms through enhanced assistance for SAP implementation and cross-focal area GEF projects. The \$800 million

scenario would allow support for programmatic approaches to scale-up investments and reforms (per OPS3) while retrofitting understanding of climatic variability and demo-scale action on adaptive management. This scaling-up would include programmatic approaches for investments where all states that are important contributors to the transboundary concerns agree to cooperative management. The need to build capacity and provide technical assistance on adaptive management for drought and floods to states working on shared freshwater systems represents an important new line of work and new cost as does incorporating groundwater protection and management.

20. Concerns of managing floods and droughts would be incorporated through IWRM while integrating surface water quality and aquifers. This would fill a glaring gap in the WSSD target for IWRM. Africa would receive priority attention through programmatic approaches for transboundary river and aquifer systems of West Africa and for the Great Lakes Region. Innovative partnerships with the business community would be supported both by the focal area and the GEF Earth Fund for broader scale and maximum impact. Benefits of collaboration on transboundary basins and adoption by cooperating states of reforms in IWRM policies contribute to improved community livelihoods, increased crop yields, sustainable irrigation, improved environmental flows, and reduced health risks where pollutants create risks. These interventions contribute to regional integration, reduction of tensions among states, and increased stability.

Project Support

21. GEF will support further development and implementation of regional policies and measures identified in agreed SAPs, which through collaborative action would promote sustainable functioning of already established joint legal and institutional frameworks or help establish new ones. GEF assistance to states includes development and enforcement of national policy, legislative and institutional reforms as well as demonstrating innovative measures/ approaches to water quantity and quality concerns. The projected impact will enable states to negotiate treaties and better balance conflicting uses of surface and ground water for hydropower, irrigation-food security, drinking water, and support of fisheries for protein and environmental flows in the face of multiple stresses, including climatic fluctuations and aquifers.

Outcomes

22. SAP implementation will lead to application of IWRM policies and principles that include environment and groundwater as well as innovative investments for measureable on-the-ground results. Outcomes include: better balancing of conflicting water uses; enhanced functioning of joint management institutions; ground-water aquifers systematically incorporated into surface water management; improved environmental flows from infrastructure; protected water supplies; enhanced recharge; improved freshwater fisheries management; and increased understanding leading to better resilience to fluctuating climate. **Indicators** would vary, including: adoption/implementation of policy and legal reforms at national and local levels that show progress toward WSSD IWRM targets; evidence that national inter-ministry committees function properly; measureable pollution reduction, water use efficiency improvements, community benefits disaggregated by gender, restored/protected wetlands, sustainable freshwater fisheries, protection of quality and level of ground-water, capacity enhancement for incorporating aquifers and climatic variability and change reflected in updated SAPs and legal frameworks.

Objective Two: Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems while considering climatic variability and change.

Rationale

23. Depletion and degradation of coasts and oceans is accelerating along with reduction of access to protein in fisheries with at least two-thirds of global stocks overfished. Tens of billions of dollars annually are lost to developing country economies when illegal and unreported fishing depletes stocks and when factory fleets, sometimes endorsed by governments, deplete fisheries for poor coastal communities. There is a strong economic, poverty reduction, and food security argument for reforms in coastal and ocean fisheries, which are need for two-thirds of the planet's fish stocks. When coupled with the expansion of "Dead Zones" from nutrient pollution and the multiple risks from flooding with sea-level rise, coastal storm vulnerability and a warming ocean, further degradation must be prevented now before irreversible conditions develop.

24. Progress has been made by GEF in foundational capacity building for states choosing to address over-fishing and use of damaging gear in Large Marine Ecosystems (LMEs) and tackle coastal concerns through Integrated Coastal Management (ICM). GEF has responded to requests from 125 states that have chosen to work with neighbors on foundational capacity building for 16 shared LMEs. The demand implementation of action programs illustrates state recognition for the economic and social importance of functioning LMEs. In order to minimize impacts from sea-level rise and reduce coastal storm vulnerability that will diminish livelihoods, health, food security, and community security even more, GEF support for ICM and LMEs will begin to consider risks related to climatic variability and change as future Action Programs are implemented. Programmatic approaches to secure community benefits from LMEs and their coasts will be up-scaled through management institutions that spur collective national action.

25. With the high scenario, the focal area would be able to help states avoid additional depletion of fish stocks and in fact reverse the trend for through sustainable fisheries and habitat restoration/conservation. This will take the assistance of OECD members participating in partnerships to reduce their fleets' influence on depletion. Reduction of land-based sources of marine pollution continues to demand GEF attention, particularly nutrients from sewage and agriculture that contribute to the alarming spread of coastal "Dead Zones" and adverse effects on coral reefs. Support to the GPA (Global Programme of Action for the Protection of the Marine Environment from Land-based Activities) will be mainstreamed in LME projects to improve coastal quality. The \$800 million scenario would allow support for programmatic approaches to scale-up investments and reforms (per OPS3) in land-based pollution reduction and coastal/marine fisheries while retrofitting understanding of climatic variability and demo-scale action on adaptive management. This scaling-up would include programmatic approaches for investments where all states that are important contributors to the concerns agree to cooperative management. Where transboundary priorities warrant, MARPOL/port considerations will be included in ICM as more port authorities incorporate environmental management systems.

Project Support

26. Where capacity is built and collective action programs agreed by all states significantly contributing to transboundary concerns, GEF will support implementation of SAPs with reforms and investments with measureable results. Policy, legal, and institutional reforms and multi-agency partnerships that contribute to WSSD targets for recovering and sustaining fish stocks would be a priority, including regional and national-level reforms in legal frameworks and governance, access rights, and enforcement in LMEs. Also supported: investments in sustainable alternative livelihoods (such as aquaculture), habitat restoration and limited use designations (including MPAs in joint projects with the BD focal area and fisheries refugia), technical assistance, less destructive gear to reduce stress on wild fish stocks and biological diversity, and provisions of the 1995 International Code of Conduct for Responsible Fisheries.

27. GEF pilot successes in support for the GPA and nitrogen pollution reduction will be scaled up in the high scenario to reduce land-based nutrient pollution of oceans. This is aimed at catalyzing global attention to disruption of the nitrogen cycle and to limit expansion of “dead zones” that interfere with food security and community livelihoods. National and local policy, legal, institutional reforms to reduce land-based inputs of nitrogen and other pollutants will be monitored consistent with agreed SAPs and the GPA. Incorporation of nutrient reduction and considerations of coastal climate variability into ICM policies and plans would be systematic in the high scenario. Innovative partnerships, investments and financing will be pursued addressing agriculture, municipal, and industry sector pollution and for wetland restoration/enhancement (including use of locally acceptable ecological sanitation and simple constructed wetlands treatment). The IW focal area would complement the IW platforms in the Earth Fund on “Rebuilding Ocean Fish Stocks” and “Revitalizing Dead Zones” in the high scenario to achieve broader scale and global impact of the platforms with the business community.

Outcomes

28. Where capacity is built to work jointly in LMEs and their coasts, GEF assistance will assist in SAP implementation to catalyze the application of policies and principles related to sustainable fisheries and ICM as well as investments with measureable results in alternative livelihoods and land-based pollution reduction. Sustainable joint management institutions and mechanisms as well as functioning national inter-ministry committees would result and represent political commitments to ecosystem-based joint action and national commitments to mainstreaming. National and local policy, legal and institutional reforms and increased enforcement reduce land-based pollution, over-fishing, and secure coastal/marine habitat. Greater on-the ground impact with significant demo projects for coastal and marine systems, stakeholder and Parliamentary involvement, more widespread reforms, and a focus on enforcement of legal regimes would result from programmatic approaches for the \$800 million scenario.

29. Another expected outcome would be multi-agency partnerships in programmatic approaches that foster replication after GEF assistance is ended by incorporating them into UN frameworks and country assistance strategies of agencies and partners. The partnerships created under the Earth Fund with IW focal area regional complementary projects engage the business community in a way that would be expected to have an influence on global dialogues. Increased coverage of Marine Protected Areas (MPAs) would also be expected from cross-focal area projects with the Biodiversity area, and a focus on Arctic LMEs with their fragile changing environment will catalyze management institutions to prevent decline. **Indicators** would vary in projects, including: measureable land-based pollution reduction, rights-based fisheries and sustainable fisheries policies reducing over-fishing and gear changes, community income benefits disaggregated by gender, improved enforcement, conserved/restored coastal wetlands and MPAs, improved environmental flows, reduction in overcapacity of boats, and policy/legal/institutional reforms at national and local levels helping states move toward the WSSD 2010/2015 marine targets. Climatic variability and change and ICM would be reflected in updated SAPs for LMEs.

Objective 3: Support foundational capacity building, portfolio learning, and targeted research needs for ecosystem-based, joint management of transboundary water systems

Rationale

30. A decade of GEF experience shows that interventions in multiple countries with regional projects are more cost-effective than individual country IW projects in catalyzing commitments to collective action. OPS4 clearly highlights the impact on collaboration among states by using these GEF processes that build trust and confidence for states working together on shared water-related concerns. An additional benefit involves avoiding political conflicts among neighboring states and pursuing joint development benefits and regional

integration. This strategy of using foundational processes to leverage political commitment to collective action and then scaling up with innovative policy, legal and institutional reforms and pilot demonstrations may take 10 years and successive projects to achieve. During GEF-5, climatic variability and change and consideration of aquifers will be integrated into these foundational, capacity building processes.

31. Where capacity and agreement among states is not yet built for collectively addressing transboundary concerns or where climatic variability and change are not yet incorporated into adaptive management frameworks, an enabling environment for action will be created through GEF supported foundational processes. These processes include: establishment of national inter-ministry committees for project participation, development of Transboundary Diagnostic Analyses, third-party facilitation, stakeholder participation, and formulation of Strategic Action Programs (SAPs) with shared visions and agreed reforms and investments.

32. Under the \$800 million scenario, more attention can be paid to fragile states and those undergoing post-conflict reconstruction and more requests funded for foundational capacity building and capacity enhancement for understanding climatic variability and change and incorporating groundwater considerations. For LMEs and coasts, adaptive management institutions would become better enabled to build resilience to fluctuating fisheries, coral reef bleaching, sea-level rise, coastal storm vulnerability, and coastal hypoxia ('Dead Zones') into strategies for LME governance and ICM.

33. The generous Replenishment scenario will allow two other priority needs to be met: a pent up demand for targeted research on pressing IW concerns and the need to operationalize experience sharing/learning/KM to improve IW portfolio performance and reduce time for impacts to be produced. Significant global impact would be sought for targeted research related to coral reefs, nutrient reduction and "Hypoxic or Dead Zones" and environmental flows. Other research needs on ocean biogeochemistry and climate tools to be developed for GEF IW projects would also be funded among the various priority topics of use to the IW portfolio.

Project Support

34. For transboundary surface and groundwater systems, groundwater concerns and opportunities would be systematically integrated into management of surface water systems and surface water concerns into transboundary groundwater systems so that entire basins or aquifers serve as management units. National inter-ministry committees would contribute to development of Strategic Action Programmes, which would include commitments to establish or strengthen institutions for multi-state, collective management and subsequent action. An enabling environment for adopting Integrated Water Resources Management (IWRM) plans and policies per WSSD targets will be pursued in states sharing transboundary surface and groundwater systems, and climatic variability and change will be integrated into the GEF supported processes to address droughts and floods and integrate the concerns into IWRM policies. For coastal and marine ecosystems, GEF will utilize similar foundational capacity building processes to help states adopt ecosystem-based approaches at the LME and local ICM scales. Shifting currents and changes in distribution, abundance, and life cycles of marine resources as well as coastal storm vulnerability and sea-level rise may be included in the GEF-supported foundational processes.

Outcomes

35. Outcomes relate to agreement on key transboundary concerns for waterbodies and political agreements on commitments for ecosystem-based, joint actions and for regional, waterbody-related cooperation frameworks. Commitments to incorporate transboundary water management priorities into national and local management institutions would also be achieved. For both freshwater and marine transboundary systems, local pilot demonstrations

associated with priority transboundary concerns and aquifer assessment/management would be incorporated into foundational projects and produce measureable results with community benefits. GEF IW experiences and evaluations show these local demonstrations help provide pilot scale benefits toward MDGs and WSSD targets while also engaging local stakeholders in needed actions and helping states better understand potential benefits of collective action. Better understanding of climatic variability and change and groundwater considerations will result in enabling states and regional water/ocean institutions to build resilience into programs. With regard to targeted research, addressing the priority needs is expected to result in global attention to those issues and incorporation into GEF projects. The expected outcomes for the learning/experience sharing projects is not only capacity enhancement or best practices identified and shared among agencies, but also surveys will monitor a possible improvement in IW portfolio performance. **Indicators** include: evidence of functioning national inter-ministry committees; agreed SAPs adopted with shared visions of future action and commitments to reforms/investments and reflecting climatic variability and change; and community benefits demonstrated from water quality, quantity, habitat, and fisheries pilots. Global attention would be a measure of success for three priority targeted research programs and improvement in portfolio performance will be tracked.

Objective Four: Promote effective management of Marine Areas Beyond National Jurisdiction (ABNJ) directed at preventing fisheries depletion --joint with Biodiversity and only included in \$800 million IW Replenishment Scenario

Rationale

36. Since 1982 when the UN Convention on the Law of the Sea defined national maritime jurisdictions, Areas Beyond National Jurisdiction (ABNJ) have remained a sustainable management challenge, lacking comprehensive legal instruments and normal management options despite being 40% of the planet. ABNJ marine ecosystems are threatened by increasing use by pelagic fishing for highly migratory species and very damaging bottom trawling on seamounts (fish catch has doubled the last decade), maritime navigation, extraction of hydrocarbons and mineral exploration, and other emerging activities such as ocean fertilization, which might affect the marine environment. Solutions to the legal and management challenges are emerging under a number of conventions and international legal instruments such as CCAMLR, the IMO environment conventions and the Barcelona Convention for the Mediterranean. Recent developments at the international level (UN, CBD, FAO) demonstrate the growing interest for these high seas issues which have been eligible in GEF IW since 1995.

Project Support

37. This objective can only be established in the \$800 million IW Replenishment scenario. Fisheries, especially those taking highly migratory species such as tuna, and bottom trawling on seamounts are likely to remain the main and most widespread threat to ecosystems in ABNJ and would be subject of GEF projects. Tuna fishing by purse seines and long-lines kill non-target biodiversity such as sea birds, marine mammals and sea turtles. Solutions have been found to prevent and reduce by-catch and would be supported. For example: in the eastern Pacific marine mammal by-catch has been reduced by changed fishing practices; in the Southern Ocean; bird mortality on long lines has been reduced by gear alterations; and turtle catch can be reduced by use of circle hooks on long lines. Regional fisheries organizations (RFMOs) responsible for managing migratory species are increasingly collaborating, e.g., through the Kobe meeting process, and the fisheries and conservation sectors are collaborating more closely with RFMOs, offering platforms to leverage private-public partnerships and international legal innovations.

38. Protection of seamounts and biodiversity can be greatly improved through more developed regional fisheries management capacity and application of protected area tools such as MPAs. A pilot initiative with resources and expertise from both the Biodiversity and

IW areas has the potential to conserve this last haven with Marine Protected Areas (MPAs), Benthic Protected Areas (BPAs), cooperative frameworks, and improved flag-state fisheries compliance. Projects that develop and test technology and management arrangements for MPAs and reducing tuna by-catch would be supported (including use of criteria issued in CBD/COP9 Decision IX/20) and guidance issued from by FAO in August, 2008 on ABNJ (including deep sea and tuna fisheries on the high seas consistent with implementing UNGA Resolution 61/105 and the International Guidelines). Use of existing legal instruments such as Regional Seas Agreements, FAO RFMOs, and other arrangements such as IMO Special Areas Designation may be tested along with market and industry approaches. NGOs with interest in certain areas of ocean or seamounts may help contribute to the testing of measures and management options.

Outcomes

39. GEF intends to have a global institutional impact by testing management approaches. Outcomes include: sustainable fisheries achieved and proper gear used in ABNJ as a result of improved flag-state and port-state monitoring and control of fishing practices; protection of seamounts and other priority ABNJ results from establishment of MPAs, BPAs, incorporation into RMFOs and partnerships with NGPs/foundations/states/agencies; globally significant partnership between Biodiversity and IW focal areas catalyzes global attention on needed regimes for ABNJ. **Indicators** include: port state and flag state compliance improvements; reduced overfishing and fishing with damaging gear; establishment of MPAs and BPAs, adoption of RFMO ABNJ plans, and establishment of pilot regimes for certain ABNJ.

Objective Five: Undertake pilot-scale demonstrations of pollution reduction from Persistent Toxic Substances, particularly endocrine disruptors--joint with Chemicals and only included in \$800 million IW Replenishment Scenario

Rationale

40. While Persistent Toxic Substances have been eligible for financing in IW since 1995 through the GEF Operational Strategy, other priorities requests from states have taken precedence. New information shows the danger to ecosystem and human health from persistent toxic substances that are not classified as POPs but are released as air and water pollution or leak from waste sites. Cleanup and best management practices in agriculture are critical to reduce risks. Without a separate initiative being developed with dedicated IW resources and help from the Chemicals focal area, the persistent toxic substances termed “endocrine disruptors” will continue to bio-accumulate in fish and pose serious human and ecosystem health problems.

Project Support

41. This objective can only be established in the \$800 million IW Replenishment scenario. A pilot initiative joint with the Chemicals focal area would be pursued to demonstrate that clean technology provides alternatives to releasing PTS, particularly endocrine disruptors that accumulate in fish and impair human health, neurological development of children, and populations of fisheries, wildlife, and birds. With thousands of pollutants this characteristic, future programs may be costly and a pilot initiative shared among two focal areas provides a pragmatic approach to pursue in addressing this recently identified gap in global action.

Outcomes

42. A demonstration program of joint projects (Chemicals and IW) tests the effectiveness of policies, instruments, and technologies for reducing releases of PTS, particularly those that exhibit endocrine disruption in order to reduce risks to ecosystem and community health. The business community is engaged in developing solutions to demonstrate cost-effectiveness and pollution prevention pays strategies. **Indicators** include: partnerships developed with

industry on clean technologies and pollution prevention; measureable pollution reduction at demo sites.

Table 1: Results Framework for International Waters (IW) Focal Area for GEF5**

Long-term IW Goal: Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services.

Impact: Depends on the Replenishment level

Objectives	Key Expected Outcomes	Key Targets under \$5 billion Scenario	Key Targets under \$9 billion Scenario **	Core Outputs
<p>Objective 1:</p> <p>Catalyze multi-state cooperation to balance conflicting water uses in transboundary surface and groundwater basins while considering climatic variability and change</p>	<ul style="list-style-type: none"> • Key Outcomes: (a) Implementation of agreed Strategic Action Programmes (SAP) incorporates transboundary IWRM principles (including environment and groundwater) and policy/legal/institutional reforms into national/local plans; (b) Transboundary institutions for joint ecosystem-based and adaptive management demonstrate sustainability; (c) Innovative solutions for reduced pollution, improved water use efficiency, sustainable fisheries with rights-based management, IWRM, water supply protection in SIDS, and aquifer and catchment protection produce measureable, on-the-ground results including community benefits; (d) Climatic variability and change as well as groundwater capacity incorporated into updated SAP to reflect adaptive management. • Indicators: (a) Adoption/implementation of national/local reforms; functioning of national inter-ministry committees; (b) Cooperation frameworks agreed with sustainable financing; (c) Measureable results produced for on-the-ground investment demonstrations, including community benefits (disaggregated by gender) and; (d) Surveys record capacity improvement and partnerships. • Enhanced Outcomes**: (a) Same as above but with greater scaling-up of demonstrations to more states and waterbodies plus (b) Earth Fund water use efficiency platform pilots enhanced results with complementary IW partnership funding • Indicators: Same as above. 	<p>\$150-180 million</p> <p>Co-financing ratio of 1:2</p> <p>Measureable results for local demonstrations and adoption/implementation of national/local reforms for at least 50 % of states participating in 8-10 transboundary water systems covering at least 30 states.</p>	<p>\$225-275 million</p> <p>Co-financing ratio of 1:4</p> <p>Measureable results for local demonstrations and adoption/implementation of national/local reforms for at least 70 % of states participating in 10-12 transboundary water systems covering at least 40 states.</p> <p>“Save the Source” water use efficiency Earth Fund Platform fully funded</p>	<p>National and local policy and legal reforms adopted/implemented; agreed commitments to joint, ecosystem-based management frameworks; types of technologies and measures implemented in local investments; capacity enhancement for issues of climatic variability and groundwater management</p>

Objectives	Key Expected Outcomes	Key Targets under \$5 billion Scenario	Key Targets under \$9 billion Scenario **	Core Outputs
<p>Objective 2:</p> <p>Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems (LMEs) while considering climatic variability and change</p>	<ul style="list-style-type: none"> • Key Outcomes: (a) Implementation of agreed Strategic Action Programmes (SAP) incorporates ecosystem-based approaches to management of LMEs, ICM principles, and policy/legal/institutional reforms into national/local plans; (b) Institutions for joint ecosystem-based and adaptive management demonstrate sustainability; (c) Innovative solutions for reduced pollution, rebuilding or protecting fish stocks with rights-based management, ICM, habitat restoration/conservation, and port management produce measureable, on-the-ground results including community benefits; (d) Climatic variability and change at coasts and in LMEs incorporated into updated SAP to reflect adaptive management and ICM considerations. • Indicators: a) Adoption/implementation of national/local reforms; functioning of national inter-ministry committees; (b) Cooperation frameworks agreed with sustainable financing; (c) Measureable results produced for on-the-ground investment demonstrations including Community benefits(disaggregated by gender); (d) Surveys record capacity improvement and partnerships. • Enhanced Outcomes: (a) Same as above but with greater scaling-up of demonstrations to more states and waterbodies plus (b) Earth Fund “Rebuilding Ocean Fish Stocks and “Revitalizing Dead Zones” platforms pilot enhanced results with complementary IW partnership funding • Indicators: Same as above. 	<p>\$200-240 million</p> <p>1:2 co-financing ratio</p> <p>Measureable results for reducing land-based pollution and sustainable fisheries in demonstrations as well as adoption/implementation of national/local reforms for at least 50 % of states in 8-10 LMEs covering at least 40 states.</p>	<p>\$240-300 million</p> <p>1:3 co-financing ratio</p> <p>Measureable results for reducing land-based pollution and sustainable fisheries in demonstrations and adoption/implementation of national/local reforms for at least 70 % of states participating in 9-11 LMEs covering at least 48 states.</p> <p>Earth Fund platforms “ Rebuilding Ocean Fish Stocks & Biodiversity” and “Revitalizing Dead Zones” fully funded</p>	<p>Agreed commitments to sustainable ICM and LME cooperation frameworks; national and local policy/legal/institutional reforms adopted/implemented; types of technologies and measures implemented in local demonstrations; industry partnerships with Earth Fund</p>

Objectives	Key Expected Outcomes	Key Targets under \$5 billion Scenario	Key Targets under \$9 billion Scenario **	Core Outputs
<p>Objective 3:</p> <p>Support foundational capacity building, portfolio learning, and targeted research needs for joint, ecosystem-based management of transboundary water systems</p>	<ul style="list-style-type: none"> • Key Outcomes: (a) Political commitment, shared vision, and institutional capacity demonstrated for joint, ecosystem-based management; (b) Community benefits result from water quality, quantity, fisheries demonstrations; (c) IW portfolio performance enhanced from active learning/KM; (d) Targeted research networks impact global thinking on at least coral reefs; (e) Political agreements on Arctic LMEs prevent further depletion/degradation. • Indicators: (a) Agreed Strategic Action Programmes at ministerial level with considerations for climatic variability and change; (b) Measureable on-the-ground results in local demonstrations (c) GEF 5 performance improved over GEF 4 per Tracking Tool; (d) Coral reef research results incorporated into projects; (e) AMAP monitoring shows no further depletion/degradation. • Enhanced Outcomes: (a) Key outcomes above plus: (b) Community benefits and measureable results produced for on-the-ground investment demonstrations; (c) Targeted research networks impact global thinking on coral reefs, nutrients/"Dead Zones", and environmental flows. • Indicators: (a) Indicators above plus: (b) Global action catalyzed on 3 research priorities 	<p>\$90-125 million</p> <p>Multi-state agreement on commitments to joint, ecosystem-based action for 9-11 new waterbodies with modest demonstrations</p>	<p>\$125-165 million</p> <p>Multi-state agreement on commitments to joint, ecosystem-based action for 10-12 new waterbodies with investment-scale demonstrations;</p> <p>85% IW projects demonstrate active GEF portfolio experience sharing/learning;</p>	<p>National inter-ministry committees established; agreed Transboundary Diagnostic Analyses & Strategic Action Programmes; demo-scale local action implemented; active experience/sharing/learning practiced in the IW portfolio; Arctic LME programmatic approach with partners.</p>

Objectives	Key Expected Outcomes	Key Targets under \$5 billion Scenario	Key Targets under \$9 billion Scenario **	Core Outputs
Objective 4: Promote effective management of Marine Areas Beyond National Jurisdiction (ABNJ) directed at preventing fisheries depletion --joint with GEF Biodi Focal Area	<ul style="list-style-type: none"> Enhanced Outcomes: (a) Seamounts and fisheries for ABNJ under sustainable management and protection; (b) Plans and institutional frameworks for pilot case ABNJ have global impact Indicators: (a) MPAs established; improved flag and port state enforcement of practices; (b) GEF-piloted ABNJ approaches replicated globally 	\$ 0	\$40-75 million 50% of ABNJ plans sustainable within institutions; MPA target in Biodiversity Strategy	ABNJ demo plans with institutions; pilot regimes for improved management; Marine Protected Areas (MPAs)

Objectives	Key Expected Outcomes	Key Targets under \$5 billion Scenario	Key Targets under \$9 billion Scenario **	Core Outputs
Objective 5: Undertake pilot-scale demonstrations of pollution reduction from Persistent Toxic Substances (PTS) , especially endocrine disruptors--joint	<ul style="list-style-type: none"> Enhanced Outcomes: (a) PTS pollution reduction through successful demonstration technology; (b) Partnerships with industry replicate clean technology to avoid PTS releases Indicators: (a) Kg PTS reduced; (b)Replication strategies 	\$0	\$25-40 million 70% of pilots show reduced PTS;	Avoided releases of PTS in pilot projects; variety of partnerships with industry

with Chemicals Focal Area				
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***Outcomes and*

Indicators associated with \$9 Billion Replenishment Scenario highlighted in italics

Attachment C