



# **United Nations Environment Programme**



UNEP(DEC)/MED IG.15/10  
14 October 2003

ENGLISH



## **MEDITERRANEAN ACTION PLAN**

13<sup>th</sup> Ordinary Meeting of the Contracting Parties to  
the Convention for the Protection of the Mediterranean  
Sea against Pollution

Catania (Italy), 11-14 November 2003

## **Preparation for a Mediterranean Strategy for Sustainable Development: Vision and Orientations**

## **Table of Contents**

|         |                                                                                    |
|---------|------------------------------------------------------------------------------------|
| Part A: | MEDITERRANEAN VISION FOR SUSTAINABLE DEVELOPMENT                                   |
| Part B: | FRAMEWORK ORIENTATIONS FOR A MEDITERRANEAN STRATEGY FOR<br>SUSTAINABLE DEVELOPMENT |

## PART A

### MEDITERRANEAN VISION FOR SUSTAINABLE DEVELOPMENT<sup>1</sup>

Given its prestigious past, the Mediterranean region is one of the richest in terms of human history, cultural patrimony and intercultural relations. The beauties of its lands and its nice climate have added attraction to the region. Situated at the strategic crossroad of three continents, the control of the Mediterranean Sea has always been a high stake in international relations.

In recent years the feeling has grown amongst the people of the region that the Mediterranean needs to develop a common vision of the future of the region to face the many challenges that are confronting them. Such a shared vision, to be based on what exists already in the field of cooperation between its various States and entities, would become the basis for developing a comprehensive and efficient strategy for sustainable development.

In fact, during the last thirty years cooperation has substantially developed in the region in spite of all conflicts and divergent geopolitical situations. This cooperation has targeted two main objectives: fighting pollution and degradation of natural and archaeological and cultural resources; promoting peace and security.

The first objective has led to the Mediterranean Action Plan and the Barcelona Convention in 1975 and 1976 respectively, whereas the second one was at the centre of the Madrid and the Barcelona Processes, initiated in 1991 and 1995 by the United States and the European Union respectively, who have been both actively involved in the region to contain conflicts.

But now time has come for the Mediterraneans themselves to take a more direct and active role in designing their vision for the future and identifying the real challenges and obstacles to face within a coherent framework for a strategy to reach sustainable development. Despite various improvements, most economic and social indicators available are showing that the Mediterranean region is enduring unsustainable policies, creating more splits inside its countries and between them. If strong corrective actions are not taken, scenarios for the future remain bleak in terms of regional ecological imbalances and aggravated inequalities.

Our vision of the future should be an ecoregion that is developing while at the same time becoming more diversified, a region whose environment is healthy, whose natural diversity is protected, a region where there is greater prosperity and more democracy and where the common cultural heritage is cherished.

Sustainable development implies a series of reforms requiring the active participation of all stakeholders and actors. It is a process that requires new ideas and ways of thinking, efficient management technique and larger participation in the political and economic debate, as well as in the implementation process of reforms.

The growing importance of globalization implies more economic, political and cultural interdependence. In this context, the regional cooperation process should lead to integrating sustainable development and governance principles in all decision-making structures so as to suppress the various serious threats on the well-being of the Mediterranean population.

In spite of the initiatives taken at the regional level (the elaboration of Agenda MED 21 in 1994, the revision of the Barcelona Convention in 1995, and the creation of the MCSD within the MAP in 1996), and in the light of the demographic, economic, technological and

---

<sup>1</sup> Revised version of Mr. M. Ennabli's report, prepared by Dr. Georges Corm, September 2003

socio-cultural differences between the shores of the Mediterranean and the difficulty of overcoming present constraints, progress achieved has not been up to the challenges facing the region. This is why a common vision of progress and sustainable development should identify these challenges to focus on the best collective way to face them successfully, through an adequate strategy for sustainable development.

There are five major challenges, equally important and inter-related, that originate from the region's geographical, political and cultural features. Each of these challenges should lead to a relevant common vision. It goes without saying that peace and security in the region are a major objective to be reached so that the common Mediterranean visions on these major socio-economic and environmental challenges could be gain credibility and make a decisive impact on the elaboration and implementation of a SD strategy for the region.

### **The challenge of development and environment protection, towards a common Environmental Vision**

Through various international programmes, the Mediterranean countries and their partners have been promoting the protection of the regional environment and the integration of relevant concerns in economic development activities. The Mediterranean Action Plan and the Barcelona Convention, together with the Barcelona Declaration deal with the relationship between economic growth and environmental protection. These also call for the integration of environmental and economic policies and mitigation of the effects of growth that harm the environment. The creation of the Euro-Mediterranean Partnership constituted a major step that could promote broader multilateral cooperation and environmental integration with a view to sustainable development.

The EU cannot without risk exclude countries of the South from joint development. If that would occur the social and economic insecurity on the Southern shores would become worst. However, the South and Eastern countries should know how to benefit from competitiveness.

Even countries in the South are now becoming aware of the ravages of certain patterns of development for their potential, their wealth, and their population. Patterns of production based on non-renewable sources cannot become generalized without compromising the future of generations to come.

History teaches us that civilizations also fall because of their excesses if nothing is done on time. Measures taken to protect the environment at the national level become meaningless if they are not backed up at least at the regional level because this problem ignore borders.

Commitment to promote alliance between development and environmental protection through **“common Environment Vision”** should give priority to sustainability and take into account the right of future generations to quality of life without harmful effects.

This is the least of our responsibilities towards generations to come.

## **The challenge of poverty and inequality, towards a common Social Vision**

All countries in the South and East of the Mediterranean find it more and more difficult to meet the growing needs of their populations because the financial constraints are considerable and indebtedness has reached unsustainable levels.

There is a tension between the need to moderate consumption, to preserve the fragile equilibrium of the eco-system and the desire to consume stimulated by the dissemination of a modern lifestyle and consumption patterns.

Human poverty is two to three times more spread in the South than in countries of the North. The persistence of large pockets of illiteracy and poverty, mainly among the female population, means the existence of problems in obtaining access to education, in addition to problems in accessing health services, drinking water and sanitation and an increase in maternal and infant mortality as well as significant inequalities between genders. Regular schooling for girls and enlarging women access to the labour market are two factors that help to lower fertility rates. Reducing men's unemployment should, under no circumstances, prejudice women's rights.

It is not yet clear whether the Mediterranean free-trade area will have a significant impact in terms of convergence between the two shores in coming decades. However reaching a significant level of convergence must be an integral part of a common vision. To this effect there is a need to build a non-asymmetrical system of interdependence based on guaranteed peace and security and on a readjustment of the transfer of resources for the benefit of countries of the South and East in order to offset their trade deficits. Such transfer, including migrants remittances, should be induced to finance actions needed to stimulate SD.

This is why the emergence of a **“common Social Vision”** should become a priority in order to rebuild a sharing society by reducing poverty, eradicating illiteracy and minimizing the disparities that could lead to despair and exclusion. This was the aim of the commitment made at the Copenhagen Summit on Social Development, organized by the United Nations in 1995 and renewed in the Millennium Goals and the Johannesburg Summit..

The revolution introduced by new information and communication technologies has transformed and refashioned work, education, and family. This is an opportunity to be seized so that the benefits of globalization can be more equitably shared by all segments of the various Mediterranean societies.

## **The challenge of innovation and economic entrepreneurship, towards a more dynamic Entrepreneurial Vision**

As a result of globalization, a purely national vision cannot resolve the majority of issues. In addition, it would be extremely dangerous not to look to the future we seek because our common destiny would then depend on short-term elements such as financial markets, stock exchange trends and raw material prices.

Globalization is a process whereby economic patterns are decisively influenced by market mechanisms in the context of open economies. Economic regulation in global markets is no more exclusively in the hands of States and Government bureaucracies. It offers many opportunities by facilitating the free flow of information, goods, services and technologies. But it constitutes also a big challenge for slow performing economies or for social groups excluded from its benefits of and, thus, feeling threatened in their ethnic or

religious identities. The danger is that globalization may ignore countries and social groups with few resources, lack of innovation and poor markets to develop.

Some zones of the Mediterranean's economy have not yet taken off, while the Northern shore is stagnating. Mediterranean markets continue to be protected, R & D is not sufficiently developed and entrepreneurial innovation is very weak. Growth patterns have not effectively embodied modern technologies in social practice. Industries and technology-based services' share in the sectoral breakdown of this growth barely accounts for one third of the GDP. Therefore, growth has been modest and not accompanied by productivity increases. This explains why the systems of growth and development in the Mediterranean region have derived little benefit from technological progress stimulated by Globalization.

The conditions that will allow Mediterranean societies to go back to work have to be created so as to enhance productivity and reduce emigration of brains. Endogenous catalysts for growth will be essential.

This is why **“common Entrepreneurial Vision”** for a more productive Mediterranean will be needed to provide an impetus and make intra-Mediterranean relations coherent in order to see renewed prosperity on both shores.

Job creation, as well as export success are mainly due to small and medium enterprises. Transfer of eco technology and the use of cleaner production techniques within the framework of a partnership freely negotiated among professional associations on both shores of the Mediterranean would make the new sharing of roles meaningful and acceptable.

Promoting sustainable development based on know-how, the networking of knowledge and competence would be synonymous with well-being. A Mediterranean regional culture composed of creativeness, able to attract young people in a world of new technology is definitely needed to face the many challenges of free-trade and globalization.

### **The challenge of cultural diversity, towards a common Cultural Vision**

Identities and cultures are the element binding the cohesion of social groups; they should be preserved and developed. One of the main challenges of modernization of growth and consumption society is the survival of identities and cultures. In the Mediterranean region there is a great diversity of cultures, religious and ethnic identities, some of them feeling marginalized or excluded or even discriminated.

It is urgent to take actions to dispel these feelings and avoid the extension of extremist ideologies and various types of cultural or ethnical fundamentalism that originates in the sentiment of being socially and politically excluded. Such a direction should be a key element of sustainable development in the Mediterranean region. It can only take place if people do not feel threatened in their identity. One of the process of sustainable development consist of recognizing and protecting diversity without endangering the cohesion of the whole society and the unity of the State.

To that end, commitment to education for all, boys and girls, , through a **“common Cultural Vision”** could be a powerful source of identity in order to move from the information (often misinformation) society to the knowledge and know-how society. In-depth reform of the education system at all levels, from primary school to the university is needed, with the emphasis on gender equilibrium, creation and innovation and not the endorsement of a dominant culture. Generalizing access to knowledge through distance learning will be a considerable challenge.

## The challenge of governance, towards a common Ethical Vision

Enhancing democracy in the social field is a political responsibility, but at the same time the responsibility of society as a whole and of its political and intellectual elites in particular.

This means moving from a centralized decision-making process to negotiation, cooperation, concerted action and decentralization.

In the absence of a regional governance structure, a Mediterranean sustainable development strategy should focus less on direct implementation and more on promoting mobilization and building the capacity of actors (government authorities, local authorities, private sector and civil society), within the framework of a system that is able to improve and complement the traditional system of governance.

This type of approach to reinforcing Mediterranean governance for sustainable development would be based on relevant regional and international organizations.

Local, national and regional associations could help to bring about a new culture of democracy that would involve the Mediterranean as a whole, in view of the pitfalls of assimilation or falling back on identity. The active participation of organizations in civil society, which are the repository of the wide variety of cultural values and traditions in the region, would be useful in this regard.

Commitment to an efficient governance system through “**common Ethical Vision**” would give meaning and perspective to a Mediterranean sustainable development process that would respect a shared ethical view of sustainability that responds to a moral imperative and transcends any utilitarian considerations.

The right to development in a healthy and equitable environment should be reaffirmed loudly at all levels of our societies so that it could become the central component of social, political and economic dialogue and policy making at the local, national and regional levels.

The principles of the Rio Declaration and Agenda 21, which underlined the environmental dimension of sustainability, as well as those of the Declaration of Johannesburg and its Plan of Implementation, which underline the necessity of an integrated approach and adequate governance, should be an integral part of the process.

They include:

- integration of environmental protection in the development process, with systemic analysis and consultation;
- internalization of environmental costs (the polluter pays principle);
- participation in and access to information and justice;
- equity among generations;
- the common but differentiated responsibilities of developed countries and those that are not yet developed;
- prevention and prudence (the precautionary principle) in the absence of certainty;
- the interdependent relations between the global and local levels (the principle of subsidiarity);

and also:

- collective responsibility;
- broad-based participation, dialogue and participation;
- partnerships and corporate responsibility;
- access to basic requirements and access to financial resources.

These principles concern our relations with nature: to protect the environment in order to ensure better quality of life and to take into account all aspects of equity in the distribution of available resources.

The common Ethical Vision would not, however, be complete without sharing and solidarity, so that development should benefit all. The objective of the sustainable development process in the Mediterranean would be, therefore, to protect society's physical and human capital in the long term. It should mobilize not only States but also actors in civil society and the private sector at all levels and strengthen regional cooperation.

\*\*\*

However, facing up these challenges in a satisfactory, efficient and sustainable manner requires long-lasting **peace and security** in the Mediterranean Region and between its countries and people.

The Mediterranean region has been characterized all through its long history by both antagonisms and peaceful coexistence affecting cooperation and collective security. This is why there could be no sustainable development without making determined efforts to establish significant levels of collective action to suppress the causes of conflicts.

Going beyond the illusory quest for parity, Mediterranean countries should, according to their respective capacities, build a Mediterranean that is managed in partnership, targeting the overall efficiency of cooperation and successful collective action.

The future of the region calls for mutually guaranteed security between countries that would constitute an efficient and well-accepted balance backed up by a clear commitment to common Peace and Security Vision.

Considering how deeply all the shores of our Sea are linked, in spite of conflicts and differences, the feeling that we share a common destiny has to be fostered in our diverse societies because we all need a stable and balanced relationship with our partners.

Facing up efficiently the challenge of peace and security is highly determinant for sustainable development in the Mediterranean, and progressing positively in coping with above major challenges will contribute to the promotion of peace and security. In fact, all these challenges are much inter-related and mutually supportive.

Only a holistic and integrated vision will be able to integrate the environment-development interface and allow the sustainable development process to minimize the impact of human activities on the environment, taking into account the effects of environmental degradation on such activities.

Such a vision will have to take into consideration the relevant political, economic and social issues and challenges that the Mediterranean region has to face:

- the enlargement of Europe towards the East;
- the political instability of certain areas, still a source of conflict;
- the relative effectiveness of the Euro-Mediterranean Partnership;
- the lack of a dynamic and organized private sector in several countries

- the emergence of the social dimension and the need for governance as emphasized by the Johannesburg Summit on sustainable development;
- the progress of globalization governed through the World Trade Organization, and that the UN Commission on Sustainable Development is trying to organise,
- the lack of adequate implementation of major environmental conventions.

## PART B

### FRAMEWORK ORIENTATIONS FOR A MEDITERRANEAN STRATEGY FOR SUSTAINABLE DEVELOPMENT<sup>1</sup>

#### Introduction

Orienting policies towards securing the foundation of a sustainable development for the world has become one of the main focus of international economic thinking. Since the Seventies of last century when the Club of Rome raised concern about the negative impact of consumption patterns on the preservation of natural resources, several important initiatives have contributed to promote the concept of sustainable development. The last one has been the Johannesburg Summit on Sustainable Development that took place in 2002.

#### The emergence of the concept of sustainable development

Since the early seventies, from Stockholm (1974) to Rio de Janeiro (1992) there has been an increasing awareness of the need to change the traditional view about the determinants of economic growth. Growth and progresses in economic well being achieved today should not impact negatively the opportunities of future generations. In consequence, the preservation of natural resources as a common heritage of Humanity has emerged as a major target of economic policies. This aim, however, cannot be successfully achieved without major economic and social changes both in the industrialized world and in the developing countries.

Since the Earth Summit, international and regional economic and financial cooperation has begun to adapt to the new principles and foundation of sustainable development. There is now a vast literature on sustainable development emanating from UN bodies and institutions, like UNDP and the World Bank or from the OECD Secretariat. Indicators of sustainable development are being developed and Directives to integrate sustainable development principles in Development assistance have been issued at OECD level and at a bilateral level by most national Development agencies. The international community and national governments are becoming more conscious of the costs involved in maintaining traditional trends in economic growth. The Millennium Declaration and the Johannesburg Summit have arrived at some quantified objectives for the next decades to preserve the environment and eradicate poverty.

Thus, in the last twenty years, major new economic and social orientations have emerged that now form the paradigm of sustainable development:

- Eradication of poverty by enlarging the access of the poor to education, production assets and facilities (land, credit, technical training, efficient technologies);
- Participation of stakeholders in decision-making (local bodies, NGOs, private sector and professional organizations);
- Promotion of adequate education and health systems, together with gender equilibrium;

---

<sup>1</sup> Report prepared by the Secretariat, with the assistance of Dr. G. Corm

- Changing consumption and production patterns to avoid wastage of resources and depletion of non renewable resources;
- Careful management of scarce resources (energy, water, forests, fisheries);
- Efficiency in industrial production to prevent major pollution impact, environmental catastrophes and preserve non-renewable resources;
- Safeguarding cultural identities.

Since the seventies, the overall trend has been rather worrying; however, there has been meanwhile an encouraging increase of positive and constructive actions.

#### Actions taken at the Mediterranean level

The Mediterranean region has begun to take action to enter into a sustainable development process since the middle seventies of last century, with in particular the Mediterranean Action Plan, the Barcelona Convention and the prospective analysis. This region is a fragile eco-region that has become aware of the pollution threat that originate from different factors as agriculture, mass tourism, the intensity of road and maritime traffic, increased urbanization. Several inter-State agreements were signed to deal with the various sources of sea pollution. The creation of the MCSD in 1996 was another important step towards developing a full-fledged strategy for sustainable development in the region. In addition, in spite of many progresses achieved in the field of health, education and standard of living, the persistence of an important development gap between various parts of the Mediterranean has increased the need for such a strategy. The establishment of the Barcelona process in 1995 and the initiative of the European Union to create a Mediterranean free-trade zone between its various shores have been an additional incentive to develop such a strategy, in spite of all constraints and challenges.

Efforts devoted in the last years to analyze the major constraints and challenges of implementing a sustainable development process in the Mediterranean region have been maturing to the point where orientations could now be defined within a coherent framework, proposed hereunder to the member States, together with a draft "Vision" defining the common challenges and goals of Mediterranean societies.

The present framework orientations have been progressively developed in the context of MAP and the MCSD through various studies and workshops. Their main conclusions are synthesized in this document.

#### How the Orientations have been developed

Thus, **Part I** constitute a synthesis of the various diagnostic studies prepared by the MCSD experts on natural resources, economic development and social equity, and on governance. It has taken into consideration the outcome of discussions held at the Barcelona Workshop (March 2003) and observations made by representatives of member States and Partners from Major Groups at the 8<sup>th</sup> meeting of the Commission held in Croatia in May 2003. It is also taking into consideration the various reports prepared by the Blue Plan concerning environment and development in various sectors of the Mediterranean economy, as well as other reports prepared by MAP components

and the most recent version of the Transboundary Diagnostic Analysis (TDA) and the EEA/MAP report on the State of the Environment of the Mediterranean.

Based on this overall diagnostic of the Mediterranean situation, **Part II** of the framework proceeds with defining the main challenges facing the Mediterranean region (multiplication of conflicts, increasing gap between the northern part of the Mediterranean region and its southern and eastern parts, trade liberalization and globalization, increasing sources of pollution). The main elements of the Vision Document are considered to be the appropriate support from which to define the main objectives of sustainable development policies in the region.

**Part III** of the framework identifies and describes the main actors and stakeholders of a SD process in the Mediterranean region (local bodies, NGOs, private and public sector companies, education institutions, professional bodies). The mobilization of such stakeholders and the implementation of governance principles on their behavior are key ingredients to implement successfully new policies conducive to sustainable development.

The framework, then, proceeds in **Part IV** to define the priority sectors where energetic intervention is needed to stop environmental degradation and wastage (water, transport, energy, urban and coastal developments) and to eradicate poverty, including progress in education, health and gender equilibrium.

The last part of the orientations, **Part V**, is devoted to identifying institutional and financial means needed to face the challenges and reach the objectives defined.

#### Definition of sustainable development and key role of governance

In the context of these orientations, the aim of sustainable development is to guarantee social justice by reducing poverty and its causes and preserving opportunities for future generations to enjoy natural resources, the cultural heritage and the physical capital that belong to the Mediterraneans, giving due consideration to the essence of the Bruntland definition: "meeting the needs of the present generation without compromising the ability of the future generations to meet their needs".

Sustainable development implies the implementation of a process involving all the actors in economic and social development by instituting forms of dialogue intended to overcome the current inertia in unsustainable growth patterns. The process is designed to secure harmonious development benefiting all segments of the population, with the aim of changing present growth patterns responsible for the degradation of the cultural and physical heritage and the region's natural resources.

Through this process, the economic, social and cultural actors become more fully aware of the challenges that are posed at various levels in the society in which they live and of the ways to overcome them.

Governance in support of sustainable development processes involves the interplay of official (i.e. government) and non-official institutions, at levels ranging from global to regional and eco-regional, national and local.

Governance has a major role to play not only in providing the institutional underpinning for specific sustainable development objectives, but also in integrating, reconciling or offering trade-offs among different strategic imperatives: key social policies (in particular the alleviation of poverty), economic development (including productivity and employment), environmental management (with due regard to the interests of future generations), cultural integrity and the rule of law (which encompass human rights, legal and personal security and effective sphere of justice). It should also include access to information, justice and participative action, as embodied in the Aarhus Convention already accepted by a number of Mediterranean countries, and the revised Barcelona Convention (Articles 19 and 20)

It is to be noted, in that perspective, that the dynamics of institution-building or institutional reform called for by sustainable development should be driven not only by economic, but also by meta-economic (e.g. environmental, social and cultural) considerations.

#### Methodological approach

The process of designing a strategy for sustainable development implies a **systemic approach** taking into consideration all the links existing between wastage of scarce resources (water, energy, forests, arable land), the lack of adequate resource's management, inadequate transport systems, mass tourism, poverty and misuse of human resources, lack of R & D in specific fields relevant to environmental challenges in the Mediterranean region, absence of corporate citizenship, etc.

The process also implies a permanent effort for developing **forecasting and monitoring tools** to appraise future trends and prevent their negative impact on the Mediterranean.

Special attention should be given to improving consumption and production patterns that are not sustainable, especially in view of the convergence efforts between the various parts of the Mediterranean that are also part of the strategy to be designed.

In addition, specific attention should be devoted to the following links:

- Links between the long-term vision, the medium-term objectives, and short-term action.
- Horizontal intersectoral links in order to follow a coordinated approach to development.
- Vertical links in terms of space so that local, national, regional and global policies are consistent.
- Partnership among governments, business circles and voluntary organizations.

Shaping a strategic sustainable development path requires:

- an underlying vision that emerges through a consensual, effective and iterative process,
- the definition of objectives and the identification of the means of achieving them,
- the monitoring of achievements as a guide to the next round of this learning process.

A strategic approach to sustainable development implies new ways of thinking and working. The OECD-UNDP 2002 resource book remarks that a strategy comprises “a *set of coordinated mechanisms and processes that, together, offer a participatory system to develop visions, goals and target for sustainable development, and to coordinate implementation and review.*” It is also accepted that a strategy cannot be a one-off initiative but needs to be a continuing participatory process, with an adequate follow-up to stimulate constant learning and continuous improvement. From the outset the process should involve different categories of Mediterranean actors that will be called on to endorse the strategy and thus contribute to its implementation.

The Mediterranean Strategy for Sustainable Development should reflect responsible acceptance of the medium-term and long-term challenges, a clear commitment and solidarity at all levels (regional, national and local) in all fields (economic, social and environmental). It should also be wholly consistent with the Plan of Implementation of the Johannesburg Summit, adapting it to the Mediterranean context and putting it into effect at the regional level.

The strategy will pay special attention to **governance** because the sustainable development of Mediterranean States implies the conscious implementation of efforts to establish significant levels of coordinated and collective action. This is why **shared political will** is needed for any collective action in a region where inequalities are great and where security and cooperation are not yet adequately secured.

Building the capacity for governance at all levels will have to be an integral part of the process of designing and implementing the sustainable development strategy. This will be the more so that Mediterranean societies need to secure their citizens' well being on a lasting basis. But actors and stakeholders will have to be made conscious of the nature of their choices in managing their natural and physical assets and the long-term consequences of such choices made by individuals, enterprises, local authorities, educational institutions, local bodies and governments.

The strategic orientations must be elaborated despite all the uncertainties with existing available information, all the gaps existing in the analysis of the Mediterranean system, and the evaluation of the external and internal variables that affect it. They will make it possible to have a global prospective understanding of the Mediterranean system, focusing on permanently monitoring the relationship between environment and development through specific indicators.

The strategy should be the main tool to incorporate sustainable development as a **common value** in all the Mediterranean's diverse cultural traditions. In order to achieve this, it will have to be explicitly based on the ethical principles of sustainable development and on a shared vision of the future as proposed in the annexed document.

## **Part I : Diagnostic of Mediterranean economic and social imbalances and its consequences on the overall physical and human resources**

The Mediterranean region suffers from various social, economic and environmental imbalances. These imbalances have a negative impact on the environment and the preservation of the Mediterranean patrimony. In addition, several conflicts and situations of violence continue to affect the lives of millions of Mediterraneans.

### The Mediterranean region in the World economy

Although standards of living have tremendously increased during the last century in all parts of the Mediterranean, the economic performance of the Mediterranean region in the World economy has been rather limited, unbalanced between its various parts and weak compared to other dynamic regions of the world. The trend towards growing economic globalization after the fall of the Soviet Union and the creation of the European Union, allowed the northern part of the Mediterranean to be successfully integrated in the European and world economy. However, this was not the case of the Eastern and Southern parts that suffered from many armed conflicts and situations of violence, while high population growth in many countries is putting pressure on the few resources of these countries.

### The main features of the asymmetry existing between its different parts

The Mediterranean region today is characterized by a sharp asymmetry between its two parts, the European Union countries and the other Mediterranean countries:

- The distribution of the population around the Mediterranean and its structure have much evolved. From about 1/3 of the total Mediterranean population in 1950, the countries of the East and South are expected to reach 2/3 in 2025. Moreover, the population in the European countries is getting older whereas the majority is below 20 years in the rest of the region.
- In the North, standard of living has increased to almost reach the level of the more developed part of Europe. At the same time, mass tourism, heavy maritime transport activities, pollution of the main large rivers that end in the sea, are putting heavy ecological pressure on this part of the region and mainly on the coastal areas. The conditions of the enlargement of the European Union to Mediterranean countries in the framework of a single market illustrated this duality between, on the one hand, economic and social coherence and, on the other, the diffusion of new ecological problems related to the adoption in Member States of patterns of consumption, production, distribution and transport that are not sustainable.
- In the South, standard of living tends to stagnate at a low level (between \$ 2 000 and \$ 4 000 of GDP per capita as against \$ 18 000 per capita in the North.). Economic activities are highly dependent on low-level traditional services; manufacturing activities are neither developed nor competitive; population growth, although on the decline, is still very high. Mass tourism and high dependency of the transportation system on cars and trucks create additional pressure on the natural resources and ecological balances. Although GDP per

capita in the Eastern part of the Mediterranean is higher on average than in the Southern part, the conflicts in the Balkans have levied a heavy toll on standard of living and GDP per capita. To the exception of Greece successfully integrated in the European Union, and Israel and Cyprus, GDP per capita is still much lower than in the North.

- In addition to the gap in income, another indicator of the deep asymmetry affecting the Mediterranean region is the distribution of exports. Eighty five per cent of exports and eighty percent of imports are due to three northern countries (France, Italy and Spain). In addition, the region suffers from structural trade deficits affecting all countries to the exception of Italy and France, as well as Libya and Algeria, which are energy-exporting countries.

These asymmetries will not be reduced unless a big effort is done to bring drastic changes in growth patterns both in the North and the South and East. Even with an optimistic projection of a decline in the population growth from an average of 2% to 1.24% in the Maghreb, and 1.39% in the Machrek countries, and with an average annual economic growth of 4.2% for the developing countries of the region, the differences in GDP per capita will continue to present a huge gap.

#### Financial distress and insufficient financial flows

In terms of financial flows, countries in the Southern and Eastern shores have been suffering from negative debt flows (34.7 billion US dollars from 1990 to 2000). In spite of debt relief and rescheduling benefiting to some countries (Egypt, Morocco, Algeria, Jordan), the stock of long term foreign debt of the southern and eastern Mediterranean countries (excluding Israel, Cyprus and Malta) have almost tripled between 1980 and 2000 from the level of 65 billion dollars to the level of 167 billion. Yearly debt service has increased from \$ 14.3 billion in 1980 to \$ 31.4 billion in 1990 and to \$ 39.2 billion in 2000.

The level of net investment flows has been quite low in general; a few countries have enjoyed more substantial levels of foreign investments, but such level remains much lower than other regions of the developing world. In addition, a large part of Official Development Assistance is concentrated on a few strategic countries; another important part of the aid is devoted to alleviating the suffering caused by the many conflicts of the region. In fact, a large number of Mediterranean countries are characterized by some form of financial distress. The high level of remittances that many countries receive from their migrant's workers is cushioning this distress. Without this cushion, large parts of the Mediterranean would be under more duress.

It is to be noted here that the share of the European Union in the total net disbursement of financial resources to Mediterranean countries has increased from 40% in 1995 to 61% in 2000. This shows the importance of the Mediterranean partnership in the economic life of the region.

### The rent economy and its negative impact

Many Mediterranean economies are still dependent on different types of rents (export of raw materials or of energy, access to special maritime facilities like the Suez Canal, migrants' remittances, ODA, tourism being also in a way a rent revenue accruing from the exploitation of the sun, the sea and the rich archeological heritage of the region). State and State entities are still playing a major role in the economic life of many countries, while private sector companies are not stimulated by the existence of a competitive environment but rather strive to maintain various forms of protection from the State. Commercial banks, either private or government owned, continue to have a quasi-monopoly of savings that are not always efficiently mobilized to stimulate growth and secure sustainability in investment patterns.

In most cases, rent economies hinder innovation and creativity and make the economy totally dependent on exogenous factors. The expansion of unemployment resulting from the lack of innovation and competitiveness is responsible for large flows of migration, including an important brain drain that is very detrimental to sustainable economic growth, in addition to those leaving for poverty and insecurity reasons. It also distorts income distribution by concentrating wealth in the hands of small groups able to take advantage of the rent while eradication of poverty and illiteracy become more difficult. It might also become an obstacle to democratization and the rule of law.

It is to be noted that substantial pockets of poverty and exclusion have also affected the northern part of the Mediterranean. The present low growth rate in most EU countries does not help solving this problem.

In fact, without more growth and income generation in the region, it will be very difficult for it to attain the objectives of the Millennium goals and the Johannesburg Summit.

### The common ecological problems

The asymmetry in itself does not prevent the fact that common ecological problems do exist and have to be dealt with. The resident population of the Mediterranean countries has jumped from 246 million in 1960 to 427 million in the year 2000. Urbanization, overcrowding in coastal regions, evolution of consumption patterns, intensive agriculture, mass tourism, and unrestricted coastal area development combine to assault the natural environment-marine, terrestrial and water resources. These factors interact to cause pollution loads that endanger people's quality of life. Pollution hot spots are typically found in coastal areas with semi-enclosed gulfs and bays near important harbors, big cities and industrial areas. They constitute a major Mediterranean problem and a potential threat.

An important quantity of untreated wastewater and many toxic substances are discharged into the semi-enclosed Mediterranean Sea, as shown in the MAP/EEA report and the TDA. Transport and industries cause atmospheric pollution that is damaging human health, nature and archaeological sites. Increasing sea transportation of oil and hazardous materials poses threats of accidental pollution. The delicate Mediterranean ecosystem is disturbed in a variety of ways from the contamination of fish by industrial effluents to the destruction of the habitats of endangered species by tourism.

Many plant species have disappeared while others are endangered and there is a constant decrease in the numbers of land and marine mammals, as well as the invasion of exogenous marine species, to the detriment of remarkable biological diversity.

The development of coasts and coastal plains for the purpose of urban, tourism and industrial expansion has led to an imbalance and a gradual concentration of the population, infrastructure and economic activities along the coast, to the detriment of the interior.

### The Governance issue

Dealing with all these problems requires a much larger degree of governance at the local, national and regional level. The concept of governance is not yet adequately grasped in the region as in most part of the world.

The Mediterranean region is generally characterized by rather strong central governments, limited decentralization (eventhough well advanced in few countries and progressing in others) and a weak but increasing role of the civil society. Regular consultations and cooperation between the public and the private sectors is not yet a common practice. Moreover, regional organizations cooperate only occasionally. In this context, promoting an efficient governance in the Mediterranean requires a lot of awareness, willingness and concerted efforts.

Governance is a positive, descriptive, analytical concept, not a normative one. It should not be understood as a normative pretension to impose a political or administrative model to less developed countries. It is neither government nor governing, it is a far larger concept embracing networks or interrelationships between strategic actors, governmental, non governmental, economic, social, cultural, religious... Any actor having a "veto power" or whose contribution is required to attain sustainable development has to be considered as part of the governance structure. This structure refers also to the patterns of interaction (that could be more or less institutionalized) that arises from the functioning of a governance structure.

Institutions and capacities implied by the concept of governance go beyond democracy. In fact, governance is an approach to development. It refers to the institutional arrangements and capacities required to produce sustainable development.

Implementation of governance principles will have to be an essential part of the strategy for sustainable development. It will represent a new venue to try to cope with the main challenges facing the Mediterranean, i.e. a better and more efficient management of water, energy and land resources, as well as a more adequate transport system and urban management.

The preservation of the archeological treasures and the variety of cultures in the Mediterranean area is an additional dimension to be taken into consideration. In this respect, consumption and production patterns as well as mass tourism and the concentration of the population on the coastal areas constitute many negative factors that have to be dealt with in defining the strategy for sustainable development.

## Part II. Identification of the main challenges

No strategy for sustainable development can achieve results if it does not properly identify the nature of the challenges it has to confront. It must also identify the main actors that can help in coping with the challenges. The diagnostic mentioned earlier has opened the way to identify two main cross-sectoral challenges and several specific challenges.

### Cross sectoral challenges: breaking the vicious circle of asymmetry and lack of economic dynamism

The two cross-sectoral challenges are constituted by the wide asymmetry existing between the various parts of the Mediterranean on one hand, and the lack of economic dynamism and innovation and lack of free competition on the other .

In fact, these two challenges are linked together, since the reduction of asymmetries requires more dynamism and innovative activities. But such dynamism to be adequately activated needs a global view on how to reduce the asymmetries and several actions to be taken in this direction.

The asymmetry can be a source of profits to private companies making business together on both shores of the Mediterranean and which take advantage of the asymmetry as it creates a protected environment for them. In the long term, however, we know that it is the whole Mediterranean economy who is the loser, as the full potential of the region for dynamic and sustainable growth is not being adequately tapped.

To fully exploit the growth potential of the region, there are several prerequisites:

- Employment opportunities and income generation should increase at much higher rates in the poor parts of the Mediterranean, within the objectives of sustainable development.
- This would require a much higher level of productive investments in the poorer part of the Mediterranean by nationals, emigrant business communities and European and international companies.
- The increase in the level of investment could reduce the brain drain that affects these parts of the Mediterranean so that management capacity and productivity could be substantially raised in the less developed economies.

This is the kind of **virtuous circle** that should be created and that could contribute to stimulating innovation and entrepreneurship as well as reducing the big economic and social gap dividing the various parts of the Mediterranean.

In fact the biggest Mediterranean challenge consist of breaking off the **vicious circle** of everlasting asymmetry and lack of dynamism and innovation described earlier in the diagnostic section.

- This vicious circle maintains an overall economic sluggishness in the Mediterranean region.
- This sluggishness creates a lack of financial resources devoted to preserving the environment and the patrimony of the Mediterranean cultures that are one of the great assets of the region.

This is why there could be no sustainable development process without a clear strategy to break the vicious circle and enter in a different pattern of economic and social policies that would generate enough human and financial resources to tackle the various problems affecting the Mediterranean, its natural resources, its environment and its patrimony.

However, considering the Mediterranean geopolitical context, promoting sustainable development requires Peace and Security in the Region. Although economic and social development is not always dependent on a peaceful environment, as demonstrated by many historical experiences (from the Renaissance period in Europe to Napoleonic wars and to the experience of East Asia tigers that took place in the context of acute military conflict), the Mediterranean region has suffered of continuous conflicts and political and social destabilization erupting since the end of the XIXth Century in its different shores or in its immediate proximity.

Today displacement of population, political instability and civil wars are still affecting some parts of the region and contribute to the degradation of its wealth and patrimony. It is an additional cause for emigration to the northern shore under the worst conditions.

Although this challenge is purely political, there is no doubt that reaching peaceful solutions to domestic or regional disturbances and upheavals could be substantially eased by planning and implementing the actions needed to face the other challenges of economic and social nature.

#### Specific sub-challenge issues

Several sub-challenges issues could be identified to properly tackle the main challenge of creating an urgently needed virtuous circle securing economic and social dynamism and reducing the various gaps affecting the Mediterranean.

We could multiply the number of these sub-challenges, but we have focused here on the most urgent ones. As for the main cross-sectoral challenges, these sub-challenges are interlinked and complement each other. They should be faced with coherent policies coping with each of them at the same level of political importance and mobilization of domestic or regional financial resources.

#### *1. The globalization challenge*

No doubt that the Mediterranean region has not taken advantage of the globalization drive in the world economy as it has been the case for other regions of the world (China, India and South East Asia in particular, but also parts of Latin America).

As it is well known, the Northern parts of the Mediterranean and Greece have taken advantage of their integration in the European Union and benefited from large amount of transfer of financial resources. However, this is not yet the case for the other parts. It is true that through the Barcelona process and MEDA programme, the European Union has contributed large amounts of humanitarian aid to conflict zones and increased loans and grants for infrastructure or economic reform. But these transfers do not match the amount of flows disbursed to concretize the single market and reduce regional asymmetries between the richer and more industrialized parts of Western Europe and the poorer and less dynamic parts.

As a result, many Mediterranean economies might not be ready yet to take advantage of free trade and globalization and some countries are exposed to more unemployment and social pain as their economies are being opened.

What is required to face this challenge is not a return to protectionist policies, but the identification of bold policies to stimulate the production capacity of the concerned countries and their competitiveness within the framework of mobilizing fully all available human and financial resources of the local population and its entrepreneurial talents both at home and abroad. In this context, the Mediterranean countries that have not yet completed the process of adhering to the WTO should accelerate their efforts. Their support to the Doha Declaration is needed as this document has recognized most emerging economies' problems in their relations with highly industrialized countries. As will be suggested here under the challenge of Mediterranean cooperation, more efforts should be devoted at promoting specific Mediterranean assets and goods, in particular in the field of agro-industries based on specific Mediterranean agricultural produce.

## *2. The poverty and illiteracy challenge*

No sustainable development will be reached in the Mediterranean without poverty reduction and eradication of illiteracy. All newly industrialized countries devoted spectacular and constant efforts to reach this goal. Illiteracy in the Mediterranean is directly conducive to poverty and exclusion and prevents any substantial increase in the overall productivity of the economy.

The electronic revolution and modern teaching technique should be made use of without delays in rural areas as well as in poor urban suburbs. Social pride and entrepreneurial talents of the Mediterranean people are not compatible with such large pockets of illiteracy, mainly concerning women. The situation has reached a point where large numbers of Mediterranean poor put their lives at risk to cross the sea in the most dangerous situation to migrate to the European shore where they hope to improve their miserable condition.

Suppressing illiteracy improves public health and dealing efficiently with the causes of poverty will liberate additional productive energies that are badly needed to break the vicious circle of lack of dynamism.

### 3. *The challenge of reforming the education sector*

It is a well-known fact that, with few exceptions, education sectors in the Mediterranean region are not adapted to the needs of the economies. Vocational training in industry and agriculture is not developed to an appropriate level. Educational institutions are not interacting with the private sector and not encouraged to develop research capacities in the various fields of modern technologies. The best Universities devote their efforts to concluding arrangements with prestigious foreign universities so that their students will be easily accepted abroad to continue higher studies. In fact, this is encouraging the brain drain.

In addition, the existence of large pockets of illiteracy indicate that the educational sector is not yet able to absorb all the needs. Special attention should be given to girls and women education in rural areas and to more educational facilities in the poor urban areas.

### 4. *The challenge of competitiveness in the private sector*

As already mentioned, local private sector companies are not developing in a competitive environment. Formal large companies take advantage of many types of hidden protection granted by the State or the large Public Enterprises. They do not devote significant resources to R & D to increase productivity and develop their management and technical capabilities. They tend to rely on foreign partners to supply them with production process and trademarks.

Small and micro-enterprises have enormous difficulties in accessing the banking system and developing their skills and capacities.

Thus, the reform of the private sector is a challenge as big as the reform of the public sector. Up to now, all the emphasis have been put on downsizing and reforming the State and privatizing Public Enterprises, but an equal challenge is that of up-grading the productive capacities of all segments of the private sector. In this context, more efforts should be devoted to promoting micro-credits and credits to small size enterprises. Funds should be made available to promote innovation and the creation of new business ventures among the young university graduates and potential entrepreneurs without personal wealth.

### 5. *The challenge of improving the management of natural resources and reducing the sources of pollution*

This challenge is to be sub-divided in several actions to be taken in different interrelated fields. The systemic approach here is a must, given the links existing between the different sources of degradation of natural resources and pollution and their cumulative effects.

- Improving management of water resources is linked to improving agricultural technique, urban distribution of water, recycling of used waters, better industrial management of water consuming.
- Energy savings and control of air pollution are linked to better transport services not dependent totally on roads and individual cars, better industrial management, better housing constructions, the development of renewable sources of energy.
- Concentration of population in coastal areas is dependent on designing and implementing strictly land use plans favoring other areas through different tools. It is also dependent on making life more attractive in rural areas and creating employment opportunities in these areas, but also on developing rural tourism to decrease the intensity of tourist activities in the coastal areas already over-urbanized.
- Action to combat land-based pollution of the marine environment presupposes the development of effective administrative, technical and financial capacities to cope with the considerable investments required and the management of water treatment infrastructure
- The production of an increasing volume of industrial and urban waste, and its treatment, has become a major challenge for large urban centres, tourist areas, and particularly islands, and also now for rural areas.

*6. The challenge of integrating Sustainable Development in Official Development Assistance and of up-grading Mediterranean cooperation*

This is the last big sub-challenge where substantial efforts will have to be devoted to break with traditional tools of ODA and to find additional resources for regional cooperation in the Mediterranean region.

Multilateral and bilateral funding institutions are already devoting efforts to take into consideration environmental issues, but sustainable development issues remain rather theoretical and have not yet been integrated in the various tools of cooperation.

As for Mediterranean regional cooperation, there is now a high degree of recognizing the need to up-grade it to the level of the challenges facing the Mediterranean. "Mediterranean" commercial labels could be developed between firms from the countries of the region to protect traditional food consumption patterns. The EU could help in establishing a "Mediterranean preference", compatible with the rules of the WTO. More co-development between private sector firms, education institutions, local bodies could be developed to reinforce the various channels of Mediterranean cooperation and orient actions and processes towards more innovation, economic dynamism and more aggressive social policies.

Cooperation policies should be adapted to the specific problems of each beneficiary country or sub-region of the Mediterranean.

More financial resources are to be made available to boost the activities of the specialized institutions created in the framework of the EU, UN institutions and their Regional Offices/Programmes, among which UNEP/MAP, and entrust them with adequate human and financial resources.

### **Part III. Identification and involvement of the actors and stakeholders needed to secure SD in the Mediterranean region**

#### Overcoming the contradictory theoretical positions on the role of the State by the governance approach

Emphasis has been traditionally focused in the Mediterranean region on the exclusive role of the State as the key actor in the process of economic development. For many years during the sixties and the seventies of last century, State intervention and the creation of Public enterprises were looked upon as the principle engine of growth and economic and social development.

Since the eighties, Central Governments and Public sector remained the center of the focus but within a reversed approach. Growth and development would now be stimulated by reducing the role of the State in the economy and in the distribution of income and by downsizing the Public sector through privatizing its large commercial or industrial entities and its public services.

Nowadays, according to new approaches in sustainable development and governance, it is realized that to create new growth patterns requires the participation of all concerned stakeholders and actors of economic and social life. Such new patterns should be respectful of the environment and of the patrimony and the variety of cultures and should target the eradication of poverty and greater innovation and dynamism.

As already mentioned, instituting governance requires a capacity-building effort to create the appropriate institutional framework where all segments of the society are integrated in a permanent dialogue on how to improve economic and social conditions. Through this process, each actor or stakeholder becomes more conscious of its responsibilities and more able to participate in and take advantage of sustainable development policies. This is why the identification of stakeholders and their interests, relations and powers is a basic component of the analytical basis of any strategy.

It is important to identify "marginalized stakeholders or actors" that have big potential to affect or be affected by policies, but have little power to influence in the decision-making process. In such cases the strategy should consider means of empowerment of these groups in order to gain positive leverage and to socially balance the process of decision-making.

In this respect, it is also important to enlarge the traditional identification of main actors for SD that tends to be restricted in LDCs to Governments, NGOs and International Cooperation institutions. The following list of actors/stakeholders is an attempt to enlarge the SD focus, which is badly needed in the context of the specific challenges identified for the Mediterranean region. Moreover, adequate and operational mechanisms should

be identified and applied for the promotion of multistakeholders approach and joint programmes of activities towards sustainable development.

Focusing on key actors that are not yet integrated in the process of sustainable development

*1. Local bodies*

The importance of local bodies has been recently put in focus as a key component of the SD process. Many examples of good practices of sustainable development have been taking places in some countries at the local level. Building development capacities begins at the local level. Close to ground, dialogue between the local actors and stake- holders, planning and action implementation are easier to conduct than at the national level.

Decentralization of Government activities is now being practiced in many countries. For some of them, it has been the key to high growth and the development of competitive capacity. It also allows better protection of the environment.

In certain Mediterranean countries, autonomy granted to regions has been quite successful; aid provided to the poorer regions in the EU countries has been an important factor of reduced asymmetries inside each country and between countries. However, granting more autonomy should go along with adequate regulations and monitoring of the decentralization process so as to limit and control possible risks for the preservation of the environment. In other countries, there is still a very strong centralization of policymaking at the Central Government level and a strict control of the Ministry of Interior on all local initiatives.

Multilateral financial institutions are rightly insisting on fiscal decentralization so that regions and municipal bodies could enjoy enough responsibilities and financial resources with the necessary capacities to mobilize and use them.. More spending and taxation should take place at the local level according to priorities and needs as defined by local stakeholders and actors of local development. Whatever planning capacity is mobilized at the level of the Central Government, it could not replace the in-depth knowledge and experience of those living and working in the various regions.

Central Governments should not decide on issues related to local development, but rather defined the framework and principles through which fiscal decentralization is to be conducted and regulated.

Decentralization is more or less advanced in the Mediterranean countries but it is generally progressing. Associating the Local Authorities in the Sustainable Development process, in particular through Local Agenda 21, is extremely important and the experience of the MEDCITES network could provide a valuable support, even though a lot still needs to be done in this context

## 2. *Non-Governmental Organizations*

In recent years, the role of NGOs in promoting sustainable development awareness has been well promoted at the international level, however their role in the Mediterranean remains weak compared to the role played by some large NGOs in other regions of the world that have developed a strong lobbying capacity attracting media attention.

Mediterranean NGOs lack funding and are, thus, too much depending on foreign aid. In some countries, they are influenced or controlled or even used by the Government. NGOs should not only be viewed as being lobbying institutions in favor of key issues of SD or humanitarian institutions.

Since 1980 and mainly 1990, the Mediterranean NGOs have improved their organization and increased their role and impact on issues mainly related to awareness for environmental protection. Some NGOs have been also quite active in developing micro-credits schemes, communal development, support to women in rural areas or poor urban areas. It is expected that this role will increase in the future.

Several networks have been established, such as MIO-ECSDE, Medforum and RAED, or NGOs such as IUCN, FOE, and WWF have established Mediterranean Offices. Considering the challenges to be overcome by the Mediterranean region, the NGOs could have an important role to play as partners in promoting Sustainable Development, in particular awareness and specific actions on the front of poverty reduction and more balance between genders. They could also become an important tool in developing more awareness to improve production and consumption patterns.

## 3. *Educational institutions*

Such institutions play a key role in any process of economic development. By their function, they are a major actor, while their users will become the key young stakeholders that will be in charge of managing and developing their country in the future.

Focus has not yet been put on educational institutions, as already mentioned when analyzing challenges; they are in need of great reform in most Mediterranean countries to become more adapted to the needs of sustainable development.

In this respect, educational institutions should become more accountable in terms of devoting efforts to reduce unemployment of their students. Performance criteria of education institutions should be adapted to the challenges of Sustainable development.

Thus, the performance appraisal of higher education institutions should not be restricted to monitoring the ratio of students who succeed in their examinations and/or the number of available majors. But they should become accountable for the number of students that find employment in a short period of time in the field they have studied. Head of institutions should link with the business sector, the local bodies, NGOs, multinational companies, and devote more efforts to mobilizing

resources for R & D and the creation of laboratories that would be of use in all sectors of the economy.

Primary and secondary education should also be strengthened so that poor strata of the population and in particular young girls could have an easy access to good quality education. Such education should also be geared towards training students of both genders to become more aware of social and economic responsibilities and aware of the need for governance and accountability for the welfare of their society. Respect for the environment, knowledge of detrimental consumption patterns, promotion of the various cultures of their countries and their neighboring Mediterranean countries should be included in the school's curriculum.

Building partnerships and active networks between universities and research centers with the objectives of capacity building, exchange of experience and transfer/acquisitions of know-how/technologies would be a tremendous contribution to sustainable development. Existing relevant cooperations through Euro Med and Euro Arab programmes should be valued, such as the networks of Universities and Euro Arab Management School (EAMS).

#### *4. Private sector and Business Associations*

In the Mediterranean region, business activities (whether conducted by the private sector or the public sector) are not yet considered as the key to sustainable development. The tendency in the Mediterranean overall cultural environment is to consider that the State is almost exclusively responsible for lagging economic growth, increasing unemployment and poverty, degradation caused to the environment, as well as different forms of corruption.

Although highly developed countries have developed many institutions and principle to make the business community more accountable of its performance and more conscious of its social responsibilities, including the preservation of the environment, this is not yet enough the case in the Mediterranean region. The social responsibility of private economic entrepreneurs (companies, rich families, land owners, bankers, etc.) is not yet adequately acknowledged. Business ethics and corporate citizenship, in particular in relation to the UN/Global Compact initiative and its principles are not yet taken into consideration by all levels of the Mediterranean Business communities.

The private sector and business associations are however showing increasing interest to the Sustainable Development concerns and principles. Even though a lot still needs to be achieved in this context, more and more Mediterranean business actors are in the process of integrating environment concerns and Sustainable Development principles in their long term plans, such as ICC at global, regional and national levels , ASCAME, the Maghreb Business Union. Companies (either private or public) should be encouraged to seek the latest ISO certification for their activities and products, and professional associations could play an important catalyzing role.

Priority as partners should be given to companies and associations that have effectively integrated (or explicitly intend to do so) the approach of sustainable

development and what it implies in terms of responsibility, ethics, environment protection and governance. To that end, it is important to identify and implement specific projects that would demonstrate the feasibility, usefulness and benefits of such partnerships. In this context, ICC network and its commitments to sustainable development could constitute an interesting partner.

#### **Part IV. Areas for priority actions**

Systemic analysis shows the relations among the environmental components and patterns of consumption, industrial activities and economic growth. This type of analysis as done by the Blue Plan/RAC for the elaboration of scenarios, is now well developed for the Mediterranean region and it is, thus, possible to define priority areas for action.

The priorities selected for the Mediterranean Strategy for Sustainable Development are related to the analyses contained in the Environment and development draft report currently being prepared by the Blue Plan/RAC and the TDA as well as the principal issues raised and dealt with by MAP II and the MCSD during its first operational period, including its sets of thematic recommendations and proposals for action..

They include issues arising at the regional and subregional levels which are common but the gravity of which varies according to the ecological and socio-economic situation, and which require common action and/or cooperation programmes, as well as national and local strategies.

Eventhough not included explicitly hereunder, the MSSD could also deal with the important issue of "Agriculture and rural development" in its set of areas for priority actions, considering its relations to water and poverty issues.

#### **Sustainable management of water**

The Mediterranean region is not adequately endowed with water resources. Although available water resources differ greatly from country to country, their degradation has already reached such an extent that it is modifying the regime or quality of resources and increasing the gap between needs and resources. The infiltration of saltwater has become virtually irreversible and widespread in coastal aquifers. Polluting waste of urban or industrial origin is increasing, affecting the quality of freshwater and the marine environment.

The evaluations and projections established by the Blue Plan have shed light on the increasingly scarce water resources per capita in a large number of countries in the region; the pollution of surface waters and the deterioration in the quality of underground waters are becoming issues of concern. The pressure of human activity on aquatic ecosystems is becoming increasingly unsustainable.

The major consumer of water in volume terms is irrigation, followed by urban consumption, then industrial use, while environmental demand is emerging. Given the high rate of population growth and urbanization that will continue to prevail in the next

two decades, urban consumption will become increasingly important in the future. Further more, if growth rate are accelerated, which is badly needed in the region, industry will be also using more water.

This is why a more efficient planning and management of effective management of water demand and available water resources is badly needed in the Mediterranean region, with emphasis on recycling used water, more water saving irrigation technique, renovation of distribution systems to avoid water losses.

The strategy will build on the findings of the MCSD (with priority on the issue of water demand), as well as analysing the potential and limits of the development of non-traditional resources (desalination, reuse of treated waste water).

It will be based on the current channels of cooperation in the region and particularly the MCSD, and the issue of water demand, Type II GWP MED initiatives on the EUROMED water and poverty facility, and EU/Greece on the MED EU Water Initiative.

It will ensure links with the European Union Water Framework Directive and encourage an approach based on watershed areas. It will deal with issues of domestic, industrial and agricultural pollution in relation with the implementation of the LBS Protocol and the SAP.

### Energy

Demand for energy is also running high in the Mediterranean region. The sources of this demand are to be found in the electricity generation systems which remains highly dependent on fossil fuels, long distance transportation system highly depend on roads and planes and, thus, using intensively liquid fuels, intensive urbanization with urban transport means also depending on fossil fuels and industry.

Energy savings in industry, construction, electricity production and transport are not very developed. The cost of installing saving devices and managing energy more efficiently is considered an additional financial burden by private entrepreneurs and public and private companies operating in the various sectors of the economy. There is fear that such costs would be an additional factor of reduced competitiveness for Mediterranean products and services on one hand, and of less profits for the business communities on the other hand.

Use of renewable energy sources, such as solar and wind energy, is not very developed, and the amount of financial and human resources devoted to R & D to innovate in tapping these sources for larger consumer's use is weak or negligible in most cases. Although clean gas resources are available in the region, intra-Mediterranean distribution networks are not properly developed. Moreover, Energy consumption patterns and mismanagement of its use are responsible for the degradation of the quality of air.

The strategy will be designed to implement realistic objectives for greater efficiency in the intensity of energy use and will set objectives for the improvement of the efficient use of energy.

### Air pollution

Air pollution results not only from inefficient energy use and the transportation systems that are too much dependent on roads and vehicles and trucks, but also from rapid urbanization, lack of adequate and environmentally friendly waste treatments facilities and from environmentally clean production facilities. In many cases, there are no regular monitoring of air pollution in many cities or regions of the Mediterranean together with communication and exchange of relevant information, a situation that has to be remedied promptly in any strategy for sustainable development.

The strategy will take into account the objectives of the Framework Convention on Climate Change, the Kyoto Protocol and the Vienna Convention on Long-Range Transboundary Air Pollution (UN-ECE) and the Johannesburg Plan of Implementation.

It will address problems relating to the implementation of cooperation and market instruments envisaged by the Kyoto Protocol, including cleaner development mechanisms

The Strategy will identify specific partnerships for energy and air pollution issues, particularly in relation to bilateral and multilateral financing in support of objectives, especially in Euro-Mediterranean countries and reconstruction programmes for the Balkans.

### Towards a Sustainable Tourism

The beauty of the landscapes and sea shores, the prestigious historical sites and the wealth of the cultural heritage, have led to many coastal leisure developments characterized by a high degree of "cementing", creating pollution and threatening the coastal ecosystems balances. This kind of development is jeopardizing the sustainability of the tourism sector, the Mediterranean being the world's prime tourist destination. However, tourism is mainly Euro-Mediterranean and relies to a great extent on tour operators who enjoy a virtual monopoly in the tourists' home countries. The absence of any long-term commitment to the destination countries by these operators means that it is not easy to preserve tourist areas from the pressures exerted on the sites.

The sustainability of the tourism sector will have to take into account the impact of pollution and coastal development on environment. . Competing countries have been unable to get together to establish a better relationship between tourism and sustainable development. The degradation affecting the common Mediterranean heritage is, thus, not only the effect but also the cause of unsatisfactory development that is inequitably shared and lacks the sustainability that it should have. An adequate regional cooperation

mechanism would contribute to a coherent management and development of tourist flows

Data on national and international tourism show a continued increase in tourism to Mediterranean countries with a concentration on coastal regions and an extension to new destinations.

Based on the work of the WTO and the MCSD, and the recommendations of the Euro-Mediterranean Partnership, the Strategy should set out objectives and identify action processes in the following fields:

- o the diversification of tourist destinations based on a better exploitation of the cultural and natural heritage;
- o the promotion of land use planning, tourism carrying capacity assessments and impact studies to facilitate environmentally-friendly tourism;
- o the conclusion by the enterprises concerned of the voluntary environmental agreements (UNEP) including the contribution of tourism enterprises to the management of protected sites.

#### Sustainable Transport in the Mediterranean

Given its tourism attractiveness and its geographical location at the crossroads of three continents, the Mediterranean has a remarkable comparative advantage for travel and transport. This is why these activities account for 60 per cent of foreign trade in services around the Mediterranean. The intensity of road and air traffic has been mentioned earlier as a main source of air pollution that adds to sea pollution by the maritime transportation system.

But as commercial vessels from all over the world go through the Mediterranean, there is a constant threat from the 300 oil tankers that often knowingly empty out their ballast. The danger of oil spills of crude petroleum is undeniable. In addition, the current trend towards carriers that transport more soluble refined products that are more toxic for biological diversity could in the future constitute an even greater danger. The cost of combating these potential risks is high, but preserving the surrounding shores is vital for the economy of the region and its environmental integrity.

The Strategy should distinguish between:

- the issue of urban transport where priority must be given to the renovation and extension of public networks, together with promotion of new means of transport and new technologies
- desirable objectives in relation to the development of safe maritime transport and measures for the prevention of accidents, monitoring and reducing voluntary

waste, equipping ports with reception facilities in accordance with MARPOL and the new Prevention and Emergency Protocol;

- the transport of goods over medium and long distances and the interurban transport of passengers, as well as the renovation of railway lines which should be fully exploited;
- the coastal navigation, including connections to Islands and the trans-mediterranean circulation; .

### Sustainable management of marine and coastal zones

Around the Mediterranean, the population is increasingly occupying the coastal zone, exacerbating the "littoralization" phenomena. Given that only 40% of the total length of the Mediterranean coasts can be deemed "useful" for human activities and settlements, littoralization phenomena have been consistently intensifying in terms of demographic and socio-economic processes.

Most Mediterranean societies have not developed, in recent times , principles and rules for land use. Given specific Mediterranean context where semi-desert or rocky mountains, few fertile agricultural land, sea and wide deserts coexist in various complex forms, land use rules are a must to avoid degradation of the physical and cultural heritage of this fragile and beautiful eco-region.

Desertification, soil degradations in rural areas, concentration of populations on the seacoasts, mass tourism are the predominant features of the Mediterranean landscape. These trends are known to be unsustainable and efforts will have to be especially devoted to induce Mediterranean in becoming more respectful and rule abiding in the use of their urban or rural lands.

The Strategy will be based on the PAP/RAC White Paper on the management of coastal zones, the recommendations adopted by the MCSD and the experience from the Coastal Area Management Projects/ CAMPs. It will be intended to:

- o implement effectively the SAP and SAP BIO in accordance with the relevant provisions of the LBS and SPA and Biodiversity Protocols;
- o develop practical implementation projects (new GEF-FFEM project);
- o mobilize the EC-MEDA/SMAP to combat land-based pollution;
- o develop a regional legal framework for the management of coastal areas and set out objectives and means of action for the effective protection of coastal areas and natural landscapes in the context of land-use planning.

### Sustainable Management of Urban Development

In the past, the major urban centres proliferated around primal coastal settlements and ports; their development was typified by special concentration. In recent decades, with the advent of rising incomes the modernization of transportation (mainly road

infrastructure) and tourism, there is evidence of an increasing sprawling urbanisation attitude being superimposed upon the coastline, which further attracts population and economic activities.

Coastal urbanization is thus representing the bulk of population growth and of economic activity in the Mediterranean region but this has significant environmental consequences such as: spatial polarization, rising demand for key resources and conflicts of use, physical degradation of resources, pollution threats to the sea and pollution risks to urban areas, increasing number of vehicles, dense transport systems and air pollution.

Taking as a basis the relevant MCSD recommendations, the Strategy will set out objectives in the following areas, among others:

- o urban planning policy, including reducing urban sprawl, promoting urban regeneration and preventing natural risks;
- o protection and promotion of peri-urban agriculture;
- o promotion of sustainable urban transport and development of new working means and technologies;
- o control and management of domestic waste;
- o modernization, through in particular cleaner technologies, of industrial plants situated in urban areas and which are harmful to the health and quality of life.

## **Part V. Institutional and financial means needed to face the challenges**

The strategy for sustainable development in the Mediterranean should identify the adequate means to tackle successfully the main challenges that have been described, and also to cope satisfactorily with the stakes of the priority fields of actions.

In this respect, existing financial and institutional means should be enlarged, increased and used more efficiently, while new means or tools of action should be created and deployed, locally, nationally and regionally.

### **Capacity building and awareness for Sustainable Development**

As a priority, more human and financial resources should be used to increase sustainable development awareness among the various concerned actors and stakeholders. This implies that efforts should be dedicated to promoting values and principles of sustainable development at various institutional levels.

Governance principles will not be diffused and implemented unless global awareness of the sustainable development challenges increase in Mediterranean societies.

To this effect, more attention, financial and human resources should be devoted to this task by all concerned actors such as: educational institutions and teachers and professors unions or associations, local bodies, state enterprises, regulatory authorities, tax authorities, Ministries of Public Works and other concerned Ministries, and recipients of foreign aid (private and public) as well as, NGOs, media (newspaper, TV, Radio), Business Associations (Chambers of Commerce, Bankers Associations, Chambers of Industry) and Professional Associations.

The dialogue capacity of some of these entities will have to be reinforced by more institutional spending and adequate recruitment of human resources in specific fields where more detailed and transparent information is needed, such as: data collection, economic, social and environmental analysis, as well as, networking with existing SD centers inside and outside the region and the creation of new networks at the local, national and regional levels to spread best practices.

Moreover, a sustainable strategy would require strengthening of capacities at national and local levels. In this context the following should be given due consideration in the elaboration and implementation of the Strategy:

- establishment of governmental, regional and local structures capable of developing and implementing sustainable development strategies;
- strengthening of Ministries of Environment and their implementation services (environmental inspectorates, processing of permits, application of environmental legislation, management of protected areas, etc.);
- Increasing awareness and knowledge on environment and development issues, and strengthening capacities and decision-making tools for promoting sustainable development, in particular in other ministries such as economy, finance and most important sectors in addition, each technical ministry concerned by SD should develop its own unit for the "environment" and/or sustainable development .
- strengthening of public information and participation mechanisms;
- objectives to be set in relation to access to environmental justice;
- objective to be determined in relation to research and development, as well as education for sustainable development, including technological aspects;
- development of environmental statistical services and observatories particularly through the development of the MEDSTAT Project.

#### Institutionalizing sustainable development agreements between the various actors and stakeholders and mobilization of Regional Partners

The outcome of an efficient institutional dialogue between actors and stakeholders of sustainable development should be the establishment of written arrangements between the concerned parties to the effect of changing patterns of economic and social behavior so as to concretize common objectives.

Such arrangements should take place at the local and national level between concerned partners, some of which were mentioned in section III of this report. At the local level, municipal bodies and other concerned decentralized geographical entities should initiate

a dialogue between the actors and stakeholders to tackle local challenges and determine objectives to be reached in a certain time span by common and shared efforts of all parties. Objectives will be related to tackling unemployment, reducing poverty, protecting the environment and the natural and historical patrimony resources of the local entity (a town, a village, a region, a rural area).

The same process should be conducted at the national level taking into consideration the outcome of the dialogue conducted at the regional level. At the Mediterranean level, there is already a diversified base for dialogue and action constituted by the Barcelona Convention and the Barcelona Process. What is needed urgently is to use more efficiently existing financial and human resources and look for improved mechanisms so that the various agreements signed by the Mediterranean countries or the various networking arrangements existing between cities, universities, NGOs, the business sector and other associations or entities could be activated more dynamically through accrued human and financial resources.

The Strategy should mobilize active regional and sub-regional sustainable development partners in the Mediterranean, giving due consideration to common but differentiated management and responsibility :

- The Euro-Mediterranean Ministers of the Environment have already recognized the value and importance of the MSSD, in the preparation of which the Euro-Mediterranean Partnership will be closely associated. The Euro-Mediterranean Partnership, under the Gothenburg Declaration and the Declaration of Euro-Mediterranean Ministers of Environment (Athens, 2002), should communicate the measures adopted to integrate sustainability issues in the Euro-Mediterranean Free-Trade Area project, beginning with the association agreements currently being revised or negotiated. All the aspects of the Partnership would be reviewed in this spirit, and particularly, energy, transport, tourism and financing. The EIB (Mediterranean Facility) would also be invited to be associated with this approach;
- The World Bank particularly active in the field of water and waste management, and METAP, UNDP, FAO and other United Nations agencies will also be invited to present their objectives in the Mediterranean region in accordance with the Johannesburg Plan of Implementation;
- Intergovernmental initiatives or programmes active at the subregional level (the League of Arab States, Arab Maghreb Union, the Adriatic-Ionian Initiative) will also be invited to indicate their objectives;
- The Strategy will also invite actors representing decentralized structures, such as the Conference of Peripheral Maritime Regions of Europe and MedCities to be associated with these objectives;
- The Strategy will also invite the main NGO networks and other major groups;
- Last but not least, networks of enterprises and chambers of commerce and industry will be invited in view of their essential role in the promotion of sustainable development;
- The Strategy, its preparation and implementation, will make appropriate use of existing institutional and technical facilities, such as the MCSD that could bridge

between partners for the identification, preparation and implementation of sustainable development projects, in the framework of the MSSD

### Mobilization of financial means

Financial means for sustainable development in addition to funds usually mobilized for specific projects, will have to be increased substantially if the challenges identified are to be met and the objectives set in the priority areas for action are to be achieved.

The Strategy should set forth clear and realistic objectives, particularly in the following fields:

- the increase in the proportion of GDP devoted to sustainable development issues (public health, education, research, environment, public transport); the consensus reached at the Monterrey Summit on "Finance for Development", as well as the traditional goal reaffirmed several times to have the rich countries devote 0.7% of their GDP should be emphasized and adequately monitored at the level of the Mediterranean region.
- development of ecological tax measures based among others on the use of natural resources and tourism;
- development of financial mechanisms for the development of water and waste management infrastructure, with particular emphasis on waste water treatment;
- mobilization of multilateral and bilateral assistance;
- development of other innovative financial mechanism for the implementation of sustainable development policies, such as debt-nature swapping, Mediterranean bonds, etc.

To that end, adequate financial means could be mobilized by different tools and at different level;

### Adapting Development Assistance to the needs of sustainable development

Many efforts have been done by donor's countries to take into consideration environmental constraints while financing infrastructure projects. But there should be more efforts to enlarge the scope to other key elements of the overall strategy for SD. To this effect, new focuses could be put in place.

#### *1. Decentralized Assistance*

Together with the internal progress of decentralization in assisted countries, donor's countries should try to manage their assistance through decentralized channels. This means that part of assistance budgets could be transferred to local bodies in the donor's countries, leaving to these bodies the task of identifying assistance projects in partnership with local bodies in the countries assisted.

*2. Assistance to capacity building for actors and stakeholders of sustainable development*

Complementing what have been already suggested for debt swaps; donors should also devote resources to help actors and stakeholders of SD to build their capacity for analysis and dialogue. Actors and stakeholders have already been identified. The success of building and implementing a strategy in the Mediterranean region will largely depend on the capacity of the main actors to change patterns of development under the pressure of stakeholders and within institutional dialogues between themselves, the State and the local bodies.

3. More focused assistance in the priority areas as defined above

The priority areas for sustainable development defined in this framework can be a guide for ODA. Old forms of assistance, as balance of payment or budget support or large project financing not relevant to sustainable development should be avoided, so that available ODA resources could be entirely devoted to priority areas.

**Conclusion: how to implement the Framework Orientations**

Many efforts and initiatives have been undertaken in view to secure peace, security and economic development in the Mediterranean region. The present Orientation Framework with the Vision document has attempted to synthesize the various aspects of the many problems that still affect the Mediterranean. Based on sustainable development and Governance principles, it has also presented orientations for the types of actions needed to address the challenges confronting the region. Priority areas in need of renewed financial and technical efforts have also been defined. A set of suggestions have been made also on how to make better use of Mediterranean human and financial resources and to raise additional resources to be focused on identifying sustainable development new patterns for achieving better quality of life for all and implementing relevant actions.

There is no doubt that the time is now ripe to put in place processes of SD at local, national and regional levels based on the orientations presented here. Monitoring mechanisms and performance indicators should now be elaborated by the MCSD and presented to Mediterranean countries, the EU and other bilateral, regional and multilateral donor's institutions, local bodies and other actors and stakeholders of SD in the region. Responsibility and capacity for following up this monitoring and evaluation system should be given due consideration.

The framework should now be developed at the regional, national and local levels and up-dated on a continuous basis to take into account new changes and challenges that are to be confronted by the region. sustainable development is a continuous process and, thus, needs to be implemented without rigidity, but rather with flexibility and through institutional means that will need continuous adaptation to changing circumstances and be guided by improved governance and dialogue between all parties to the process.