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The 21st Meeting of the Mediterranean Commission on Sustainable Development (MCSD)

Corinth, Greece, 24-26 June 2025

Agenda Item 3: Report by the Coordinator on Sustainable Development Activities for the period June 2023 – May 2025

Report of the MSSD update thematic Working Groups meetings

UNEP/MAP
Athens, 2025

Introduction

1. Based on the conclusions of the 20th meeting of the Mediterranean Commission on Sustainable Development (MCSD) of 14-16 June 2023 (Marseille, France) and of the 25th Steering Committee meeting of the MCSD (MCSD SC) of 18-19 April 2024 (Athens, Greece) related to the process and timeline for the update of the Mediterranean Strategy for Sustainable Development (MSSD), at the kind invitation of the UNEP/MAP Coordinator, the MCSD Members and MAP Focal Points nominated the experts of three MSSD Revision Working Groups (WGs) on Circular Economy, Marine Spatial Planning (MSP) and Ocean Economy/Sustainable Finance. The list of WGs' Members formally appointed by MAP Focal Points and MCSD Members is included in the present Info document as Annex I.
2. While an online introductory meeting has been organized by the Secretariat for all WGs' members on 12 July 2024, the first meeting of the WGs took place at the end of October 2024, under the coordination of the respective responsible Regional Activity Center (RAC): SCP/RAC-MedWaves for the WG on Circular Economy, PAP/RAC for the WG on Marine Spatial Planning (MSP) and Plan Blue for the WG on Ocean Economy/Sustainable Finance.
3. The second meeting of the WGs took place by the end of January/early February 2025. Related outcomes have supported the discussion of the MCSD Thematic Ad-Hoc Meeting of 12 and 13 February 2025. The third and last Thematic WGs took place in March 2025 and the main discussion concerned the further work needed to update the MSSD, following the Thematic Ad Hoc MCSD meeting. The main outcomes of the third and last Thematic WGs have been included in the advance version of the updated MSSD, as presented in the working document UNEP/MED WG.625/3.

Introductory meeting to the MSSD Revision Working Groups

12 July 2024
09.30 – 10.15 CET, On-line

Agenda

Items	Speaker	Indicative timing
Introduction: 2016-2025 MSSD update process, objectives and coordination of the WGs, expected input	Tatjana Hema	5’
Short presentation of the WG on **MSP,** indicative planning and working modalities	PAP/RAC	5’
Short presentation of the WG on **Circular economy,** indicative planning and Working modalities	MedWaves-SPA/RAC	5’
Short presentation of the WG on **Ocean Economy/Sustainable Finance,** indicative planning and Working modalities	Plan Bleu	5’
Q&A	Secretariat and RACs	15’
Closing words	Tatjana Hema	2’

First Working Group on Circular Economy (WGCE)

Revision of the Mediterranean Strategy for Sustainable Development (MSSD) – UNEP/MAP

Briefing / Conclusions on 1st WGCE

Attending Members

- Ms. Maria Papaioannou, Hellenic Ministry of Environment and Energy, Greece
- Ms. Konstantina Rempestekou, Hellenic Ministry of Environment and Energy, Greece
- Ms. Moran Shaanan, Ministry of Environmental Protection, Israel
- Ms. Şeyma Uçar Seçgel, Ministry of Environment, Urbanization and Climate Change, Türkiye
- Ms. Anastasia Roniotes, MIO, Greece
- Ms. Mercé Boy Roura, BETA Technological Center
- Mr. Alessandro Miraglia, MedWaves
- Mr. Giorgio Mosangini, MedWaves
- Ms. Luisa Aparicio, MedWaves
- Mr. Jesús Maestro, MedWaves
- Mr. Matías Ibáñez, MedWaves

Agenda

29th October 2024	
09:30 – 10:00	**Agenda item 1.** Opening of the Meeting, Adoption of the Agenda and Organization of Work, Short Introduction by the Director, Presentation of the WGCE members Introduction to the MSSD Update & WGCE Objectives
10:00 – 10:45	**Agenda item 2.** Preparations for MSSD Update – Discussion among WGCE members a) List of new potential Issues & Challenges in the Mediterranean b) New trends and patterns - Global and regional targets relevant for SCP and CE in the Mediterranean
10:45 –11:00	***Break***
11:00 – 11:45	**Agenda item 3.** Continuation of Preparations for MSSD Review – Discussion among WGCE members a) How to better integrate Circular Economy into MSSD update
11:45 - 12:00	**Agenda item 4**. Any Other Businesses **Agenda item 5**. Date and Venue of the 2nd WGCE Meeting / Calendar

Next Steps / WGCE Planning

WGCE	
1st Working Group – October 2024 (online)	**Macro Level – Circular Economy & SCP in the region** Introduction to the MSSD Update & WGCE Objectives Key issues, global and regional trends relevant for SCP/CE in the Mediterranean
2nd Working Group – December 2024 (online)	**Meso Level – Strategic Directions, Regional Actions & Flagship Initiatives** Overview of Strategic Directions related to SCP: Objective 5 & Beyond Analysis of Regional Actions – Indicators Discussion on Flagship Initiatives
3rd Working Group – March 2025 (in-presence)	**Micro level – National Actions, Time-frame and Indicators** Continuation of the analysis of Strategic Directions related to SCP Overview of National Actions – Indicators & Targets Discussion on Timeframe and Implementing organizations

Key Aspects from the meeting

- **Circularity as an evolving concept**
  - Members brainstormed about the **concept of circular economy, its aim, its challenges**. It was agreed circularity is a cross-cutting issue and it will feed not only Objective 5 but Objective 2, 3, 4 and 6.
  - New definition of CE in the description of Objective 5 should be given. Members asked to refer to UNEP definition of circular economy.
  - The title of Objective 5 *"Transition towards a green and blue economy"* should be updated according to all members, and the word sustainable should appear in the new title. For some members (MedWaves, Greece) the word sustainable would already encompass circularity, for the rest (IMO, BETA), it would be better to mention both sustainable and circular. A draft title proposal would be: "*Transition towards a sustainable circular green and blue economy and sustainable finance".*
  - References to green and blue economy were made, and all members agreed that both economies are not always sustainable, so this reference should be very clear along the text for revision.
  - It was agreed by all the need to update the introduction to Objective 5 where circular economy is treated/approached as a new paradigm, yet this text is now old-fashioned. Also, references to circularity within the definition of green economy were asked to be modified by all members.
  - A member of MedWaves referred to the Triple Axis (social, economic and environmental) that circularity should tackle at the macro level, yet it was discussed by the group that contracting parties cannot always translate these principles into the meso and micro level, that is why concrete actions and financial aid would be needed to make this transition work.
  - Moreover, a member of MedWaves mentioned that degrowth theories are never mentioned as a new paradigm/strategy for contracting parties to follow, and it would

be valuable to add any reference to the text. Greece and IMO members responded that these references are very much political, and contracting parties would never accept them in a new text proposal.

- References to the 2030 Agenda were raised by Greek member and IMO, and enquired how to proceed with new action proposals given the SDGs Agenda will be revised in 20230.

- **New topics, sectors, and working lines**
  Members revised new **SCP trends and patterns, new industrial, agricultural and service sectors** to be included in further revisions and assessed the ***"Box 1. List of issues addressed by the six objectives of the Mediterranean Strategy for Sustainable Development 2016-2025"*** by proposing some recommendations to be added:

  - References to the **Bio-economy sector** should be included in the new text as proposed by Beta representative. Linking bio-waste with bio-food production is key to advance circular practices in agricultural field. Objectives 2 and 5 should refer to this challenge.
  - **Open Innovation and Eco-Innovation** should be guiding principles in the new MSSD. MedWaves member proposed to strengthen references to Innovative technologies and Science applied to the service of Circularity. BETA representative proposed to further revise the Science-Policy nexus based on circularity principles and how it can benefit both green and blue economy sectors.
  - **Irrigation and applied circular agricultural practices** was raised by the Hellenic representative, as it is a national priority for Greece. It should be added in Objective 2.
  - **The benefits of circularity practices to foster low-carbon economies** was addressed by Greek representative and IMO, and it was agreed by BETA that more references to new studies on the potential of circular economy to reduce green house emissions should be added in Objectives 5 and 4.
  - **The WEFE Nexus** is a key field for the majority of contracting parties nowadays, and it was raised by IMO and Greek representative that some references should be also included in Objective 5. A proposal by Greek member raised the possibility to include the new flagship initiative on WEFE nexus under the framework of Objective 5.
  - **Education** was brought into the discussion by IMO and Greek representative as a key priority in both broadly raising awareness about circularity and mobilizing consumer's awareness in market cities.
  - **Youth and women** should be further strengthened as proposed by Greek member, and more concrete actions should be considered. Also, **Just Transition mechanisms** should be added to the text as referred by MedWaves member,even some references to other vulnerable groups such as migrants.
  - **Development of new sustainable business models for start-ups** is a key point to be further strengthened as proposed by MedWaves representative, as well as the need to further develop public-private synergies to foster circularity at the industry level
  - **Water scarcity, food waste/security and circularity** references were agreed to be included by all members in both Objectives 2, 3 and 5.
  - **Digitalization** is slightly mentioned in the MSSD; and it was agreed by all members to be further revised, including references to the Science-Policy Nexus and the role of innovative technologies to foster circularity.
  - **Investment flows and financial incentives** towards private sector was agreed by all to be mentioned, however, some enquiries were raised on the level of detail this WGCE can enter as it is a topic raised by WG on Sustainable Finance.

General Questions raised on Evaluation Mechanisms

- How the 3 WGs would feed the Strategy and how they will be connected with the other

parallel revision/evaluation mechanisms?
- Would the 3 WGs have access to the External Evaluation undertook by the Consultant?
- How coordination among WGs would work?
- It is possible to add new Flagship Initiatives?
- What's the process for the adoption of a new MSSD 2025-2035?
- How specific new actions can be if Agenda 2030 will be finished by 2030?

Conclusions

The discussions that took place in the first WGCE were very fruitful as many trends, challenges and proposals for new sectors to be included were brought by the members, who identified on a macro level the missing gaps in the MSSD at the level of the introductory text and list of challenges (Box 1).

For the 2nd WGCE it was agreed that the meso level of the strategy would be addressed, and more detail and concrete revisions at the level of Strategic Directions and Regional and National Actions would be provided.

Two dates were agreed for the next WGCE, 4th December or 12th December 2024. It was agreed that a new save the date would be sent with the final date depending on the availability of UNEP/MAP to be present at the next meeting.

It was mentioned the idea and possibility that the third meeting could be held in Brussels with the support of Plan Bleu.

Last but not least, one of the challenges encountered was the lack of representation of Southern Mediterranean representatives. For next WGCE, this is a key issue to be taken into account, and further efforts could be proposed in collaboration with UNEP/MAP on how to address more representatives from Southern Mediterranean institutions, organizations or ministries.

Moreover, some members of the WGCE did not even respond to the 1st WGCE invitation. Further efforts, mitigation measures and more detailed communications should be made to these members. If they do not respond again, UNEP/MAP could help redirect this situation.

Second Working Group on Circular Economy (WGCE)

28 January 2025

Report

Attending Members

- Ms. Maria Papaioannou, Hellenic Ministry of Environment and Energy, Greece
- Ms. Konstantina Rempestekou, Hellenic Ministry of Environment and Energy, Greece
- Ms. Moran Shaanan, Ministry of Environmental Protection, Israel
- Ms. Anastasia Roniotes, MIO, Greece
- Ms. Mercé Boy Roura, BETA Technological Center
- Mr. Giorgio Mosangini, MedWaves
- Ms. Nuria Manchado, MedWaves
- Ms. Laura Bordera, MedWaves
- Mr. Jesús Maestro, MedWaves
- Mr. Matías Ibáñez, MedWaves

Agenda

28th January 2025	
10:00 – 10:15	**Agenda item 1.** Welcoming remarks and Objectives of the meeting
10:15 – 11:45	**Agenda item 2.** a) Revision, update and new proposals of Strategic Directions and Actions within the MSSD – Objective 5 b) Revision, update and new proposals of Indicators – Objective 5 c) Revision, update and new proposals of actions and indicators related to CE and SCP within the MSSD – Objective 2, 3 and 4
11:45 - 12:00	**Agenda item 3.** Conclusions **Agenda item 4.** Date and Venue of the 3rd WGCE Meeting

1. Introduction

The second working group meeting convened to discuss updates to Objective 5 of the Mediterranean Strategy for Sustainable Development (MSSD). The primary focus was on refining the strategic priorities related to the transition towards a circular, green and blue economy, integrating circular economy principles and SCP references. The meeting also addressed proposals for improving policy alignment, refining indicators, and integrating provisions on circular economy in the text.

2. Key topics covered

2.1 Circular Economy and Green Transition

- Members agreed that the concept of circularity must be fully integrated into Objective 5, ensuring clear references to sustainable economic models.

- Several proposals were made to update the title of Objective 5 to include both sustainability and circularity references.

- It was emphasized that references to green and blue economies should explicitly highlight their potential sustainability gaps. A clearer definition should be provided aiming at strengthening the concept of sustainability and circularity within the green and blue economies.

- Members agreed on aligning the definition of circular economy with UNEP's **standards.**

- Some members discussed how to better measure action 5.1.3 about raising awareness among policymakers, given the difficulty to measure the impact of communication and awareness campaigns towards policy change.

- References to green sectors should be avoided in the text. Members proposed to refer to sustainable blue and green economies.

2.2 Just Transition and Social Inclusion

- Discussions emphasized the importance of labour justice and gender mainstreaming within green job strategies.

- However, members debated whether to make just transition a cross-cutting principle within Objective 5 or to incorporate it under other strategic directions. According to participants, this topic should be transversal to the whole MSSD, not only specific to objective 5 and the blue and green economies.

- A new regional action was proposed to foster labour justice and social inclusion, ensuring fair wages and working conditions in green sectors. The action would aim at compiling and disseminating best practices among implementation partners on labour and gender policies.

- The reference to include the word *just* in the title of Strategic Direction 5.1 "Create green, *just* and decent jobs for all…" did not meet with consensus, as for some members just jobs did not contribute anything. Moreover, the need to update the title by removing the reference to *eradicating poverty*, which was already outdated, was mentioned. A provisional title of Strategic Direction 5.1 could be seen as follows: *"Foster green and decent jobs for all, particularly youth and women, to foster just transition and enhance social inclusion".*

2.3 Skills Development and Capacity Building

- The need for digital skills and training for the green transition was raised, with members proposing the inclusion of digitalization as a key competency in training programs.

- References to the use of AI and digitalization processes should be included in the text as proposed by participants, and specially on Action 5.1.2. Members agreed to include a twofold reference on this action, both at the level of providing capacity-building to employees on this topic, and at the level of using digital and IA tools in the different trainings to foster green skills and jobs.

- A proposal was made to broaden skills assessment methodologies to include both green and digital skills, ensuring accessibility for rural populations through online training platforms.

- It was suggested to refine indicators to focus on participation rates in training programs rather than attempting to quantify direct policy influences.

2.4 Sustainable Consumption and Production patterns

- A new action 5.3.3 *"to foster the set-up of sustainable business models and production by creating enabling regulatory frameworks that encourage circular economy principles"* was discussed and finally agreed.

- Members agreed to include stronger references to the need of raising awareness on the benefits of Circular economy in Action 5.3.2, specially on consumers.

- References to eco-incubators across the Strategic Direction 5.3 and 5.4 were agreed to be eliminated, as the standard use is Business Support Organizations (BSOs).
- A member proposed to include stronger references to eco-design practices and social innovation within Action 5.4.1; while another participant suggested to include in Action 5.4.3 references to uptake tech innovation in public-private partnerships.

2.5 Sustainable Finance and the integration of criteria into public and private investments

- Members debated the role of sustainable finance within Objective 5, acknowledging that it is primarily addressed in another working group but remains relevant to this discussion.

- Discussions focused on green fiscal measures, green taxes, and financing mechanisms to support sustainable investments. Members agreed to include a new action 5.5.3 related to *"enhance the creation of national regulatory frameworks that incentivize green investments and provide access to finance for projects aligned with climate goals and circularity principles".*

- A suggestion was made to ensure alignment with ongoing efforts to establish a Mediterranean green taxonomy based on EU models.

- All members agreed on the need to update the title of Strategic Direction 5.5, and include the reference to *"social, environmental and circular economy principles",* instead of sustainability principles.

- All members agreed Strategic Direction 5.5 and 5.6 should include stronger references to economic incentives and exchange cooperation between public and private sector to foster SCP and CE practices.

2.6 Indicators and Measurement Frameworks

- Members agreed on deleting *"Strategic direction 5.2: Review the definitions and measurement of development, progress and well-being"* due to its lack of clarity and for addressing past values of measuring progress based on GDP.

- The need to harmonize terminology across different objectives and ensure consistency in policy instruments was highlighted.

3. Conclusion

The meeting provided a comprehensive discussion on refining Objective 5, with a strong consensus on integrating circular economy principles, strengthening just transition mechanisms, and uptaking skills development strategies. While sustainable finance remains an essential component, it was agreed that its primary discussion should parallelly take place in the dedicated finance working group.

Agenda - 3rd Working Group
13th March 2025

Venue : Plan Bleu, Tour la Marseillaise - 16ème étage - 2 bis, Boulevard Euroméditerranée - Quai d'Arenc, 13002 Marseille, France

Attending Members

- **Ms. Maria Papaioannou**, Hellenic Ministry of Environment and Energy, Greece
- **Ms. Konstantina Rempestekou**, Hellenic Ministry of Environment and Energy, Greece
- **Ms. Moran Shaanan**, Ministry of Environmental Protection, Israel
- **Ms. Livnat Goldberg**, Ministry of Environmental Protection, Israel
- **Ms. Carmen Durán**, Ministry of Ecological Transition and Demographic Challenge, Spain
- **Ms. Anastasia Roniotes**, MIO, Greece
- **Ms. Giovana Pedrol de Freitas**, Circular Economy Malta
- **Ms. Mercé Boy Roura**, BETA Technological Center
- **Mr. Matías Ibáñez**, MedWaves (SCP/RAC)
- **Mr. Robin Degron,** Plan Bleu/RAC

13th March 2025	
9:00 – 9:15	**Agenda item 1.** Welcoming remarks by Robin Degron, Director, Plan Bleu Adoption of the agenda
9:15 – 9:45	**Agenda item 2.** a) Discussion with Plan Bleu on new Strategic Priorities, Actions and Indicators on Sustainable Finance within Objective 5
9:45 – 10:30	**Agenda item 3.** a) Revision, update and new proposals of Strategic Directions and Actions within the MSSD – Objective 5
10:30 – 11:00	*Coffee break*
11:00 – 11:45	**Agenda item 3. *Continuation*** b) Revision, update and new proposals of Strategic Directions and Actions within the MSSD – Objective 5
11:45 – 12:45	**Agenda item 4.** c) Revision, update and new proposals of actions and indicators related to CE and SCP within the MSSD – Objective 2, 3 and 4
12:45 - 13:00	**Agenda item 4.** Conclusions & Text Approval **Agenda item 5.** Closing remarks
13:00 – 14:00	*Lunch Break*

1. Key topics covered

1.1 Foster the creation of green and decent jobs for all

- Members agreed that the concept of circularity must be fully integrated into SD 5.1 and its actions, ensuring clear references to skills assessments practices as well as training and capacity building programmes.

- Several proposals were made to update the title of SD 5.1 to include both social inclusion and just transition references. A preliminary title could be seen as follows: *"Foster the creation of green, and decent jobs for all, particularly youth and women, to enhance social inclusion and just transition".*
- It was emphasized that references to digitalization and AI in green jobs, and the need to include re-skilling/up-skilling approaches should be a priority for the new MSSD and the update of SD 5.1.
- The need for digital skills and training for the green transition was raised, with members proposing the inclusion of digitalization as a key competency in training programs.
- Some members discussed how to better measure action 5.1.3 about raising awareness among policymakers, given the difficulty to measure the impact of communication and awareness campaigns towards policy change.
- Clearer references about the potential of the circular, green and blue economy transition to promote resilient, low- carbon, resource-efficient and socially- inclusive economic development should be made in the SD 5.1.
- A strong message was given by the WGCE to include clearer references and more concrete actions within SD 5.1 on the mainstreaming of labour justice and gender equality to foster the just circular economy transition.
- Moreover, the WGCE members agreed on the need to make stronger references to the sharing of data, knowledge and guidelines on just transition to circular economy among national and regional stakeholders, including best practices on gender equality and labour justice.
- The WGCE members agreed on the need to eliminate all actions related to the review of the definitions and measurement of development, progress and well- being.

1.2 Promote sustainable consumption and production patterns

- The WGCE had a long discussion on the need to bring new SD 5.2 and 5.3 together. However, it was agreed that SD 5.2 would refer to the implementation of the SCP Regional Action Plan and sustainable consumption, while SD 5.3 would refer to sustainable production. It was then accepted by all members to thoroughly revise SD 5.3 and its actions (including its title), while to add more references to sustainable production trends and patterns to make a stronger case for SD 5.2.
- Clearer references to education programmes and the need to raise awareness about the benefits of circular economy and sustainable consumption were marked as crucial to reinforce new SD 5.2. However, WGCE members raised the need to not simply address these campaigns to regular citizens but to other stakeholders, including schools, kids, businesses and governments (public investment/procurement).

1.3 Foster eco-innovation and sustainable business solutions

- WGCE members agreed on the need to update the title of the new SD 5.3. A potential title could read as follows: *"Foster eco-innovation and sustainable business solutions to advance towards a low-carbon and , circular economy".*

- A proposal was made by the WGCE to include stronger references to the creation of sustainable business models under SD 5.3. Moreover, a strong emphasis was placed on the need to create the right public policy and regulatory conditions to foster private sector development.

- WGCE members agreed on the need to include clearer references to eco-design principles, as eco-innovation alone does not stand for all progress in innovation and practices in product development.
- A long discussion was held to promote the inclusion of eco-design principles taking into

account the whole product lifecycle. The adoption of eco-design principles that extend all along the lifecycle of products through circular economy models should be a must reference to be included in the new SD 5.3, according to WGCE members.

- WGCE members agreed that the word eco-incubators is not used anymore, therefore, the accepted/common term to be used in further MSSD update should be referred as Business Support Organizations (BSOs). Moreover, the WGCE agreed on including a stronger reference -through the Objective 5, and particular in the new SD 5.3- to BSOs and circular economy hubs that adopt sustainable and circular approaches for businesses and entrepreneurs, as not all BSOs support the creation and set-up of green businesses.
- The WGCE agreed on the need to provide clearer references and a stronger commitment in the new MSSD about the necessity to enhance the capacities and networks of existing BSOs across the Mediterranean region.
- WGCE members had a long discussion on the need to support public-private partnerships between universities, research centres, businesses, civil society organizations (CSOs) and public institutions to drive innovation. The members agreed on the need to broaden the scope of these private-public partnerships by promoting a whole-of-society approach, including public sector and civil society in the equation.

1.4 Sustainable Consumption and Production patterns

- A new action 5.3.3 *"to foster the set-up of sustainable business models and production by creating enabling regulatory frameworks that encourage circular economy principles"* was discussed and finally agreed.

- Members agreed to include stronger references to the need of raising awareness on the benefits of Circular economy in Action 5.3.2, specially on consumers.
- References to eco-incubators across the Strategic Direction 5.3 and 5.4 were agreed to be eliminated, as the standard use is Business Support Organizations (BSOs).
- Members proposed to include stronger references to eco-design practices and social innovation within Action 5.4.1; while another participant suggested to include in Action 5.4.3 references to uptake tech innovation in public-private partnerships.

1.5 Sustainable Finance and the integration of criteria into public and private investments

- Members debated, in collaboration with Plan Bleu, the role of sustainable finance and the integration of criteria into public and private investments, based on the inputs provided by the WG on Ocean Economy led by Plan Bleu.
- Discussions focused the need to include further references in the title of new SD 5.4 and concrete actions on to the need to mainstream sustainability, circularity and climate change principles and criteria into decision-making for evaluating public and private investment.
- WGCE agreed on the need to raise awareness about environmental and social impact assessments prior to investments decisions. The members had a long discussion about this topic and emphasized the need to provide tools and guidelines to national authorities, as well as on the need to provide capacity building programmes, to move forward on this direction.
- All members agreed that the new MSSD should include stronger references to economic incentives and exchange cooperation between public and private sector to foster SCP and CE practices.
- According to the WGCE, the need to increase the capacities of national agencies should be taken into account in the new MSSD update, and this process should be done through a two-track process, both in sustainable investments and in putting in place SCR mechanisms for the private sector.

1.6 Promote economic instruments and measures that support sustainable consumption and production

- WGCE had a long discussion about three key axes that should be by all means to be present in the new MSSD update, and which are complementary to the work developed by Plan Bleu on sustainable finance, mainly (1) the polluter-pays principle, (2) environmental-harmful subsidies and (3) the Extended Producer Responsibility (EPR).

- Members agreed on the need to provide stronger references to the promotion of environmental tax reform and integrate the polluter-pays principle, and carrying out reviews on the environmental impacts of public subsidies with a view to the phasing out of environmentally-harmful subsidies.

- The WGCE showcased the importance to add a stronger reference on the EPR or similar mechanisms in the Objective 5, and in particular, in the new SD 5.6. All members agreed on the necessity to promote EPR aiming at enhancing resource

  efficiency, waste reduction, and product lifecycle accountability, encouraging industries to design products that are durable, repairable, and recyclable.

1.7 Sustainable Resource Management and Food Security through sustainable forms of rural development

- WGCE members agreed on the need to incorporate stronger references in Objective 2 to resource management strategies that align with bio-circular economy principles and aim to regenerate ecosystems and promote biodiversity.

- Moreover, a long discussion was held on the need to incorporate references to the WEFE nexus in the SDs of Objective 2, and especially in the title of SD 2.1 which could read as a proposal as follows: *"Promote the sustainable use, management and conservation of natural resources and ecosystems within a WEFE nexus approach"*.
- Finally, it was agreed by all members the necessity to include more references to Nature-Based solutions linked to circularity principles within the Objective 2, as the Objective did not fully reflect them.

1.8 Plan and Manage Sustainable Mediterranean Cities

- WGCE members agreed that stronger references related to waste management and circularity should be included in the Objective 4. However, there was not enough time to debate the Objective 4 in detail.

First Working Group for Marine Spatial Planning (WG-MSP)

on updating the Mediterranean Strategy for Sustainable Development (MSSD)

Marseille, 23 October 2024

Meeting agenda

9.30 – 10.00	Opening, Welcome and Tour the Table
10.00 – 10.30	Introduction to the meeting: MSP and current Mediterranean Strategy for Sustainable Development 2016-2025 (MSSD) Discussion
10.30 – 11.00	Key issues, global and regional targets relevant for MSP in the Mediterranean Discussion
11.00 – 11.20	Café break
11.20 – 12.30	Objective 1 of the MSSD: Gaps and needs for Strategic directions, targets and related actions on regional and national level Discussion
12.30 – 13.00	Conclusions and next steps
13.00	Lunch

Meeting report

The first meeting of the Working Group for MSP on updating the Mediterranean Strategy for Sustainable Development (MSSD) was held on 23 October 2024 at the Plan Bleu premises in Tour la Marseillaise. The meeting gathered 15 participants from France, Greece, Italy, Spain, Türkiye, AFED, DG MARE European Commission and the Maritime Spatial Planning Assistance Mechanism, MedCities, and UNEP/MAP (CU, PAP/RAC, and Plan Bleu).

Plan Bleu, as the host, welcomed the participants, and recalled its role on the MSSD revision mainly around the quantitative evaluation through the MSSD indicators dashboard that highlight the evolution of the state of the environment over the period 2016-2024. Plan Bleu also leads the working group on ocean economy/sustainable finance, one of the three working groups within the frame of the MSSD revision. Participants then briefly introduced their roles and highlighted the importance of MSP for their respective countries or organizations. The MSP process varied across the represented countries: some are currently focused on preparing ICZM strategies and legislation, while others are advancing through MSP preparatory stages or developing new-generation MSPs.

Following an overview of the MSSD's current status, key evaluation indicators, and the update process, participants shared their initial insights on integrating MSP into the updated Strategy. Key general comments included:

- Incorporating Lessons Learned and Policy Developments: The updated Strategy should reflect relevant lessons learned and recent global and regional policy and legislative frameworks, such as the MSP Directive and EU's MSP experiences from its implementation across Mediterranean countries supported by various EU funding mechanisms, and recent legislative progress in the EU, particularly concerning the EU Restoration Law, the review of the MSFD, and the forthcoming Oceans Pact. In addition, synergies among regional initiatives should be also foreseen and taken into consideration (e.g. with the Union for Mediterranean-UfM, WestMed Initiative, Maritime Spatial Planning Mediterranean Community of Practice-MSP MED CoP).

- Leveraging Spatial Management Tools: The new MSSD could promote a comprehensive set of spatial management tools under the Barcelona Convention to enhance conservation and sustainable resource use in the Mediterranean. The Strategy should encourage the adoption and integrated use of these tools to maximize synergies and harmonize their implementation at all levels.
- Focus on Ecosystem Approach and Good Environmental Status (GES): The Strategy should prioritize implementing the Ecosystem Approach in the Mediterranean, aiming to achieve and maintain GES through the coordinated and adaptive application of ICZM and MSP at both national and transboundary levels.
- Importance of Fisheries: Fisheries are essential to the Mediterranean region, necessitating specific reference to spawning grounds, vulnerable areas, and small-scale fisheries as vital economic drivers. The relevance of protected areas for fisheries management should also be emphasized, with explicit mention of the role of GFCM.
- Clarity through Definitions: Including definitions, such as those for coastal and marine areas, would be beneficial to ensure shared understanding.
- Streamlining Indicators: The Strategy should avoid excessive indicators. It is crucial that selected indicators are compatible with existing regional and national monitoring processes to prevent duplicative efforts.
- Accessibility of Coastal Zones: The Strategy could acknowledge that many coastal areas are inaccessible to the general public due to specific use regimes, and consider how MSP might address these accessibility issues.
- MSP as a Protective Tool for Cities: MSP can be presented as a protective tool for cities by addressing barriers in vertical planning and cooperation due to the jurisdiction over different parts of the sea and coast being dispersed across various levels of governance. The goal is to achieve integrated planning, aligning coastal and marine areas under a unified framework.

For the issues listed in Box 1 of the MSSD, participants emphasized the need to include:

- Increasing Spatial Conflicts between Marine Activities: Over recent decades, the use of maritime space has grown substantially, with further increases expected in coming years. While conflicts between maritime activities and biodiversity are addressed, conflicts among the activities themselves—such as those between offshore wind energy (OWE) and fisheries, or between cables and anchoring/OWE—are not. These conflicts present challenges to achieving truly sustainable development.
- Land-Sea (and Sea-Land) Interactions (LSI): Some LSI consequences, like marine pollution originating from inland sources or the linear urbanization of coastlines, are already partially covered in Box 1. However, many other important LSI issues are not yet included, such as
  - Changes in sediment dynamics due to water retention in river basins
  - Disruption of natural coastal conditions due to climate change impacts on the sea
  - Increased demand for inland infrastructure driven by certain maritime activities
  - Impacts of the sea landscape on residential or tourist uses of coastal areas
  - Coastal cultural heritage areas requiring enhanced protection of adjacent sea landscapes
  - Increased atmospheric pollution in coastal urban zones due to maritime activities

Including these LSI aspects is essential to create a comprehensive approach to managing the interconnections land and sea and addressing the full spectrum of spatial and environmental conflicts.

Comments on Objective 1:

- Reflect the Ecosystem Approach in Introductory Text: The introduction to Objective 1 could briefly but clearly articulate the interconnections among EcAp, ICZM, and MSP, encouraging Parties to develop management plans that enhance synergies among these frameworks.
- Update the Conservation Target: Amend the first target to state: *"By 2030, conserve at least 30 percent of coastal and marine areas, with 10 percent of these areas under strict protection, in line with national and international laws and based on the best available scientific knowledge."*
- Incorporate a Nature Restoration Target: Consider including an additional target focused on ecological restoration, beyond just fish stocks, to encompass broader ecosystem restoration efforts.
- Expand MSP's Role in Objective 1: Currently, MSP is referenced in a limited way; it should more fully emphasize MSP's purpose in promoting balanced and sustainable use of marine resources.
- Broaden Focus Beyond Environment: Objective 1 is primarily environmentally focused but should also address enablers of the blue economy, possibly expanding on these in other objectives. MSP should be framed as a tool to foster synergy between environmental and economic goals.
- Revise Strategic Direction 1.1: Update Strategic Direction 1.1 to include not only "implementation and compliance" but also the development of synergies among Barcelona Convention Protocols and other regional policies. Specifically, an action could be added for the adoption of national maritime spatial plans.
- Reframe Strategic Direction 1.2: Strategic Direction 1.2 should address broader uses of marine space, not limited to resource exploitation. This includes activities that utilize marine space without directly exploiting resources, such as navigation.
- Address Coexistence of Maritime Uses: Within Strategic Direction 1.2, include an action promoting coexistence of maritime sectors and uses, addressing the increasing spatial conflicts among maritime activities.
- Foster Exchange of Good Practices: Include an action to encourage sharing good practices around coexistence, conflict resolution, synergies, and multi-use, with suggested criteria for coexistence that could inform national MSPs or serve as guidance for countries developing their own criteria.
- Align Strategic Direction 1.2 with EcAp Goals: Shape Strategic Direction 1.2 and its actions to focus on achieving EcAp goals, incorporating relevant policies, frameworks, and management tools.
- Consider Cumulative Impact Assessment: Add activities that address cumulative impact assessments to evaluate and manage the combined effects of maritime activities.
- Promote Data Integration and Sharing: Develop activities exploring ways to establish common approaches for data integration and sharing, leveraging informal platforms for collaboration and information exchange. The Mediterranean Community of Practice could be instrumental for this purpose.
- Support Ocean Literacy Initiatives: Include activities to improve ocean literacy, from integrating ocean studies into formal school curricula to developing other educational and outreach programs.

Due to the cross-cutting nature of MSP, there is a valuable opportunity to mainstream it across all MSSD Objectives and relevant Strategic Directions. Objectives and Strategic Directions addressing areas like biodiversity conservation, fisheries, climate change, and renewable energy should emphasize the importance of considering these themes in the development of maritime spatial plans. This integrated approach could be strongly advocated in the explanatory text for each Objective or incorporated as specific actions within their Strategic Directions

Comments on other Objectives:

- Objective 5: In Objective 5, MSP could focus on its social and economic benefits rather than environmental impacts. Consider adding actions to strengthen the connection between MSP and the blue economy, identifying specific synergies that promote sustainable economic growth.
- Objective 4: Emphasize "climate-smart MSP" by highlighting how the ocean offers significant opportunities for climate change mitigation, particularly through renewable energy exploitation. This concept could reinforce the role of MSP in supporting climate resilience and sustainability.
- Strategic Direction 6.2: Include an action to strengthen the role of regional and local governments in MSP, aligning with the objectives of the REGINA MSP project. MSP can create additional forums to address cross-cutting issues at multiple governance levels (local, subnational, national, regional, and international), fostering greater collaboration and coordinated action.

List of participants

COUNTRY	INSTITUTION	NAME
EU	DG MARE European Commission	Ms Eleni Hatziyanni
	Maritime Spatial Planning Assistance Mechanism	Mr Athanasios Smanis
France	Ministry in charge of the Sea and Fisheries	Mr Pierre-Maxime Giora
		Mr Olivier DUFOURNEAUD
Greece	Ministry of Environment and Energy	Ms Elena Lalou
		Ms Anna Spyropoulou
Italy	Ministry of Environment and Energy Security	Mr Riccardo Piraccini
Spain	Ministry of ecological transition and demographic challenge	Ms Aurora Victoria Mesa Fraile
Türkiye	Ministry of Environment, Urbanisation and Climate Change	Ms. Tutku Karadoğan
		Ms. Özlem Örme
	MedCITIES (Municipality of Genoa)	Ms Stefania Manca
	University of Balamand (Lebanon)	Mr Manal Nader
	UNEP/MAP CU	Ms Patrizia Busolini
	UNEP/MAP PAP/RAC	Ms Marina Markovic
	UNEP/MAP Plan Bleu	Mr Antoine Laffite

Second Working Group for Marine Spatial Planning (WG-MSP)
4 February 2025
Report

1. **Reinforce MSP as a key governance tool**

   MSP plays a crucial role in ensuring policy coherence and a coordinated approach to environmental protection and the sustainable blue economy in the Mediterranean. This can be achieved by:

   - **Integrating the ecosystem approach** into different stages of planning to support the achievement of GES.
   - **Aligning sectoral policies** with environmental protection goals, ensuring they contribute to achieving GES.
   - **Using SEA as the backbone** of environmentally responsible MSP.
   - **Promoting sustainable use** by:
     - Reducing user conflicts at national and international levels, thus supporting Mediterranean blue economy efforts.
     - Providing guidance for coastal and maritime sectors in their green transition.
     - Encouraging the development and use of NBS.

2. **Enhance MSP-related capacity building**

   Capacity-building efforts should target different levels of governance and policymaking groups by:

   - Providing technical guidance.
   - Facilitating the exchange of experience, including through the MSP WG's collaboration with other governance mechanisms such as MSP Med COP at the regional level as well as national initiatives like CAMP projects.

3. **Strengthen the social dimension of MSP**

   In addition to its environmental and economic aspects, MSP should also support coastal communities by safeguarding and promoting intangible cultural heritage.

4. **Bolster the Conservation Component Under Objective 1**

   Strengthening the conservation dimension within MSP will enhance its effectiveness in achieving environmental and biodiversity protection goals.

5. **Ensure Stronger Links with Other Objectives**

   - **Objective 3:** Address land-sea and sea-land interactions.
   - **Objective 4:** Promote climate-smart MSP.
   - **Objective 5:** Emphasize the importance of national blue economy strategies as part of the MSP process.
   - **Objective 6:** Strengthen MSP's governance role.

Third meeting of the Working Group for MSP
Online, 20 March 2025
Meeting report

The third meeting of the Working Group for MSP, held online on 20 March 2025, focused on providing technical contributions for the preparation of the Position paper: Advancing MSP in the Mediterranean. Furthermore, participants were informed about the progress in preparation of the Mediterranean Strategy for Sustainable Development (MSSD). The meeting gathered 18 participants from Cyprus, Greece, Israel, Italy Lebanon, Malta, Montenegro, Slovenia, Tunisia, Türkiye, DG MARE European Commission, MedCITIES and PAP/RAC. List of participants is available as Annex 2 of the report.

Agenda Item 1: Opening and Welcome

PAP/RAC opened the meeting by welcoming participants and presenting the agenda (Annex 1).

Participants were once again updated on the status of the Working Group, emphasizing that the MSP WG continues to function as an informal body supporting the MSSD update process. However, this meeting marks the final discussion on the MSSD update, as the group gradually transitions into a formal Working Group composed of representatives from the Contracting Parties. Its focus will be on implementing the COP23 Decision IG.26/10 on the Conceptual Framework for Marine Spatial Planning in the Mediterranean. Given this transition, it is crucial for members to attend the upcoming in- person meeting in Athens, where the group's Terms of Reference will also be discussed.

Agenda Item 2: MSSD update

Participants received a brief update on the MSSD process, noting that the Thematic Ad-hoc Meeting of the MCSD took place on 12–13 February 2025 in Istanbul, Türkiye. The meeting aimed to facilitate a thematic discussion on the first draft of the updated MSSD, including its flagship initiatives, as well as the initial elements of the revised Regional Climate Change Adaptation Framework for the Mediterranean Marine and Coastal Areas (RCCAF).

The next MCSD Meeting is scheduled for the end of June, where the final version of the Strategy will be presented. The final updated MSSD document will be prepared ahead of the 21st MCSD Meeting to allow sufficient time for internal consultations at the national level for MCSD country members.

Participants were also reminded on the final conclusions from the 2nd WG meeting:

- Reinforce MSP as a key governance tool by
  - Integrating the ecosystem approach into different stages of planning to support the achievement of GES
  - Aligning sectoral policies with environmental protection goals, ensuring they contribute to achieving GES
  - Recommending SEA as a supporting framework for environmentally responsible MSP, where applicable.
  - Promoting sustainable use by reducing user conflicts and supporting Mediterranean blue economy efforts, providing guidance for sectors towards green transition, encouraging the development and use of NBS
  -
- Enhance MSP-related capacity building through
  - Technical guidance
  - Exchange of experience; MSP WG

- Strengthen social dimension of MSP
- Ensure links of objective 1 and other objectives addressing
  - Land-sea interactions, blue economy strategies, climate smart MSP, governance

It was also pointed out that current Objective 1 in the Strategy will become Objective 2, while

Climate changes, given its global priority will move as Objective 1.

Agenda Item 3: Position paper on MSP: Advancing Maritime Spatial Planning (MSP) in the Mediterranean

During the meeting, annotated outline for the position paper titled "Advancing Maritime Spatial

Planning (MSP) in the Mediterranean" was presented to the WG members. This paper will serve as the foundation for the overall implementation of MSP within the framework of the Barcelona Convention as well as an input for drafting the Terms of Reference (ToR) and action plan for the WG.

It was also highlighted that the Position Paper should be a concise, targeted document highlighting the most relevant elements for MSP under the Barcelona Convention (BC) and not detailed study analysis different MSP-related elements.

Position paper will be composed of the following main elements:

Current State of MSP in the Mediterranean

- Context
    - Addressing Barcelona Convention MSP-related framework
- Achievements:
    - Development and ongoing implementation of MSPs.
    - Additional studies focusing on blue economy, particularly in non-EU countries.
- Challenges:
    - Environmental pressures from coastal and maritime activities.
    - Need to regulate maritime economy towards sustainability.
    - Governance complexities, including divergent national priorities, stakeholder engagement, spatial data availability, policy integration, difficulties and differences among countries in addressing cross-border cooperation.
- Gaps:
    - Governance related gaps such as lack of legislation, institutional fragmentation, and limited community engagement.
    - Financial constraints affecting MSP implementation.
    - Limited capacity, knowledge, and tools for effective MSP

application. Other Regional Mechanisms Supporting MSP including:

- Med MSP COP
- Union for the Mediterranean
- West MED Initiative
- EUSAIR

Key Priorities for MSP Development

- Governance-related Priorities:
    - Enhancing MSP's role in achieving global environmental targets.
    - Strengthening national MSP processes.
    - Promoting a harmonized regional approach to MSP.
    - Capacity building.
- Practical Implementation:
    - Ecosystem Approach: Integrating GES, conservation, restoration targets, and SEA.
    - Climate Change: Implementing anticipatory planning, coastal infrastructure development, NBS, and sectoral adaptation measures.
    - Coastal and Marine Planning - ICZM Dimension: Addressing land-sea

interactions, multi-level governance cooperation, and planning integration.
  - Blue Economy: Utilizing MSP to foster sustainable blue economy practices aligned with EGD and the green transition.
  - Space Constraints and Conflict Management: Addressing emerging maritime activities' spatial demands and ensuring sectoral coexistence.
  - Social Sustainability: Enhancing community well-being and integrating traditional maritime activities such as small-scale fisheries and cultural heritage.

Recommendations for Enhancing Cross-Regional MSP Initiatives

- Governance Aspects:
  - Strengthening MSP WG's role in fostering cooperation.
  - Encouraging national MSP processes to practice on best national and regional projects.Finding a balanced approach suitable across the region.
- Practical Implementation:
  - Promoting data sharing and utilizing existing platforms.
  - Expanding capacity-building efforts through training and best practice dissemination.
  - Raising awareness and initiating pilot projects to test innovative MSP applications.

The Way Forward A structured roadmap initial covering the period 2026-2030 (potentially extending to 2035) will be developed and discussed further in upcoming meetings, including one in Athens.

During the discussion with WG members, the following key elements were emphasised:

- MSP is a strategic planning process encompassing mission, vision, objectives, and measures. This should be strongly highlighted. National authorities, particularly in countries that have not yet initiated the process, could require support for implementation.
- While the green economy is important, its application is often inconsistent and not always truly sustainable. Harmonizing the blue economy with environmental protection remains a challenge. Furthermore, the blue economy has a significant social dimension that needs to be adequately addressed.
- Governance remains an important topic, as aligning different plans and programs during implementation continues to be a challenge. In addition, there are differences in implementation approaches that must be acknowledged and respected.
- Specific challenges related to social and political aspects should be highlighted, including policy priorities, tight timeframes, funding constraints, and fragmented competencies (even within the environmental sector itself).
- The document should emphasize links with SDGs and BBNJ.
- A clear distinction should be made between gaps and challenges:
  - Challenges could focus on governance and socio-political differences in implementation.
  - Gaps could highlight technical and operational needs, such as the lack of tools, data, and related resources.
- The Regional Mechanism chapter should include sectoral institutions such as GFCM and MedPAN.
- The inclusion of SEA is relevant but should respect national differences and not be presented as the sole foundation for environmental considerations
- In the future, the WG could take on a more technical role by providing a

framework to support cooperation, supporting development of regional tools and approaches, and facilitating practical MSP implementation at the national level.

Agenda Item 4: Conclusions and Next steps

Following the fruitful discussion, it was noted that some participants will submit additional written comments, which will be integrated into the Annotated outline. The next meeting will take place in Atnes, on 5th May, back-to-back with PAP/RAC National Focal Points meeting.

Annex 1: Meeting agenda

10.00 – 10.10	Opening and Welcome Brief introductions; Objectives of the meeting
10.10– 10.30	MSSD Update Update on the current MSSD process; Overall discussion
10.30 – 11.30	Position Paper for MSP in the Mediterranean Presentation: Annotated Outline; links with MSSD; Discussion and input from participants
11.30 – 11.45	AOB; Conclusions and Next Steps

Annex 2: List of participants

COUNTRY	INSTITUTION	NAME
Cyprus	Integrated Maritime Policy and Spatial Planning Division Shipping Deputy Ministry	Mr Kyriakos Aliouris
		Mr Nicolas Ioannou
European Commission, DG MARE	DG MARE European Commission	Ms Eleni Hatziyanni
Greece	Ministry of Environment and Energy	Ms Elena Lalou
		Ms Anna Spyropoulou
Israel	Ministry of Environmental Protection	Ms Yehudit Mosseri
		Mr Fred Arzoine
Italy	Ministry of Environment and Energy Security	Mr Riccardo Piraccini
Lebanon	Ministry of Environment	Mr Adel Yacoub
Malta	Planning Authority	Ms Michelle Borg
Montenegro	Ministry of Ecology, Sustainable Development and Northern Region Development	Ms Milica Rudic
Slovenia	Ministry of the Natural Resources and Spatial Planning	Ms Lenca Humerca-Šolar
Tunisia	APAL	Ms Raja Abdelmalek
Türkiye	Ministry of Environment, Urbanisation and Climate Change	Ms. Özlem Örme

	MedCITIES (Municipality of Genoa)	Ms Stefania Manca
	UNEP/MAP PAP/RAC	Ms Veronique Evers
		Ms Marina Markovic
		Ms Martina Bocci, the expert

First Working Group on "Ocean Economy/Sustainable Finance" (WG-OE/SF)

Online Workshop (October 22nd 2024), organized and moderated by Plan Bleu/RAC
Report by Plan Bleu/RAC experts: Eloïse Leguérinel, Antoine Lafitte, Constantin Tsakas

Context:

Nowadays, the Mediterranean faces critical environmental challenges such as climate change, biodiversity loss, and water scarcity, compounded by economic and development pressures. To better address these issues and support a green and blue transition, UNEP/MAP is revising the Mediterranean Strategy for Sustainable Development (MSSD) by 2025. The revision process involves a series of technical and expert meetings organized by three technical working groups on Circular Economy, Marine Spatial Planning, and Ocean Economy/Sustainable Finance. On October 22, 2024, Plan Bleu, leveraging its extensive expertise in sustainable finance, led the online workshop for the "Ocean Economy/Sustainable Finance" working group.

This group, which includes experts from Contracting Parties (Italy, Türkiye, EU, Egypt, Tunisia), as well as Plan Bleu and regional/thematic specialists from academia, focuses on assessing how sustainable (private and public) finance and economic instruments can secure resources for green and blue transitions at regional and national scales. This initiative supports the broader objectives of both the MSSD and the Barcelona Convention, ensuring that sustainable finance plays a pivotal role in addressing environmental challenges in the region, mainly on climate change adaptation.

Objectives of the workshop:

- Emphasize the critical need for sustainable (private and public) finance and economic instruments in the Mediterranean, considering the region's unique environmental and socio-economic challenges, and identify key barriers and opportunities for promoting sustainable finance.
- Define the working group's mission within the broader revision of the MSSD, with a focus on aligning sustainable finance with the MSSD's goals and initial "List of Issues" (from 2015).
- Promote the adoption of economic tools/instruments and policies that drive environmental sustainability across various sectors, reinforcing the role of finance in addressing ecological challenges.
- Lay the groundwork for a "Sustainable Finance Framework", which will serve as a guide for sustainable finance, with continued efforts planned in collaboration with Contracting Parties.
- Foster collaboration among experts from Contracting Parties and regional experts to enhance cooperation, provide incentives and share successful models for sustainability that could be adapted to the Mediterranean context, countries' needs and concerns.

Next Steps over the biennium 2024-25:
Following the workshop, several key steps have been outlined to advance the objectives:

- **Physical workshop in Marseille (January 30th 2025):** Scheduled for January 2025, this second Workshop will delve deeper into challenges and opportunities for green finance. It will be held back-to-back with a Plan Bleu academic/research workshop (January 29th) focusing on environmentally friendly economic tools and finances.
- **Follow-up online workshop:** In Q1 2025, another online session will be conducted to work towards developing a Mediterranean framework for green finances.
- **Evaluation of MSSD** (2025): Conduct both quantitative and qualitative evaluations to inform decisions for COP 24.
- **Ongoing research and publications:** Plan Bleu will continue its academic-driven research on green economic tools and finances, with its research report expected to be published by late 2025.

Actions, by order of importance (based on feedback during the workshop):

Below are the proposed actions highlighted during the session, that can be considered by UNEP/MAP within the MSSD revision, to ensure progress towards a sustainable finance mechanism for the Mediterranean:

- **Evaluate current financial requirements** for adapting to economic, environmental, and social challenges in the Mediterranean. This may require to :
    - estimate funds required for transitioning to sustainable industries and retraining workers
    - calculate resources needed for social safety nets (ex. after subsidies reform) and develop strategies to mitigate social inequalities arising from transitions
- Develop strategies to **phase out harmful subsidies** in sectors like fishing and fossil fuels while supporting vulnerable communities. This can include:
    - gradually reducing capacity-enhancing (fishing) subsidies while introducing support for sustainable fishing practices
    - implementing a scheduled reduction of subsidies, redirecting funds to renewable energy and efficiency programs.
    - adopting a positive narrative, explaining the benefits, not only costs, of reforms
- Collaborate with Contracting Parties to **draft a Mediterranean green taxonomy, as one of the tools of "Sustainable Finance Initiatives (SFI)"** that categorizes sustainable activities to guide sustainable investments. Cross-country comparisons of existing green taxonomies may be a useful prerequisite.
- Support countries in updating their **legislation** related to banking and sustainable finance to support economic transformation. This may include to:
    - integrate climate risk assessments and sustainability criteria into lending practices.
    - mandate comprehensive Environmental, Social and Governance (ESG) reporting for listed companies
    - create regulatory frameworks for green bonds, sustainability-linked loans, and other innovative instruments
- Secure **financial resources** through banks, green capital market instruments, public grants, and international development institutions. This includes developing blended finance mechanisms to attract private capital.
- Provide **grants** or **incentives** for adopting eco-friendly technologies and practices.
- Introduce environmental **taxes** (e.g., carbon taxes) to internalize environmental costs, always adopting a positive narrative, explaining the benefits, not only costs, of introducing such taxes
- Focus on **fostering investor trust** to boost green finance initiatives. This includes:
    - establishing robust reporting and verification mechanisms for green projects
    - developing regional green finance standards aligned with international best practices.
- Propose a **Mediterranean Green Deal, specific to the specificities of the region,** to enhance

cooperation and share experiences within the region.
- Foster **collaboration among Mediterranean countries** to address shared environmental challenges and secure necessary financial resources.
- Emphasize **context-specific approaches** tailored to different regional contexts.

List of Participants
Experts designated by Contracting Parties
- Mehmet Tamer Çobanoglu (Türkiye)
- Heino Nau (EC)
- Hussein Abaza (AFED - Egypt) and Monia Braham (AFED - Tunisia)
- Greta Lucaroni (Italy)
- Manca Stefania (MedCities)
- (Excused) Nadav Pald (Israël)

Regional/thematic academic experts selected by Plan Bleu
- Aldo Ravazzi Douvan : Chief Economist, Italian MoE, Vice-President of Plan Bleu
- Nazli Demirel : Sr researcher, Institute of Marine Sciences & Manag, Istanbul University.
- Valentina Bellesi : Policy Analyst at OECD, Green Finance and Investment
- Merve Ergun : Researcher University of Camerino; tax & renewables law.
- (Excused) Stella Tsani : Assoc. Prof., National & Kapodistrian Un. of Athens.
- (Excused) Theodoros Zachariadis: Professor and Interim Director at the Energy, Environment and Water Research Centre of the Cyprus Institute.

Plan Bleu Experts
- Robin Degron (Director)
- Antoine Lafitte (Head of the observatory and UNEP/MAP relations)
- Constantin Tsakas (Chief Economist)
- Eloise Leguerinel (Transition expert)

Second Working Group on Ocean Economy/Sustainable Finance" (WG-OE/SF)
30 January 2025
Report

Context and Objectives:

Nowadays, the Mediterranean faces critical environmental challenges such as climate change, biodiversity loss, and water scarcity, compounded by economic and development pressures. To better address these issues and support a green and blue transition, UNEP/MAP is revising the Mediterranean Strategy for Sustainable Development (MSSD) by 2025. The revision process involves a series of technical and expert meetings organized by three technical working groups on Circular Economy, Marine Spatial Planning, and Ocean Economy/Sustainable Finance. On January 30th, 2025, Plan Bleu, leveraging its extensive expertise in sustainable finance, led the second workshop for the "Ocean Economy/Sustainable Finance" working group.

This group, which includes experts from Contracting Parties (Italy, Türkiye, EU, Egypt, Tunisia), as well as Plan Bleu and regional/thematic specialists from academia, focuses on assessing how sustainable (private and public) finance and economic instruments can secure resources for green and blue transitions at regional and national scales. This initiative supports the broader objectives of both the MSSD and the Barcelona Convention, ensuring that sustainable finance plays a pivotal role in addressing environmental challenges in the region, mainly on climate change adaptation.

Building on the insights from the first workshop, this second event focused on actionable pathways to prioritize for sustainable finance in the Mediterranean. Emphasis was placed on further discussing the needs and also proposed actions from the first event (short presentation by Antoine Lafitte), incorporating academic insights (short presentation by Constantin Tsakas) and advancing towards National and Regional actions to be included in the MSSD that can facilitate the emergence of a "Sustainable Finance Framework."

Main Discussion Points on the Needs

- **Robin Degron** opened the discussion by emphasizing the focus of this strategic review on key issues for the 2026-2035 period. He highlighted the lack of financial means hindering environmental policy implementation and the urgent need for solutions to ensure the continuation of the Barcelona Convention's actions. Given the Mediterranean's critical role in facing climate change, he stressed the importance of financing mechanisms.
- **Antoine Lafitte** provided an update on the **MSSD (Mediterranean Strategy for Sustainable Development)** evaluation process. Last year's qualitative assessment, coordinated with the **Coordination Unit**, is now complemented by an ongoing indicator-based evaluation. Given the strategic importance of this year, he emphasized the need for this series of working groups. He stressed how the discussions of working group 1 helped identify possible key areas of focus, which were translated in the current MSSD document into **three new strategic directions** for countries, with **10 national strategies** and **19 key indicators,** to be further **fine-tuned after today's discussions.**
- **Constantin Tsakas** highlighted the potential of **green finance** to support sustainability goals. He also stressed the need to integrate biodiversity into financial decision-making structures. Capitalizing on the academic workshop of the prior day, he briefly presented insights from the **13 Plan Bleu papers** on green finance and economic tools that will be part of the forthcoming Edited Volume, covering topics such as taxation policies, biodiversity finance tools, and water management mechanisms.

The floor was then open to all members of the Working Group, further discussing the needs and also proposed actions from the first event. Specifically :

- **Theo Zachariadis (regional expert/academia)** emphasized the need for more specific financial assessments, incorporating national expertise (a point met with agreement by Hussein Abaza). He stressed the importance of integrating environmental, economic, and social policy considerations into the design of green finance strategies. He emphasized that many countries, especially in the developing world, **struggle with a lack of technical expertise and institutional capacity to design and implement effective policies**. Countries often provide **generic assessments**, which should be complemented with **fieldwork** to better identify the required resources.
- He also stressed the importance of **improving collaboration between ministries of finance and environment**, particularly for **climate change adaptation**, which typically begins within environmental ministries before requiring financial backing.
- **Laura Fanciulli (Italy)** proposed that the **Mediterranean Strategy for Sustainable Development (MSSD)** could assess and prioritize investment-needing projects. She highlighted the importance of **quantifying the benefits and impacts across the three**

pillars of sustainable development: economic, social, and environmental.

- To mobilize financial resources, she suggested **strengthening partnerships with key institutions** and **developing a green bond framework** (could be "soft guidelines" easier to implement), ensuring stakeholder involvement—particularly for sectors that significantly affect Mediterranean ecosystems.
- **Nazli Demirel (regional expert/academia)** focused on **fishing subsidies**, highlighting that **60% of these subsidies—especially tax exemptions—are harmful to the environment**. She stressed the importance of **supporting small-scale fishers with appropriate tools** to ensure a just transition.
- She urged a **regional approach**, advocating for subsidy reform efforts **not only in Northern Mediterranean countries but also in the Southern and Eastern Mediterranean**.

- Meanwhile, **invasive species**, particularly those entering through the **Suez Canal,** pose a challenge to fisheries. Fishers often spend significant time catching toxic or non-commercial species, impacting their livelihoods. She called for this issue to be factored into fisheries and financial policies.
- Finally, she emphasized the need to **improve reporting and harmonization of fishing subsidies** across Mediterranean countries to ensure transparency and better alignment with sustainability goals.
- **Stefania Manca (Medcities)** identified a key **territorial gap** in financing, noting that while private investors tend to focus on large-scale national projects, smaller-scale city initiatives—despite their local impact—struggle to access funding.
- She stressed how the new MSSD needs to include local actors (cities, territories) as stakeholders.
- Hussain Abaza (AFED, Egypt) pointed out that beyond financial needs, a major challenge is the lack of local expertise in economic, social, and environmental adaptation.
- He highlighted that in **Egypt—and other Mediterranean countries—economic decisions dominate policy discussions**, making it essential to **integrate sustainability considerations into economic planning** while actively mobilizing the **private sector**.
- **Stella Tsani (regional expert/academia)** stressed that **the transition to net-zero economies represents a socio-economic shock**, affecting communities and potentially creating political resistance. She emphasized the need to **support those whose livelihoods are at risk**, ensuring they receive the benefits of the proposed financial mechanisms.
- **Stella Tsani** further underscored that the **sustainability transition should be recognized as a societal challenge**, requiring tools for **worker reskilling at the local level, job transitions, and safety nets**. Robin Degron agreed that empowering local authorities could help bridge this gap and speed up the transition process.
- She proposed linking **Objective 3 of the MSSD**, which focuses on **sustainable cities**, to **Blue Economy initiatives**, ensuring urban areas benefit from marine and coastal economic opportunities.
- She also stressed the importance of **equitable financial planning**, ensuring that sustainability policies **fairly distribute financial resources across different socio-economic groups**.
- **Merve Ergun (regional expert/academia)** proposed the establishment of a **Mediterranean Renewable Energy Hub**, where countries could be connected through **super-grids** to facilitate regional energy cooperation. She suggested that **bilateral trade agreements** could serve as a model for structuring these collaborations.
- To accelerate renewable energy investments, she recommended **fiscal incentives and state**

aid mechanisms, learning from the **EU's existing State Aid rules** while adapting them to Mediterranean needs.

- She stressed two crucial factors for a successful energy transition:
    1. **Improving legal security for renewable energy investments**, ensuring long-term stability for investors.
    2. **Reducing installation costs**, making renewable energy projects more financially viable.
- **Monia Braham (AFED - Tunisia)** emphasized the need to address social vulnerabilities in the transition to zero-net economies. She stressed the importance of considering demographic factors, particularly youth and women, in this process. Monia Braham highlighted the concept of a just transition and suggested exploring blended finance mechanisms to support SMEs and startups.
- She also advocated for a different approach to including the social dimension and emphasized the crucial roles of central banks in providing guidance at the national level and the private sector in general.
- **Heino Nau (EU)** emphasized the need to carefully **structure and prioritize** key priorities for the MSSD. He stressed the need for realism, as some ideas might be too ambitious for the MSSD, going beyond the means it has to enforce them.
- He suggested taking a **broader perspective** by examining what **other macro-regions** are doing in sustainable finance, noting that **Mediterranean countries are competing with other regions for financial resources**.
- He agreed with **Hussain Abaza** on the importance of **non-EU Mediterranean countries developing their own integrated policies** before seeking external funding. This includes:
    - Identifying national financial requirements
    - **Removing obstacles to private sector involvement**
    - **Prioritizing the most pressing environmental challenges**, which should be led by environment ministries.
- On the potential of the **Mediterranean taxonomy**, he raised the question: **What standards should be considered as a reference, if not those of the EU?**
- **Cécile Seguineaud (OECD)** proposed a more specific and focused approach when evaluating financial needs for green finance. She suggested narrowing the scope to specific sectors, which would help create more precise financial models and avoid overly broad frameworks.
- She also advocated for a phased approach to the green transition, recognizing that not all countries can afford or achieve full sustainability at once. This approach would allow for gradual progress, starting with areas where the transition is most feasible.
- Regarding **Climate Funds**, she pointed out that **many funds are already labeled**, which affects their eligibility for projects. She suggested that **tailoring financial instruments to specific Mediterranean priorities** could help **attract more investments**.
- She proposed that countries **agree on a set of starting points**—including sectoral priorities—**before developing any potential Mediterranean guidelines for sustainable finance**.
- **Aldo Ravazzi Douvan (regional expert/academia)** emphasized that sustainable finance has two core dimensions: increasing investments and greening the financial system. He noted the importance of integrating institutions such as central banks, stock exchanges, and insurance markets into the green finance conversation. These institutions, according to Ravazzi, play a crucial role in shaping the behavior of financial markets and ensuring the transition towards

sustainability. He urged that this point should be addressed at the outset of any strategy on green finance, particularly when considering the global scale of this challenge.

- On **harmful subsidies**, he stressed that collaboration with **OECD efforts** would be beneficial, as working together **simplifies alignment and policy implementation**.
- He argued that **minimum content requirements**—such as the **EU's mandatory sustainability reporting system**—are essential for real impact. He suggested:
    - Focusing on a specific sector, to explore minimum content requirements and/or Mediterranean "soft guidelines".
    - Assessing the **distributional impacts of both green finance and brown finance** to ensure fair and equitable transitions.
    - Creating a **platform for exchanging national experiences**, which could be beneficial for **UNEP/MAP** in promoting knowledge-sharing.
    - Conducting a **review of how Multilateral Development Banks (MDBs) approach Green Finance**, potentially leading to **improved investment frameworks** for Mediterranean countries.
    - Developing methodologies for **estimating national investment needs** in sustainability transitions, ensuring that countries have a clear understanding of their financial requirements.
- **Antoine Lafitte (Plan Bleu)** highlighted the importance of a regional approach, acknowledging that countries in the Mediterranean have different capabilities and standards for implementing environmental strategies. He emphasized that the MSSD could serve as a valuable tool to align these strategies and promote collective action. He recognized that achieving results would take time, but affirmed that gradual progress could be made with the right strategies and policies in place.
- **Robin Degron (Plan Bleu),** summarized that the current open discussion was intentionally structured to identify what strategies and mechanisms are effective and which are not. This approach allows for a nuanced understanding of the challenges and opportunities in sustainable finance for the Mediterranean region.
- He emphasized that the insights gathered during this process will be carefully structured, contextualized, and integrated into the MSSD. Once validated, these insights will serve as a foundation for hopefully achieving the outlined objectives by 2035. The ultimate goal should realistically focus on establishing a common "franca lingua" (common language) for sustainable finance, inspired by international standards, ensuring alignment across countries, and developing new economic tools and financial mechanisms to support the region's transition towards sustainability.
- He reiterated the importance of integrating economic and social dimensions into green finance strategies and creating new financial resources for green projects. He proposed that green subsidies and taxes could be key to financing the transition, particularly in sectors like tourism, where additional taxes could contribute to sustainable development goals.

Key Recommendations for the MSSD : Towards harmonized "Guidelines and Approaches" (franca lingua) and support to New Tools and Mechanisms

1. Strengthen national expertise for specific financial resource assessments and foster inter-ministerial dialogue

- *(National/Regional: Develop targeted training programs for public sector officials, particularly in finance and environment ministries, on sustainable finance and climate-related risk assessments)*
- *(National: Institutionalize inter-ministerial working groups or task forces to align financial policies with environmental objectives, ensuring sustainability criteria in*

public investment decisions.)

- *(Regional: Share best practices and frameworks on inclusive transition policies, considering the reskilling needs dimension, including case studies from Mediterranean and EU countries.)*

2. Develop a strategy to track, report and phase-out harmful subsidies while supporting local communities

- *(National: Strengthen national reporting mechanisms for subsidies and conduct national-level impact assessments, integrating environmental, economic, and social impact assessments into budgetary processes.)*
- *(Regional: Facilitate the exchange of experiences among Mediterranean countries on subsidy reforms, integrating lessons learned from OECD, EU, and other global frameworks.)*
- *(Regional: Establish a Mediterranean-wide platform for tracking subsidies, aligning methodologies with OECD and EU reporting standards to enhance comparability and transparency.)*

3. Consider distributional impacts (incl. social) of both green and brown finance

- *(National: Conduct socio-economic impact studies on financial shifts towards green investments, ensuring vulnerable communities are not disproportionately affected.)*
- *(Regional: Develop a Mediterranean framework for assessing equity in sustainable finance policies, with guidelines on compensatory measures for disadvantaged populations.)*

4. Include cities as key stakeholders in the MSSD process

- *(National: Ensure municipal authorities are systematically involved in policy discussions on sustainability, financing, and urban resilience.)*
- *(Regional: Develop a dedicated MSSD working group or platform for cities to contribute to regional sustainability strategies and access technical support for project financing.)*

5. Incite and support countries to explore innovative financial mechanisms

- *(National: Design "soft" frameworks for sustainable finance, drawing from international standards, to attract investment in priority sectors.)*
- *(Regional: Develop regional guidelines or certification schemes for green financial instruments, ensuring alignment with international sustainability standards.)*

Next Steps over the biennium 2024-25:
Following the workshop, several key steps have been outlined to advance the objectives:

- **Follow-up online workshop:** In April 2025, a final online session will be conducted to provide final insights for the process of the revision.
- **Evaluation of MSSD** (2025): Conduct both quantitative and qualitative evaluations to inform decisions for COP 24.
- **Ongoing research and publications:** Plan Bleu will continue its academic-driven research on green economic tools and finances, with its research report expected to be published by late 2025.

List of Participants
Experts designated by Contracting Parties

- Mehmet Tamer Çobanoglu (Türkiye) and Özlem Örme (Türkiye, online)
- Heino Nau (EC)
- Hussein Abaza (AFED - Egypt) and Monia Braham (AFED - Tunisia)
- Laura Fanciulli (Italy)
- Manca Stefania (MedCities)

Regional/thematic academic experts selected by Plan Bleu

- Aldo Ravazzi Douvan : Chief Economist, Italian MoE, Vice-President of Plan Bleu
- Nazli Demirel : Sr researcher, Institute of Marine Sciences & Manag, Istanbul University.
- Cécile Seguineaud : Policy Analyst, Clean Energy Finance and Investment Mobilisation OECD (representing Valentina Bellesi, OECD)
- Merve Ergun : Researcher University of Camerino; tax & renewables law.
- Stella Tsani : Assoc. Prof., National & Kapodistrian Un. of Athens.
- Theodoros Zachariadis: Professor and Interim Director at the Energy, Environment and Water Research Centre of the Cyprus Institute.
- Plan Bleu Experts
- Robin Degron (Director)
- Antoine Lafitte (Head of the observatory and UNEP/MAP relations)

Constantin Tsakas (Chief with Plan Bleu on sustainable finance during the 3rd Working group in Marseille was suggested by all members.

The meeting concluded with a commitment to further refine proposals ahead of the next in-person session in Marseille. Participants were encouraged to submit additional inputs to ensure a comprehensive revision of the Objective 5 and related Objectives before finalization. Next meeting was agreed to take place in-presence Marseille on 13th March 2025.

3rd meeting of the Working Group on "Ocean Economy / Sustainable Finance"
Finalizing Sustainable Finance Priorities for the updated MSSD
Online (20 March 2025)

Draft Agenda

This concluding session will bring together key stakeholders—including representatives from Contracting Parties and regional experts from academia—to refine the final set of revisions that will be introduced into the revised MSSD.

14:00–14:20 | Welcome and Recent Insights

- **Robin Degron (Plan Bleu) :** on the need for a vision on Green Finances rooted in local Mediterranean realities, highlighting the unique biogeographical diversity as a key factor to consider in structuring sustainable investments.
- **Antoine Lafitte (Plan Bleu)** : Presenting the proposed **Strategic Directions**, **National Actions** (tailored to individual countries to address sustainability challenges while ensuring coherence with regional priorities), **Regional Actions** (that enhance synergies between Mediterranean countries, promoting shared environmental, social, and economic objectives), and **Indicators and Targets** to be included in the revised MSSD.

14:20–16:20 | Finalizing Sustainable Finance Priorities for the MSSD

This session will focus on refining the recommendations to be included in the revised MSSD. Participants will react to the proposed Strategic Directions, National Actions, Regional Actions, Indicators and Targets, providing feedback on their feasibility and impact. A key aspect of the discussion will be defining realistic implementation timelines, acknowledging that sustainable finance priorities are new, both for UNEP/MAP and for several non-EU countries. Key topics will include:

- Ensuring alignment between finance mechanisms and sustainability objectives
- Clarifying the phased approach for phasing out environmentally harmful subsidies
- Formalizing strategies for mobilizing financial resources (blended finance, green bonds, capital markets, and international grants)
- Ensuring the social dimension of green finance (protecting vulnerable groups and engaging cities)

16:20–16:30 | Closing

- **Robin Degron (Plan Bleu)** : Brief summary of next steps in the MSSD revision process

Main Discussion Points

- **Robin Degron** opened the discussion by underscoring the long-term vision guiding our efforts to revise the Mediterranean Strategy for Sustainable Development (MSSD). He highlighted that the core aim of this revision is to delve more deeply into the critical issue of financing the transition of countries in the region. To illustrate the complexity of this task, he shared a testimonial from his presentation in Rabat in October 2023, where he highlighted the diverse challenges faced by countries in the Mediterranean as they work toward achieving the Sustainable Development Goals (SDGs). For example, he pointed out that while Morocco's per capita pollution emissions are lower than those of many European countries, the nation faces significant water stress and has considerable potential for harnessing renewable energy, particularly solar and wind. Such distinctions underscore the importance of recognizing the unique circumstances of each country, making it clear that applying a European model of sustainable development would be inappropriate. Instead, it is crucial to consider the distinctive characteristics and challenges of each country within the region. Additionally, the sub-national realities within each country must also be carefully taken into account when adapting guidelines, as these local contexts can vary significantly and require tailored approaches.
- Robin Degron further emphasized that as we move forward, it is essential to keep the SDGs at the forefront of our work. He stressed the need to integrate social considerations into every environmental strategy to ensure that the actions we implement are not only environmentally effective but also socially accepted and beneficial to local populations. By embedding social equity into our approach, we ensure that the transition is inclusive and that the benefits are equitably distributed. Finally, he clarified the overarching objective of our work: to transition from decision-making to tangible, impactful action. He underscored the importance of leveraging the new financial resources provided by the MSSD to facilitate this shift, ensuring that the means to implement our strategies are both accessible and effective in achieving our goals. His remarks set a thoughtful and diplomatic tone, reinforcing the necessity of considering both environmental and social dimensions in shaping sustainable and practical solutions for the Mediterranean region.
- **Antoine Lafitte** provided an overview of the contributions made by our working group to the revision process of the MSSD, which is scheduled to be submitted to the coordination unit by the end of the month. He outlined the upcoming steps, noting that the steering committee will convene in April to review and validate the technical input before the final version is presented in June. This finalized text will be submitted to the Conference of the Parties (COP) for a decision at the end of the year. Antoine Lafitte emphasized the critical importance of this work for the next decade, highlighting its long-term impact on the region's sustainable development trajectory.

- Antoine Lafitte then summarized the key elements that have emerged from the first two sessions of the working group and presented what will be reflected in the revised MSSD text. He highlighted one strategic direction: laying the groundwork for Mediterranean Sustainable Guidelines to provide a standardized framework or taxonomy for classifying public and private financial flows that support adaptation to environmental risks and resilience-building. In terms of specific actions, he outlined six priorities, divided into national and regional actions. At the national level, the focus will be on developing a framework using diverse financial tools to enhance resilience and adaptation, as well as establishing national networks to foster collaboration on sustainable finance. Regionally, actions will include developing a framework for sustainable guidelines and adaptation investments, establishing a Mediterranean-wide network to boost sustainable investments, aligning fiscal policies with sustainability through regional budgeting guidelines, and supporting community-led sustainable finance projects to encourage local participation.
- **Constantin Tsakas** emphasized the importance of having the right financial instruments available to support the region's sustainable transition, a need that became increasingly clear throughout the workshops, particularly through the expressed requirement for stronger networks and collaborative platforms. He stressed that bridging the gap between the environmental and economic ministries is essential for optimizing transition financing. By fostering better communication and coordination between these sectors, countries can unlock more efficient and effective financial solutions for sustainability. He also highlighted the potential to transform harmful subsidies into positive drivers for sustainability, using empirical evidence from the fisheries sector as a case in point. This shift, he noted, not only reduces environmental harm but can also promote long-term economic benefits, demonstrating that subsidy reform can be both an environmental and an economic opportunity. Finally, he underscored the need for a broader shift in the financial system itself—urging a transformation that integrates sustainability principles at its core.
- **Aldo Ravazzi Douvan** pointed out that while the term "green finance" is frequently used in discussions, not every stakeholder is able to understand and fully relate to it. He emphasized the importance of clarifying the concept to ensure that all stakeholders understand its relevance and implications in the context of sustainable development. He suggested that the term “green and sustainable finance” be used, as a much more comprehensive alternative. He also highlighted the dual nature of human activities on climate change, drawing a parallel with the dual materiality of subsidies, which can have both harmful and beneficial effects on sustainable development. This duality, he noted, underscores the need for a nuanced approach to policy and finance. In his remarks, Aldo also reinforced the strong connection between sustainable finance and investment, particularly through corporate social responsibility (CSR) and environmental, social, and governance (ESG) labels. These tools, he explained, serve as key levers for attracting capital to companies that align with sustainability goals, providing a vital means of directing financial resources toward initiatives that promote long-term resilience and environmental stewardship. Finally, Aldo emphasized that the success of the Mediterranean’s transition to a sustainable future relies on collective effort. He cautioned against an overemphasis on actions that individual countries could undertake on their own. Instead, he advocated for prioritizing initiatives that can be achieved collaboratively, ensuring that all countries in the region can contribute to and benefit from the shared objectives of sustainable finance and development.

The floor was then open to all members of the Working Group, further discussing the wording issues and elements to keep in mind during the action review session. Specifically :

- **Stella Tsani (regional expert/academia)** raised a crucial point regarding the language used in discussions on sustainable finance, suggesting that terms like “frameworks” may not always resonate with a wider audience. She argued that such terminology might be too abstract, advocating instead for a more meaningful and universally understandable keyword that encapsulates the essence of sustainability in the context of economic development. Furthermore, she questioned the traditional link between sustainable development and economic growth, particularly through the dominant metric of Gross Domestic Product (GDP). Tsani emphasized that GDP, as a growth indicator, fails to account for environmental and social dimensions, thus limiting its ability to truly reflect sustainable progress. She argued that it is imperative to revise how we measure growth, incorporating sustainability into these measurement methods to ensure that economic development is in harmony with environmental and social goals. In response, Constantin Tsakas from Plan Bleu expanded on this discussion by using the example of Posidonia, an important seagrass species in the Mediterranean, to illustrate how environmental services contribute to economic wealth. He explained that Posidonia plays a significant role in ecosystem services such as carbon sequestration, coastal protection, and biodiversity support, which have clear economic value. This example, he argued, demonstrated that environmental factors should be considered as active participants in wealth creation, emphasizing the need for a broader understanding of what constitutes economic value in a sustainable economy.

- **Hussain Abaza (AFED, Egypt)**, echoed Stella Tsani's critique of the traditional growth model. He further expanded on the idea that "green" contributes meaningfully to GDP, but not in the conventional way. He stressed that sustainable development is a multifaceted issue and that finance alone is not enough to drive it. Coordination between the public and private sectors, along with strong political commitment, are equally essential to achieve sustainable outcomes. Abaza also brought up the emerging field of Artificial Intelligence (AI), suggesting that its potential should be integrated into the broader framework of the MSSD. He emphasized that AI could play a transformative role in addressing environmental challenges, particularly through data-driven solutions for climate adaptation and resource management. Both Constantin Tsakas and Hussain Abaza touched upon the subject of job creation in the context of the green economy, stressing the importance of ensuring that vulnerable communities—especially women and young people—benefit from green jobs. Abaza called for a careful, inclusive approach to employment opportunities that addresses inequalities and empowers marginalized groups.
- **Laura Fanciulli (Italy)**, while aligning with the general sentiment of the group, pointed out the need for a term that would comprehensively capture the multi-dimensional aspects of the discussions held thus far. While she agreed with the need for a clearer and more inclusive term, she firmly supported the use of "frameworks" as it encapsulated the structured approach needed for the complex tasks at hand. Fanciulli also underscored the importance of establishing common definitions and language to ensure clarity and coherence in the ongoing dialogue. She preferred the term "common framework" instead of "standardized framework". This, she argued, would help align the efforts of all stakeholders involved, from national governments to regional and international organizations, enabling a shared understanding and consistent implementation of sustainable finance actions. On the practical side, Fanciulli stressed the relevance of focusing on regional-scale actions and projects, pointing out that cross-border collaboration is critical in addressing shared environmental challenges. By focusing on regional solutions, countries in the Mediterranean could benefit from economies of scale, harmonized policies, and mutual support in their sustainability efforts.
- **Antoine Lafitte** agreed with Laura Fanciulli's point about the need for coordination and a clear, shared understanding of key terms. He emphasized that in order to move forward effectively, it was essential to agree on precise wording, particularly when it comes to terms like "green" and "sustainable." To resolve any ambiguity, it was decided that a short, concise definition for each potentially unclear term would be drawn up and included in the MSSD text to ensure that everyone involved in the process has a shared understanding and vision.

- **Robin Degron (Plan Bleu)** argued that it was crucial for the group to be in agreement about the key concepts, notably the terms “green” and, perhaps even more importantly, “sustainable.” Degron highlighted that “sustainable finance” is a broad concept that encompasses not only environmental considerations but also the social and economic impacts. He explained that the goal was not to impose a rigid framework but to provide Mediterranean countries with a relatively flexible framework, allowing them to create their own taxonomy tailored to their specific territorial realities. This approach would respect the unique circumstances of each country while still aligning with broader regional goals. Constantin Tsakas supported this view, further clarifying that the guidelines should not be seen as prescriptive rules for countries to follow, but as a flexible framework designed to help countries navigate their sustainable finance journeys. He added that while the European taxonomy could serve as an inspiration—since several elements may be relevant for the region—there was a strong need to infuse a Mediterranean lens into the guidelines. This would ensure that the diversity of contexts in the region, with its varying levels of development, cultures, and environmental challenges, is properly taken into account. Robin Degron illustrated this point with a culturally resonant example. He compared the diversity of languages spoken in the Arab-Muslim world—where both literary Arabic and various regional dialects coexist and are equally important—to the different regional contexts in the Mediterranean. Just as all dialects have their own significance and cannot be ignored, the unique territorial contexts of Mediterranean countries must be respected when developing the sustainable finance framework.
- **Heino Nau (EU)** expressed reservations about the use of the term “Mediterranean taxonomy,” emphasizing the need for caution and clarity when using terminology in the context of the MSSD. As expressed in the previous meeting, he raised concerns about the risk of establishing a lower standard if a separate “Mediterranean Taxonomy” were developed in parallel to the “EU Taxonomy for Sustainable Activities.” Robin Degron and Constantin Tsakas reminded that the EU indeed has its own taxonomy and that we are first talking about MSSD “guidelines” that could be proposed, that are not intended to be prescriptive rules for countries to follow. Instead, the intention is to first create a flexible framework designed to help countries, particularly non-EU ones, navigate their sustainable finance journeys, respecting their unique contexts and enabling them to develop their own taxonomies suited to their specific needs.
- In addition, Heino Nau raised the question of the relative importance of adaptation versus mitigation in the context of sustainable finance. He sought clarity on whether one should be prioritized over the other in the Mediterranean region. Constantin Tsakas responded by reaffirming that, while both adaptation and mitigation are crucial components of the region's environmental strategy, adaptation to climate change was considered by UNEP/MAP as a primary focus moving forward in the MSSD. However, Tsakas was quick to emphasize that mitigation efforts should not be sidelined, and that a balanced approach will be necessary to ensure long-term sustainability and resilience in the region. Heino Nau also stressed the importance of dealing with land territories and not just the sea. Finally, he suggested paying attention to cooperation, both between regions and between countries.
- **Stefania Manca (Medcities)** agreed with the need for flexibility, especially when it comes to financial tools. She pointed out that a lack of flexibility in the past had prevented some cities from fully utilizing the financial instruments available to them. Manca suggested that introducing the possibility of combining different financial instruments, including existing ones, could significantly enhance their effectiveness. Specifically, for local contexts, the integration of blue and green financial tools could serve as a powerful lever for driving meaningful impact in cities. She further emphasized the importance of leveraging available literature and existing frameworks, suggesting that countries could base their strategies on these established resources while adapting them to the specific realities of their local contexts. This would ensure that the

financial tools are both accessible and effective in achieving sustainable development goals at the local level.

- **Nazli Demirel (regional expert/academia)** emphasized that, at the regional level, it is crucial to ensure sectoral transparency in subsidy reporting, taking into account regional disparities and the necessity for a just transition for the communities affected by these shifts. Meanwhile, at national level, there must be a comprehensive assessment of the broader implications of financial changes on traditional livelihoods, with a focus on ensuring equitable access to transition support and effective mitigation strategies.

Before turning to the modifications of actions in Table 5.5, which will be included in the MSSD text, Aldo Ravazzi Douvan pointed out that a social taxonomy is currently being developed by the European Commission. He suggested that this could be incorporated when addressing social issues within the Mediterranean context. Constantin Tsakas emphasized that Plan Bleu is closely following these developments.

Specific reactions to Table 5.5. and resulting modifications

Antoine Laffite (Plan Bleu) highlighted that in this review, the level of detail required for the information is quite specific. He emphasized that the work carried out will not be static for the next 10 years, as a mid-term evaluation after five years will provide an opportunity to adjust and refine the actions discussed.

Regarding Action 5.5.1, which focuses on the development of national sustainable finance frameworks, there were several key additions and modifications proposed. The mention of "blue bonds" was added to the details of the action, reflecting the importance of financing marine and coastal environmental projects. Additionally, the need to accelerate the energy transition was incorporated into the action (comment by Merve Ergun), underscoring its critical role in achieving sustainability goals.

The first indicator was initially limited to countries that already had a sustainable finance framework, which did not address the broader region's context. It was proposed that the indicator be revised to reflect the number of countries that have developed a national sustainable finance framework in alignment with Mediterranean sustainable guidelines. This adjustment ensures that the indicator covers all countries and better reflects progress across the region.

Robin Degron raised a concern about the objective's wording, suggesting that the current phrasing does not effectively convey the goal of encouraging as many countries as possible to develop a national sustainable finance framework. Moreover, the target of 50% might already have been achieved, as many European countries are already following the European green taxonomy. The objective should therefore be rephrased to focus on encouraging progress toward this practice across the Mediterranean region.

Aldo Ravazzi Douvan questioned who decides whether a country's taxonomy is aligned with the Mediterranean Sustainable Guidelines, highlighting the challenges of applying a one-size-fits-all approach. He also raised a concern about the risk of encouraging countries to create subnational taxonomies, which could fragment the region's efforts. He underscored that the goal is to promote guidelines at the regional level, allowing countries to adapt them to their unique contexts and pre-existing decisions. In this light, the MSSD should be seen as a flexible, indicative document rather than a prescriptive one.

Action 5.5.2. *Establish national sustainable finance networks*

- No comments were made for this action.

For Action 5.5.3, which focuses on developing a regional sustainable finance framework, the same remarks applied as those for Action 5.5.1, given that it is essentially its counterpart on a regional scale. Hussein Abaza raised an important point regarding the use of the term "sustainable," noting that it is not always clearly understood by political decision-makers. He highlighted the potential ambiguity around what "sustainable" actually entails in this context and stressed that clearer definitions would be essential for ensuring that the framework is effectively understood and implemented across the region. Constantin Tsakas reminded that some individuals may not understand the term “green”, while others might struggle with the concept of “sustainable.” However, as previously agreed with Antoine Lafitte, it was decided to include definitions and use the term “green and sustainable” to ensure clarity and consistency across the framework. Additionally, Hussein pointed out that the scope of the banking institutions involved in sustainable finance initiatives is also somewhat vague. He emphasized the need for greater clarity on which institutions, both at the regional and national levels, are expected to align with the framework and take part in its implementation.

For Action 5.5.4, which focuses on establishing a Mediterranean-wide sustainable finance network, it was stressed it is important to emphasize the need to address both climate change mitigation and adaptation within the framework. Both aspects are integral to the concept of "green," but they differ in their temporal focus. Mitigation, which aims to reduce future climate impacts, requires a long-term perspective and sustained efforts. In contrast, adaptation, which involves adjusting to the current and anticipated effects of climate change, is an urgent priority that demands immediate action. This distinction is crucial in the wording of the action, as it helps clarify that both mitigation and adaptation should be considered within the sustainable finance network. By framing the network to address both dimensions, we ensure that it is both forward-looking and responsive to the immediate needs of the region. This balance will allow for a comprehensive approach that supports long-term climate resilience while tackling urgent challenges posed by climate change.

For Action 5.5.5, the title should be shortened to better capture the essence of the action. A possible revision could be: "Develop Regional Sustainable Budgeting Guidelines" (or something that resembles that). The additional details regarding the action can then be included in the second line, stating: "This includes promoting linkages between sustainability and fiscal policies."

Additionally, it was suggested by Laura Fanciulli that the term “trade-off” should be replaced with “linkages” or “complementarities” to more accurately reflect the positive connections between sustainable practices and budgeting. This adjustment ensures a focus on how sustainable budgeting practices can complement broader fiscal policies rather than being in conflict with them.

Regarding the objectives, it is important to account for the different levels of development across countries in the evaluation process. The wording of the first objective should be adjusted to clearly convey that the goal is for a significant portion of budgets to be allocated to sustainability goals, as noted by Aldo Ravazzi Douvan. Thus, the phrase “50% of national and regional budgets allocate resources to sustainability goals” can be revised to: "At least 50% of resources are allocated to sustainability goals." This revision makes the objective clearer, while emphasizing the intended level of commitment without specifying a fixed threshold based on national context.

For Action 5.5.6, it was suggested the title should be revised to better reflect the focus on support rather than formal frameworks. A possible revision could be: "Establish Regional Support for Community-Driven Sustainable Finance Projects and Facilitate Community Consultations" (or something that resembles that).

The term "frameworks" could perhaps be replaced with "support" to emphasize a more flexible, empowering approach to community-driven initiatives. This reflects the idea that communities will be supported, rather than being bound by rigid frameworks.

To clarify the application of the indicator "Number of community-driven sustainable projects funded," the action should specify the types of "sustainable finance projects" involved. It could be useful to outline that these projects may include initiatives in areas such as renewable energy, sustainable agriculture, waste management, and conservation. This helps to frame the kinds of projects expected under this action, offering clarity to stakeholders.

In addition, the action should highlight the facilitation of "community consultations" and the establishment of "working groups," as stressed by Stefanica Manca, to engage local stakeholders in the process. This emphasizes the importance of collaborative decision-making in shaping sustainable finance solutions.

For the second indicator, it should focus on tracking the number of "community consultations" held each year, reflecting the ongoing engagement with local populations and stakeholders. This indicator will provide a tangible metric to assess the success of community involvement in driving sustainable finance initiatives.

The adjustments to these details should also influence the relevant objective by ensuring that the goal of empowering local communities through sustainable finance is clearly reflected in both the actions and the metrics used to measure success.

Conclusion

Robin Degron concluded by reiterating the central idea of our work: to develop a collective intelligence that will be beneficial for all Mediterranean countries. He emphasized that the results of our efforts in revising the MSSD will be faithfully incorporated into its financial dimension. Given that this is a long-term collaboration, the points raised during these sessions will be revisited and examined in more depth over the 10 years of implementation of this edition of the MSSD. This iterative approach will ensure that the foundation we are building today becomes the cornerstone of a robust Mediterranean knowledge community, fostering a deeper understanding and supporting Mediterranean literacy on the subject in a thoughtful and strategic way. A comprehensive evaluation will be conducted, combining both quantitative and qualitative assessments to inform the decisions for COP 24.

Meanwhile, Plan Bleu remains committed to advancing academic-driven research on green economic tools and sustainable finance, maintaining its focus on the intersection of economics, environmental policy, and climate resilience, all the while considering social dimensions. Plan Bleu's ongoing research explores how financial instruments can be better leveraged to support environmental goals, with a particular emphasis on the Mediterranean context. The findings from this research will be compiled into a comprehensive research report scheduled for publication by the end of 2025. The report will offer critical insights into the practical application of sustainable finance mechanisms across various sectors, including energy, water, tourism, and agriculture. This will provide critical support for decision-makers, enabling them to better integrate sustainability into national and regional economic planning. Looking ahead, more research and initiatives will follow through the next Program of Work (POW) in 2026 and beyond.

List of Participants

Experts designated by Contracting Parties

- Mehmet Tamer Çobanoglu (Türkiye) and Özlem Örme (Türkiye, online)
- Heino Nau (EC)
- Hussein Abaza (AFED - Egypt) and Monia Braham (AFED - Tunisia)
- Laura Fanciulli (Italy)
- Manca Stefania (MedCities)

Regional/thematic academic experts selected by Plan Bleu

- Aldo Ravazzi Douvan : Chief Economist, Italian MoE, Vice-President of Plan Bleu
- Nazli Demirel : Sr researcher, Institute of Marine Sciences & Manag, Istanbul University.
- Cécile Seguineaud : Policy Analyst, Clean Energy Finance and Investment Mobilisation OECD (representing Valentina Bellesi, OECD)
- Merve Ergun : Researcher University of Camerino; tax & renewables law.
- Stella Tsani : Assoc. Prof., National & Kapodistrian Un. of Athens.
- (excused) Theodoros Zachariadis: Professor and Interim Director at the Energy, Environment and Water Research Centre of the Cyprus Institute.

Plan Bleu Experts

- Robin Degron (Director)
- Antoine Lafitte (Deputy Director)
- Constantin Tsakas (Chief Economist)

Annex I

List of the Members of the Thematic Working Groups for the MSSD update

	MSP	Circular Economy	Ocean Economy/Sustainable Finance
Greece **Hellenic Ministry of Environment and Energy**	Elena Lalou Anna Spyropoulou	Maria Papaioannou Konstantina Rempestekou	
Israel **Ministry of Environmental Protection**	Fred Arzoine Yehudit Mosseri	Moran Shaanan Eran Brokovich	Nadav Paldi
Italy **Ministry of the Environment and Energy Security Directorate-general for Natural Heritage and Sea**	Piraccini Riccardo		Fanciulli Laura
Spain **Ministerio para la Transición Ecológica y el Reto Demográfico**	Aurora Mesa Fraile	Carmen Duran Vizan	
Türkiye **Minister of Environment, Urbanization and Climate Change**	Tutku KARADOĞAN Özlem ÖRME	Şeyma UÇAR SEÇGEL	Özlem ÖRME Mehmet Tamer ÇOBANOĞLU
Malta **Environment & Resources Authority**	Michelle Borg	Giovanna Pedrol De Freitas	
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IUCN (International Union for Conservation of Nature)	Mercedes Munoz	Mercedes Munoz	Mercedes Munoz