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PROGRESS REPORT OF THE THEMATIC GROUPS BY THE TASK MANAGERS

(Addendum)

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A) TOURISM AND SUSTAINABLE DEVELOPMENT IN THE MEDITERRANEAN

(Supplementary information to the section "Tourism" of the report UNEP(OCA)/MED WG.140/4)

SUMMARY REPORT TO THE MEDITERRANEAN COMMISSION ON SUSTAINABLE DEVELOPMENT (MCSD)
FROM THE GROUP LEADING THE ACTIVITY.

MAIN CONCLUSIONS AND PROPOSALS FROM THE ANTALYA WORKSHOP- 17-19 SEPTEMBER 1998

I. Theme and Working Method, Interest.

During the preparatory meetings for the Antalya workshop it was possible to specify the theme and the aims of this activity and to decide on a working method.

The working group on "Tourism and Sustainable Development" met initially in Palma de Majorca on 8 May 1997, then a second time in Sophia Antipolis, 30 October 1997, within the framework of the 2nd and 3rd session of the MCSD.

During this last meeting the task managers called for the logistical support of the Blue Plan in drawing up a questionnaire.

A restricted group then met in Monaco on 15 and 16 December 1997, in Athens on 4 February 1998, and in Sophia Antipolis on 2 and 4 April 1998.

The subject, which was initially limited to "ecotourism", was widened to "sustainable tourism", and finally to "**tourism and sustainable development**". It was agreed that the different experiences which may exist around the Mediterranean should be used in order to draft recommendations adapted to the various situations.

During these expert meetings, a draft assessment note, drawn up by the Blue Plan, was examined and amended first in Monaco, then in Sophia Antipolis. A questionnaire was also worked out during these meetings, aimed at encouraging all the riparian states, the European Commission, local authorities and NGOs which are members of the MCSD or the working group, as well as major players in Mediterranean tourism (tour operators, hotel owners federations...) to take part and to contribute.

It was also decided that the different parties, and particularly the country-designated experts, should be asked to identify **case studies (examples of tourist destinations)**. It is in fact at this level that the issues and problems of linkage between tourism and sustainable development, the external and internal protagonists, past or foreseeable developments, scope for action and lessons to be learned for other areas of the Mediterranean can and should be tracked.

The subject and the progressive and participatory working method proposed sparked off real interest from the different partners since:

- **18 countries** designated experts, usually high level ones from the field of tourism, and 17 of them were able to provide often detailed answers to the "country" questionnaires.
- There was also a good level of **NGO** participation, with 4 responses being sent in and one active presence in the Workshop. Although only 3 professionals answered the questionnaire, 4 representatives of **tour operators** took part in the Workshop, thus showing their interest in the approach.

- **21 “case studies”** were received, providing a wealth of information. Certain countries (Spain, Turkey, France) sent in several. A total of 10 case studies illustrating very different situations were presented and discussed during the Workshop.
- Various experts, particularly representatives of other bodies coming under the **United Nations** (the Division for Sustainable Development in New York, the UNEP Industry and Environment Tourism Programme from Paris, the Coordinating Unit for the UNEP Caribbean environment programme) also took part in the Workshop.
- A total of **more than 60 people** took part in the Workshop with the aim of drawing up an assessment followed by proposals for action or recommendations to go to the MCSD.

II. The Main Aspects of the Assessment

1. *Tourism, an unavoidable sector of the economy in the Mediterranean.*

- The Mediterranean countries receive 30% of international tourism (175 million visitors). The **135 million** international and national **tourists** who visited only the coastal regions of the Mediterranean in 1990 could become 235 to 350 million by 2025 (according to the different Blue Plan scenarios). The vast majority of these tourists are of European origin.
- The importance of tourism for the Mediterranean is such **that no riparian state can do without this sector**. Through its economic and social weight, its contribution to the balance of trade, and its potential for development, tourism has become an unavoidable issue for most countries.
- For certain areas which are in a less fortunate geographical situation (island regions) or are facing difficulties (hinterland), tourism would appear to be the only activity capable of counter-balancing the decline in traditional economies and stabilising the population, possibly even **reversing migratory trends**.
Island regions provide specific problems for transport and a higher cost of living, which govern economic development.
- Tourism also often provides the **opportunity to improve the infrastructure** to the benefit of the whole population. It provides for mutual cultural contact between visitors and hosts and brings about social developments of major importance for the local population.
- The detailed assessment of the positive and negative impact of tourism on the environment, the economy and local society is still far from adequate. There could be a huge increase in the positive effects (using craft, agriculture, the natural and cultural heritage and local identity to full effect).

2. *Massive awakening to the negative impact of tourism on the environment.*

- Even if tourism often seems preferable to other more polluting industries, all the case studies also show that tourism is seen as an **important source of negative effects on the environment** and sometimes for society.

- The major difficulties highlighted relate to the **deterioration of coastal landscapes and natural areas** as a result of uncontrolled tourist urbanisation, the problems of **water and waste**, damage to protected fauna and flora (turtles...) and the fact that areas are evolving towards vulnerable **economic monoactivity**, the highly seasonal nature of which causes social problems.
- These difficulties are even more acute because of the **speed at which changes can take place**.
- The case of the **Balearic islands** is of particular interest for the Mediterranean since in the 1980s it led to a **crisis situation** with a drop in visitors, followed by an **increased awareness** amongst the local population of the need to better channel developments and to search for ways to restore the quality of the destination.

3. *International tourists are increasingly demanding environmental quality.*

- Environmental awareness amongst tourists (particularly Northern European ones) is growing with time and experience.
- Tourism professionals are striving to adapt to these changes. This is particularly true of the major tour operators in Northern European countries who are introducing assessment scales for the environmental quality of their destinations and installations.
- The **market forces** can therefore act as a **powerful vector for development towards more sustainable tourism**, something which should be recognised and put to good use. At the moment, however, there is no concertation and interplay between the major professional actors and their public counterparts at Mediterranean level.

4. *The highly diverse tourist situations in the Mediterranean.*

- First and foremost there is **regional disparity** between the coast and the hinterland and between the countries on the north-western rim (Spain, France, Italy) which still represent 80% of all international tourist flows and revenue in the Mediterranean, and all the other Mediterranean countries.
- **Tourism**, however, could **develop very quickly in the countries or regions in the south and east which have long coastlines and are of easy access**. The number of tourists in Turkey rose from 1.5 million (0.3% of world tourism) in the 80s to 9.6 million (1.5%) in 1997. In regions such as Antalya, Djerba, Cyprus, Malta, Rhodes or the Balearic Islands, and in island regions more generally, where access is usually by plane and tourism is well developed, tour operators hold quite some sway.
- **Other coastal regions** (e.g. Albania, some of Morocco's, Algeria's and Libya's Mediterranean coasts...) could see development on the same scale in the future.
- But the Mediterranean also has many less easily accessible areas, particularly the many islands, or regions with a lesser potential (hinterland) where tourism could play a major role in economic revival, alongside other activities. If the development of tourism could be better channelled towards these regions, and Mediterranean tourist products diversified by making better use of the natural and cultural heritage, this would aid sustainable development throughout the entire region. In Morocco, for example, tourism is now recognised as a development alternative in the rural areas and forests, and pilot activities are running in the High Atlas and will be introduced in the near future in the Rif.

5. *Economic pressure is such that examples of successful channelling are few and far between.*

The various case studies show how **difficult it is to channel change and to stick to the pre-established objectives** for quantitative and qualitative development.

For example, the Antalya-South project in Turkey aimed at a 25,000 bed capacity, but the original plan had to be modified and increased to 65,000 beds under the pressure of investors and real estate speculators. There are major consequences in terms of the image of the product, the cost of the necessary additional infrastructure, the use of land and the environmental and social impact. The same situation exists in all destinations where there is strong pressure. Even in Albania, where tourism is still only on the drawing board, foreign investors have put on the pressure to be granted building permits for structures which do not respect the "strategy of tourist development". In Djerba (Tunisia), local populations who for many years have not been particularly active in tourist development are now asking for the tourist zone to be extended beyond the limit judged suitable and established by the government.

In this context, examples of successful channelling are few and far between and tend to concern those destinations where tourist pressure has remained within reason and where the local population has got organised, or destinations which have benefited from strong planning activity. The cases of the Luberon Natural Park in France and the Cres Losing Archipelago in Croatia are two examples of how channelling has been tied to large-scale involvement of the local population to bring about quality development.

In older destinations which have lived through crises, however, awareness of the need to regain control of development has greatly increased and has made it possible for some difficult decisions to be taken. The legislation in the Balearic Islands is proof of this, particularly after 1998. A whole series of laws aimed initially at controlling, then at limiting growth, have finally culminated in a "town planning moratorium law" with a ban on the creation of new beds awaiting the law on tourism which is in the pipeline. In Calvia (Balearic Islands) the demolition of sea-front hotels is an important measure being pursued by the authorities since it shows its determination no longer to accept disorganised pressure. The introduction of a local Agenda 21 with strong involvement of the local population and partners has made it possible to develop a common vision for the area for the future, and to define an action programme to raise the quality of the area once again.

6. *The need to integrate tourism with sustainable development presupposes solid means adapted to the various situations.*

- There are more and more **conventions, framework agreements, procedures and protocols** involving national or regional authorities responsible for tourism and the environment, showing the need to define strategies and methods for integrating tourism with sustainable development. In Cyprus, for example, a large group involving the public authorities and professionals has been entrusted with developing a "vision of tourism" and a "code of environmental behaviour in tourism". Similarly in Tunisia studies on the impact of tourist activity are carried out jointly by the National Agency for Environmental Protection (ANPE) and the Directorate for Tourist Facilities, and require the approval of the Ministry of the Environment.

- Many examples of conventions, protocols, coordination...are quoted (Greece, Spain, France, Malta, Slovenia, Croatia, Turkey, Libya, Morocco...). However, little information is provided as to the results and effectiveness of these measures.
- Several **financial mechanisms** aiming at better integrating tourism with sustainable development are mentioned or under study: taxes for the environment (tax on 1% of tourist turnover in Tunisia, tax on access to Port-Cros in France, project being studied in the Balearic Islands); requirement to reinvest profit in regions with tourist installations, with fines in cases of non-respect (e.g. the casinos in Slovenia), subsidies for the environmental upgrading of facilities (Cyprus, Spain...), subsidies for agro-tourism, development in difficult areas...
In general terms, however, the feeling is that the means do not match up to the needs. Tourism could make a much greater contribution to the protection, management and best possible use of the sites which it exploits. The effort needed to rehabilitate older destinations (sites, buildings, tourist infrastructures...), the protection and best use of the natural and cultural heritage exploited by tourism, tourist development in less favoured (island) or difficult regions (hinterland), requires many more technical and financial means than are at present being implemented.
- Advice, **technical assistance** for public, professional and local actors appears to be a determining factor in the successful integration of tourism with sustainable development and the involvement of the population concerned (e.g. Parc du Luberon). Such means of assistance still tend to be inadequate.
- Controlling the development of tourism and retaining the desired balance between development and protection demands strong **means of land use action**: the definition of short, medium and long term objectives, land use planning, use of installations, appropriate laws and agencies for protecting the coasts, particularly the natural areas and the coastline, against excessive tourist urbanisation.
Several examples (Djerba, Antalya, Languedoc...) show that only very determined action has made it possible to spur the necessary development whilst at the same time avoiding uncontrolled tourist urbanisation.
Protective laws, planning directives and town planning rules are unavoidable instruments. A good example is the Balearic Islands, where the 1991 law on natural areas made it possible to protect 35% of the area, and where the directive on land planning aims at upgrading the destination by making the environment and the cultural heritage a basic tourist provision.
Instruments for **real estate control**, be it the provision of land for investors (e.g. Belek, Antalya...) or the protection of threatened coastal sites against speculation are also very important although still too few in number. France alone set up (in 1975) a Coastal Conservatory, the aim of which is to manage and, in the long term, to protect 25% of the coastline. Tunisia, with its Agency for the Protection and Planning of the Coast (APAL) and its Tourist Real Estate Agency, has 2 important instruments. Algeria is also planning to set up a Coastal Conservatory.

7. *Better integration of mediterranean tourism with sustainable development demands major efforts on training, awareness raising and exchange of experience.*

Although it represents 30% of world tourism, the Mediterranean is still not very organised to exchange its experiences, act effectively to better raise the awareness of everyone concerned (tourists, public and professional actors, local populations) and promote the right approach to sustainable development.

Several NGOs are working on this type of thing, and have a very important role to play. The major tourist professionals and States are also striving to increase information to tourists on environmental and heritage matters. But overall these efforts are not enough and are done on a piecemeal basis, not allowing enough scope, if any at all, for the exchange of experience, the value of which was shown by the Antalya Workshop.

8. *Integration of the island regions in the sustainable development of Mediterranean tourism*

Tourism and islands make a pair which it is difficult to break up. It is essential to introduce new methods. If tourism does not diversify and continues to be the only source of income for island economies, it could well implode, carrying with it the economic development which it has caused, or make the island economies even shakier than they already are, characterised as they often are by monoactivity based on tourism. Tourism should be covered by a well-targeted policy drawn up for diversification and for developing replacement forms- cultural tourism, green tourism, archaeological tourism, youth tourism, sports tourism, educational tourism, fishing tourism, for example- within which tourist visits would be spread over several seasons.

Endogenous development is fundamentally important to check depopulation and emigration, particularly amongst young people. This is why the proposal is to develop local small and medium sized enterprises and facilitate their access to capital markets. It would be a good idea to create "island centres for craft development", able to provide on the spot the computer and management support which is essential to get things going again.

III. Objectives

Tourism must become one of, if not the, major vector for sustainable development in the Mediterranean.

Better and more than many other sectors it can in fact contribute to:

- the economic wealth of local populations and social and cultural development;
 - the protection, safeguarding and correct exploitation of the natural and cultural heritage,
- to the benefit of the greatest possible number of Mediterranean areas, be they mainland (coastal or hinterland) or island.

To achieve this, its development must be guided by a planned approach which is integrated with other economic and social sectors, respecting the environment and cultures. But the aims of action differ according to the situation type:

- In the **older destinations**, the main aim must be to **restore the quality of the area** and to revamp and diversify what is already available.
- In **destinations in the full swing of development**, people must be taught to anticipate in order to avoid the economic or environmental crises which the older destinations have faced. This means **really managing supply in both quantitative and qualitative terms and respecting pre-established objectives drawn up on the basis of carrying capacity.**

- In the **less developed destinations** (some island regions, hinterland, coasts which have still not been built up) the main aim must be to **think up, give life to and channel those forms of tourist development which will make these areas successful examples of sustainable development**:
 - by offering the local populations concerned the possibility of staying or coming back to the country thanks to a rewarding economic activity for other sectors of activity as well;
 - by making the natural and cultural heritage and exchange between visitors and hosts a central element in the destination and by thus contributing in the long term to guaranteeing the preservation of Mediterranean identities and showing them to their best advantage.

IV. Proposals for action and recommendations

1. *Training, information, diffusion, awareness raising*

The integration of tourism with the environment and towards sustainable development depends first and foremost on increasing the environmental awareness of everyone concerned: local populations, tourists, professionals, public authorities. This requires **solid and on-going training, information and awareness raising action**.

The MCSD's group on "tourism and sustainable development" is proposing four practical lines of action in particular:

Proposal 1:

To bring together within a **network** the **main professionals** in Mediterranean tourism (tour operators, travel agencies, hotel owners and carriers) so that alongside the representatives of the MCSD group they can begin serious and coordinated thinking and awareness raising at Mediterranean level. This project could be implemented in cooperation with the ASCAME's Committee on Tourism.

Proposal 2:

To draw up and broadly circulate a "**white paper**" on the situation, the problems and the measures to be taken in support of Mediterranean tourism, taking into account its links with the environment and sustainable development.

Proposal 3:

To draw up and circulate **guides and handbooks on good environmental practices** in the tourism sector, based on actual experience.

Proposal 4:

To organise and develop **observation networks for the impact of tourism** on the economy, society, the environment and the cultural heritage, using harmonised bases for information, and to periodically circulate the results, in cooperation with the relevant services in the European Commission and ASCAME.

2. *Financial mechanisms enabling the tourism sector to contribute to the quality of destinations.*

The tourism sector must make a greater contribution to the protection of the natural and cultural capital which it exploits. The group therefore makes the following proposal:

Proposal 5:

To look into the possibility of setting up **financial mechanisms allowing the tourism sector to effectively contribute to the protection and management of Mediterranean sites and to the studies and activities likely to assist decision taking in this field.**

3. *Network of pilot areas and “Mediterranean ecolabel” for the environmental quality of destinations and installations.*

Exchange of experience and the promotion of destinations which strive to integrate tourism with sustainable development can be powerful vectors of progress. The group therefore makes the following two proposals:

Proposal 6:

To set up a **Mediterranean network of pilot tourist areas**, in cooperation with the NGOs which are specialised in the fields of tourism and the environment, so that the final touches can be put to the tools for the development of sustainable development which can then be circulated.

Proposal 7:

To promote internationally recognised quality approaches: **Local Agendas 21** in tourist destinations, **EMAS, ISO 14 000**...for installations and, to that end, to consider setting up mechanisms for awarding **Mediterranean ecolabels**.

4. *Capacity building for states, regions and tourist destinations to bring about successful integration of tourism with sustainable development.*

For tourism to be integrated with sustainable development, the institutional instruments adapted to the various issues and situations must be seriously strengthened. The group stressed the following points in particular:

Proposal 8:

To set up **in-depth methods for comparison/negotiation** between tourist authorities, environmental authorities, and the other players involved to define and manage policies for integrating tourism with sustainable development.

Proposal 9:

To **involve the actors concerned**, and local populations in particular, in **defining the objectives for tourist development** for destinations.

Proposal 10:

To develop the **capacity for technical assistance** (studies and activities) allowing for better integration of tourism with sustainable development by public, professional and local actors.

Proposal 11:

To strengthen the **institutional, legislative, technical and financial policies and instruments which will make tourism and the environment more compatible**, and which are adapted to the various situations:

- instruments for land planning allowing for reconciliation of tourism and the environment in the long term, and for offer to be limited according to the established carrying capacity;
- instruments providing for protection of the natural spaces and the coastline against excessive tourist urbanisation (laws, appropriate agencies);
- instruments adapted to the protection, conservation and rehabilitation of the natural and cultural heritage;
- instruments allowing the environmental effects of development programmes and tourist projects to be assessed;
- instruments aiming at reducing pollution, waste, water and energy consumption, and promoting renewable forms of energy and clean technologies in the tourism sector;
- instruments allowing the quality of older destinations to be restored (sites, buildings and tourist infrastructures..) and their tourist products to be diversified;
- instruments aiming at helping local actors, particularly in the hinterland and less developed islands, to become tourism entrepreneurs.

Proposal 12:

Tourism's inherent seasonal nature is one of the major problems faced by tourist destinations. The tourist authorities should promote the implementation of policies aimed at spreading the tourist season throughout the year.

5. Measures to support tourism in the mediterranean island regions

Proposal 13:

To take account of the specific problems faced by islands:

- to diversify island economies which depend too heavily on tourism in order to spread tourism over the year and to promote new sources of endogenous development,
- to systematically study the cross border effects on the environment of island regions of activities carried out in Mediterranean countries, and to avoid financing projects when it turns out that they will have negative effects on the environment of an island region,
- to carry out:
 - a study of the negative environmental consequences of an increase in solid and liquid waste and its treatment, energy dependence and the repercussions of tourism during the high season, the results of this study being reflected in future policies on the island regions,
 - a specific study of the island regions, stressing in particular the environmental and energy dimension, the management of coastal zones and the phenomena of erosion and desertification.
- to carry out a study into the added cost for islands in the field of transport of persons, goods and energy to and from island regions, and the need to link the island regions to mainland ones,
- to provide support to actions and pilot projects to make the best possible use of renewable energy sources should be supported, with the aim of reducing the dependency of the islands in terms of mineral energy sources.

6. *Setting up the programme of action*

Proposal 14:

The group proposes that a dialogue and a working method should be set up with the services of the European Commission within the framework of the Euro-Mediterranean partnership, in order to create the conditions for implementing the proposed action programme.

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B) FREE TRADE AND THE ENVIRONMENT

(Supplementary information to the section "Free Trade" of report UNEP(OCA)/MED WG.140/4)

I. Progress Report (Following the working group meeting, Beirut, 29-30 September 1998)

The working group met in Beirut on 29 and 30 September, 1998. Apart from most of the members of the group being present there were also:

- several international experts
- several representatives from Lebanese businesses, chambers of commerce, and of diplomatic circles.

The following summary report is based on the preparatory work carried out both by Lebanon and by the Blue Plan, and on the discussions which took place during the Beirut workshop.

II. Assessment and Objectives

1. The main share of international trade in the Mediterranean is made up of Euro-Mediterranean trade, particularly for the South.
2. At present the impact of trade on the environment tends overall to be negative, particularly in the SEMCs (Southern and Eastern Mediterranean Countries):
 - industrial pollution at critical sites, largely stemming from export production, with a major impact on the local environment and public health,
 - increase in irrigated agricultural production for export with increasing amounts of water resources being commandeered and often wasted,
 - production, processing and transport of hydrocarbons with the accompanying risks and pollution.

Tourism, which in several regions is a vector of development, can also have a negative impact by contributing to the artificialisation of the coasts, changes in patterns of consumption and the development of transport.

3. Environmental governance remains virtually non-existent: institutional weakness, lack of adequate means (difficulty in mobilising financial resources in a context of debt management), little or no account being taken of the environment in trade policies, inadequate approach or economic consideration by ministers responsible for the environment.
4. On-going processes of globalization and regionalisation will bring about far-reaching changes in the Mediterranean economy, societies and environment, largely due to:
 - growing liberalisation of trade, orchestrated by multilateralism,
 - the building of the Euro-Mediterranean partnership with the setting-up of a free trade zone by the year 2010 through association agreements negotiated between the European Union and each third country. Free trade does not at present cover agro-food products. Preferential access to the European market for non-agricultural products from third countries is shrinking due to multilateralism,

- the tightening up of environmental quality requirements for products, fuelled by European regulation and increasing consumer demand on the markets (development of eco-labelling and certification),
 - the evolution of consumer markets.
5. These developments fuel hopes (an incentive to bring in the necessary structural reforms, modernise economies and administrations, and consolidation of growth), but also fears which cannot simply be ignored:
- exporting companies in the SEMCs fear the cost of catching up in environmental terms which they are facing and will have to face. They feel it is essential that better information should urgently be provided on this subject,
 - sectors of production in the SEMCs which enjoyed customs protection or preferential access to the European market could well be destabilised,
 - it is possible that there may be a shift of certain types of polluting production towards the SEMCs,
 - the rural societies of the SEMCs and Mediterranean agriculture in the European Union countries could become even more destabilised should free trade be extended to agriculture, with a major impact on the ecosystems concerned,
 - changes in consumption patterns could have a major effect on the quality of life, particularly in towns to the South and East (increased volume and variety of products and waste, increased traffic, break up of urban centres caused by new patterns of distribution...),
 - the foreseeable increase in energy consumption in the SEMCs will also have a major impact on the local and global environment.
6. In this context it is essential that past or on-going regional or national experiences should be used, be they a failure or a success, in order to find the conditions and means for achieving double dividend strategies or policies (increasing free trade and the quality of the environment).
7. In this context, account should be taken of:
- the free trade/environment experiences of the other major regional groupings (ALENA, MERCOSUR, ITEC),
 - the lessons which can be learned in this field from the accession of Spain, Greece and Portugal to the European Union,
 - the first lessons to be learned from the first EU/Third Mediterranean Country association agreements.
8. The drawing up of the next association agreements between the European Union and Third Countries and the follow-up of existing agreements are short term deadlines to be seen as a priority. The group should be aiming at providing useful information following an analysis of the different experiences.
9. The analyses and draft recommendations which the working group will have to produce could and should also concern other levels and/or actors, in particular:
- businesses, their associations and other partners (NGOs...) which have a major role to play in contributing to the necessary free trade/environment synergy and therefore to a successful transition,

- the Euro-Mediterranean level which must acquire the means for understanding, following-up and acting (particularly in solving conflicts) which are needed for correct management of the free trade/environment relationship.
- better identification of the issues, risks and conditions for implementation of the free trade/environment connection in the Mediterranean.

III. Mandate

Considering:

- the complexity of the free trade/environment relationship,
- the importance of this question in the short, medium and long term in the Mediterranean,

and recognising the afore-mentioned assessment aspects, the MCSD mandates the working group to collect further information and to continue to analyse on both a global and a sectoral basis, to draw up useful and pertinent recommendations which correspond to the afore-mentioned aims and which apply to all actors affected by the setting up of the Euro-Mediterranean partnership.

This more in-depth work will cover the points which were highlighted by the assessment, and more particularly:

- analysis of the different regional and national experiences and the lessons to be learnt so that the free trade/environment relationship can be better controlled within the Euro-Mediterranean partnership,
- the dynamics of the different sectors, particularly energy, industry, tourism and transport, but also agriculture due to the major role it plays,
- trends in patterns of consumption due to free trade, and their global impact on the environment,
- the stakes, mechanisms and means of financing for environmental policies and programmes within the free trade framework, with an eye to better mobilising and maximising use of available international financing, particularly under the MEDA programme, but also national, public and private financing (companies and local authorities),
- the need for capacity building (of different types) so that the free trade/environment relationship can be better managed by the various actors (policy drafting, technological supply, information, training...).

In order to complete this work and bearing in mind available finances, the group stresses the need to find additional means, and calls for the support of MCSD members to this end.

C) INDUSTRY AND SUSTAINABLE DEVELOPMENT

(Supplementary information to the section "Industry and Sustainable Development" of report UNEP(OCA)/MED WG.140/4)

(Cultural, economic, technical and financial aspects of progressive elimination of land-based pollution, October 1997 - September 1998).

Since the third Meeting of the Mediterranean Commission for Sustainable Development held in Sophia Antipolis last October 1997, some members of the Thematic Group have changed and some new representatives joined the Group itself. The Thematic Group, under the coordination of Algeria and Italy, has stressed its activities on achieving the working plan previously adopted: information, training, partnership, capacity building, environmental management system, eliminate barriers to technology and knowledge transfer.

The aim was to analyse the implications of the entering into force of the Protocol for the Protection of the Mediterranean Sea against Pollution from Land-Based Sources and Activities and of its Strategic Action Program within the framework of a sustainable development. On this purpose, a special attention was reserved for identifying means to stimulate the Governments in enabling policy environment in order to encourage domestic private enterprises and economy-wide competitiveness. This could be achieved by improving infrastructure and education, financial and legal institutions, and by facilitating exports and liberalisation of markets.

A second aim, but not less important, was to identify credible motivations for small and medium enterprises to invest in changing and re-organizing their production management, to face-out the polluting inputs into the Mediterranean Sea, without undermining productivity and employment.

The Group was aware that the small and medium enterprises were not the sole category of companies involved in this process, but those companies that needed more support for getting over the difficulties which can meet in the changing process. Heavy industries, also, are dipped in the same framework, but their dimension generally allow to face the changing by using their own means. The Group took into consideration the industry of chlorine because of its negative impact on the environment and a meeting was held in Barcelona a meeting, between representatives of CEFIC/EUROCLOR, RAC/CP and a consultant of UNEP/MAP, with the aim of identifying strategies and practical targets for reducing that impact and for promoting an integrated approach in pollution control.

The Group, also, convened on the necessity of analysing the industrial status and trend in the different countries in terms of evolution, trade, employment in the frame of sustainable development. Only on this background it will be sound to consider the role of BAT and BEP in the implementation of cleaner technologies in the production processes and to identify priorities and targets in the changing strategy.

For accomplishing these goals, the Group considered very important to hold a Workshop on Industry and Sustainable Development for exchanging experiences and sharing knowledge and assessments, on the above mentioned issues, between experts of the Contracting Parties and members of the Group itself. During the Workshop, that should have been held in Massa (Italy) at the end of the current year, it was expected that a great space would be reserved for the contribution of the experts in order to know the real situations of the industrial sector in the different countries.

Moreover, as already mentioned in a previous MCSD meeting, it was recognized the importance to prepare, a sort of handbook or yellow pages, to be put at the disposal of small and medium enterprises through Internet. The handbook should contain some general considerations on international strategies in this field, on environmental management systems (EMS), on cleaner production policy, on sustainable development indicators; but the most important scope of the handbook should be the information on some specific issues as existing opportunities in training, incentives, financial support, and access to available technologies. The specific part of the handbook should be updated periodically. Involved institutions as RAC/CP and UNIDO/ICS can be in charge of updating the specific part in the future. It was thought to involve the Chambers of Commerce and the Industrial Associations existing in the Mediterranean Area as a way to disseminate this information. The realization of two specific directories has started.

More and more the work is going on, it appears that the complexity of the matter is higher than foreseen. Besides, the delicacy of the topics suggests much prudence in dealing with such a matter. Consequently a deeper reflection, with specialists concerning the various aspects to be faced, is desirable.

The following topics: promotion of production and consumption, reduction of the use of natural resources, facing-out pollution, guarantee of an adequate economy, quality of life and employment, apparently in contrast between themselves, are too many tasks to be integrated. This is a hard work for the Thematic Group. So, in agreement with the MAP Coordinator it has been considered wise to postpone the meeting in Massa and to hold, in a very short time, a small meeting between the representatives and the consultant of the MAP Coordinating Unit, the Task managers of the Group, the specialists in industrial development issues and the experts of RAC/CP, UNEP/EI, and UNIDO/ICS.

The results of that above mentioned meeting, held in Trieste by UNIDO/ICS on last October 5-6, are summarized here below:

1. Industry outreach

1.1 Develop a two-way dialogue with key industrial associations in countries with the aim to discuss their role in encouraging industries to adopt prevention and eco-efficiency approaches, and to diffuse environmental information to members in view of implementation of SAP. This dialogue can initially be developed by augmenting existing meetings and forums, and then be further expanded according to needs.

1.2 Preparation of a document on regional assessment by summarizing existing knowledge of industrial pollution related to the:

- Importance of land-based sources vs. direct.
- Importance of TPBs.
- Importance of SMEs vs. big companies.
- Estimation of damage costs, etc.

2. Exchange of information

- 2.1 Develop a regional Internet information system of key contacts and information sources regarding industrial pollution prevention, eco-efficiency and energy saving. Links this with other international systems, e.g. UNEP, UNIDO and E.U., to create a network that regional experts and stakeholders can easily use to find their information.
- 2.2 Promote the collection of national case studies of cleaner production and good environmental management in order to share regional experience.

3. Capacity-building for “actors for improvement”

- 3.1 Training workshop for organizations that manage large industrial zones to focus on their role in promoting the application of environmental management and decision support systems at their local level.
- 3.2 Seminar for engineering faculties in key universities to encourage them to integrate sustainable development, eco-efficiency and cleaner production into the training of their graduates.
- 3.3 Initiate through local partners, at national level, seminars and workshops to train trainers on:
 - eco-efficiency and environmental management systems;
 - decision support systems for industrial sustainable development in relation to monitoring and the establishment and management of large industrial areas;
 - how to develop a mix of regulatory and voluntary agreement concerning industry.
- 3.4 Organize round-tables for:
 - regional cleaner production centres, and
 - consumer associations.

All the above points can be interpreted as recommendations for the future work of the Thematic Group which will meet immediately before the next MCSD Session to discuss further, and, in case, to seek the agreement of the Commission to orient activities in this direction.