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Opening Address

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Global Environment Facility**

**The 6th World Water Forum Priority for Action 1.5
“Contribute to Cooperation and Peace through Water”**

Date: Wednesday March 14, 2012, 8:30 AM

Venue: PC-8-Callelounge

Palais de Congres (Level1)

Ladies and Gentlemen,

Water is the lifeblood of our planet. Our water systems help to power our economies and nourish the ecosystems that support life. Food security, public health and economic opportunities all depend on the way we manage shared water resources, and life itself depends on the supply of drinkable water.

But the global community too often avoids addressing the complexity of water management in favor of seemingly more urgent issues such as climate change, human health and biodiversity. In recent decades, our planet's freshwater sources have been rapidly degraded by a range of global pressures including population growth, food shortages, and changing climate. To give just one example, wasteful crop irrigation in basins and aquifers depletes and degrades water resources, contributing to the impoverishment of downstream communities.

Transboundary waters is one of the priority areas of interest of the GEF. Transboundary water resources, whether basins or aquifers, link populations of neighboring countries and support the incomes and livelihoods of hundreds of millions of people worldwide. Wetlands such as lakes and floodplains that straddle

international boundaries also provide invaluable ecosystem services, including support of food production, flood mitigation and limitation of pollution.

Transboundary water bodies connect societies and make them interdependent hydrologically, socially and economically.

They are vital for economic development, reducing poverty, attaining our Millennium Development Goals.

Issues as vital as political and regional stability can hinge on the level of cooperation or mistrust among countries sharing a basin or aquifer.

And in the last twenty years there has been growing recognition that a nations' food, energy, health and environmental security rely on water resources shared with neighboring countries. With the assistance of the Global Environment Facility (GEF), governments have been taking collective action to secure the many benefits from transboundary water systems.

In 1991 the Global Environment Facility (GEF) was set up as a pilot grant facility. Today, the GEF is the largest multilateral financial institution with the mandate, ability, and experience to address current and future challenges to shared freshwater systems. People sometimes think of international waters as referring only to open oceans. To us, the term refers to shared water resources. We established the GEF International Waters focal area to help countries work together

to resolve growing tensions over large water systems. The focal area helps countries collectively manage and share the benefits of their transboundary surface water and groundwater basins.

In its first two decades, the GEF has supported over 250 projects in International Waters with ten partner agencies. These projects have helped 149 GEF recipient countries and 24 non-GEF recipient countries build the trust and confidence to work together on their shared freshwater and marine systems.

GEF interventions have demonstrated the powerful impact that cooperation on water can have on the political landscape. Even before 11 Danube countries and the European Commission signed the Danube River Convention in 1994, the GEF was working in the river basin with the United Nations Development Programme. It seems a long time ago today, but I'm sure none of you forget that this assistance was continuing during a period of armed conflict in the Danube Basin region. This is familiar territory for the GEF. As part of the Middle East Peace accords the GEF and the World Bank supported Jordan as it undertook land-use reforms with its neighbors to protect the sensitive shared coral reefs in the Gulf of Aqaba. In the Nile Basin the GEF has been the largest contributor, with \$79 million in grants to improve conditions for peace, security, and stability through eight innovative and

cross-boundary water projects. The GEF is also facilitating cooperation in the South China Sea, the Orange River Basin, the Okavango River Basin, the Kura-Aras Basin, and the Caspian Sea. Time and time again these initiatives have served as an important first step in supporting dialogue and cooperation where there were once disputes and conflict.

But the world community has to work even harder to protect and properly manage our transboundary waters. Few people realize that about 97% of all the available non-ice freshwater on earth is below the ground and what you see in these huge rivers and lakes only accounts for about 3% globally. These aquifers are a critical resource in dealing with the impacts of climate change. But they are being lost at a rapid pace.

At the national level, governments need to find effective ways to address conflicts that arise from competing and conflicting demands on water in basins or aquifers. One nation may be relying on a transboundary water resource primarily for food production; another for energy; and another for human consumption. These conflicts can't be resolved solely by the officials responsible for managing the water resource. All sectors of society with a stake in shared water resources need to work together to identify water priorities and then work with their counterparts in

neighboring countries. GEF is now focusing on longer-term programs that work across the different sectors through different GEF areas like land and energy.

Let me, ladies and gentlemen, dwell for a moment on sustainable financing -- an important aspect of the cooperation on shared water systems. To achieve our goals, we need a sustainable basis for covering the cost of establishing the institutional arrangements, capacity legal framework, and management systems, including monitoring, data-sharing and assessment.

In most cases, the investment required for effective but sustainable use of the transboundary water resources exceeds the resources available to riparian countries. In response, various financing mechanisms to facilitate investment are being employed. International development banks and specialized development funds are successfully testing number of innovative approaches. These include strategic partnerships for the creation of regional investment funds, leveraging significant additional investment.

Additional innovative financing schemes, including regional revolving funds, Payment for Ecosystem Services, inter-riparian financing, cost recovery of water services, could be considered as options providing sustainable financing to transboundary management institutions for joint management and investment

programs. However, these more advanced financing mechanisms require strong political support and complex institutional structures, which we hope this World Water Forum will emphasize. I am, therefore, pleased that GEF, within the Target 6 of this Priority for Action, is committed to substantially contribute by 2015 to **at least double support to manage transboundary basins and aquifers compared to the last four years.**

The incomes and livelihoods of hundreds of millions of people depend on transboundary lake and river basins and aquifers. These shared water systems hold the potential to be either a source of conflict or a catalyst for regional cooperation, socioeconomic development, security and peace. We, at GEF, are proud of our focus on International Waters, through which GEF assistance has contributed to improvements in regional stability, improved security, and the creation of cooperative management institutions amongst countries previously competing over shared rivers and basins or fragile states emerging from regional conflict. Faced with the prospect of a future of increased floods, droughts, and water use conflicts, we stand ready, to address the needs of recipient countries to better manage their surface and subsurface water resources.

Thank you!