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Fourth Steering Committee Meeting of the Plan of Action for a model Mediterranean Sea (PAMEx) by 2030 and its Local Investment Finance Facility (PLIFF)

Athens, Greece, 6-7 March 2025

Agenda item 7: PLIFF and Blue Finance for the Mediterranean

PLIFF Road Map 2025

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UNEP/MAP
Athens, 2025

1. PLIFF Background

Building on the experience and success of the "Subnational Climate Fund", set up for local authorities in emerging countries with the support of the Green Climate Fund (GCF), the Catalytic Finance Foundation (formerly R20) has proposed the development of similar financial vehicles (technical assistance, equity, debt and bonds) for the implementation of PAMEX.

To this end, in 2022, several States including France, Spain and Greece; International Organizations including UNEP-MAP, UfM, IUCN; NGOs; academic institutions; private companies and fund managers have drafted and signed the PLIFF Founding Charter (Pamex Local Investment Finance Facility) at the service of three PAMEX objectives, respectively i.) zero plastic, ii.) zero greenhouse gas emissions for maritime transport and iii.) protection and restoration of maritime and coastal biodiversity.

2. The PLIFF portfolio at the end of 2024

Between 2022 and 2024, thanks to national (France and Spain) and internal financial supports, a substantial portfolio of projects has been identified, with recipient partners in the field: in Lebanon, Egypt, Tunisia, Algeria and Morocco. These projects, which cut across the three PAMEX / PLIFF themes, can be broken down as follows:

- **Green ports** based on the production of renewable energies (mainly green hydrogen) and the electrification of quaysides, enabling ships from the northern Mediterranean to stop their engines at the quayside in southern Mediterranean ports. Some ten ports in all the countries on the eastern and southern shores of the Mediterranean have expressed their interest in these proposals, with pre-feasibility studies completed for some ports.

- **Zero plastic, sanitation and waste**: focusing on equipping a number of local authorities with household waste management and sanitation projects, mainly in Morocco and Jordan. A REUT (Reuse of treated wastewater) project is also being studied in 4 Tunisian governorates (14 STEPs serving a population of 960,000). At the same time, based on a successful project for the collection, sorting and recycling of marine plastic waste (67 tons/year of PET) on the island of Kerkenah in Tunisia ("Kerkennah Plastic Free" developed with the support of CIHEAM - with the Spanish private plastics recycling company Seaqual), we have been asked to replicate and scale up this project using the same methods and a bankable business model in ten or so areas on the eastern and southern shores of the Mediterranean, with a collection target of 700 tons/year per area. 7 areas have already been identified: 4 in Tunisia (Kerkennah, Zarzis, Djerba and 1 north of Tunis), 1 in Morocco (Tétouan), 1 in Egypt (Alexandria) and 1 in Lebanon (Mennieh).

- **Protection and restoration of marine and coastal biodiversity**. Two flagship projects have been identified: the Bardawill Lake in Egypt, which has been the subject of numerous studies and for which a proposal for a green bond issue has been accepted by the highest authority of the Suez Canal, and the Bouches de Bonifacio Nature Reserve, which has also accepted the principle of a green bond issue. The Tunisian Ministry of the Environment has asked us to study the modalities of a similar intervention for Tunisia's marine and coastal nature reserves.

All these projects were subjected to a rigorous selection process based on the following criteria:

I.) Scientific, with a rigorous mapping of Hot Spots in the Mediterranean carried out by Posaidon Capital on behalf of AFD (Agence française de développement);
2.) Institutional, demand-driven and relying on a reliable implementation policy, and
3.) Economic, to guarantee a minimum level of profitability and bankability in order to secure strong interest from potential public and private investors.

All these projects are at the pre-feasibility stage. To get the PLIFF initiative up and running in 2025, we now need to carry out feasibility studies on a number of flagship projects in each of the three focus areas, to encourage investors to finance these projects using credible financial instruments.

3. Requirements at the beginning of 2025 to implement the PLIFF

The PLIFF partners propose to act in two stages over the course of 2025.

Initially, the announcement of financial commitments for technical assistance of 1 to 1.5 million euros at the United Nations Summit on the Oceans in Nice in June 2025, in order to then secure financing from private and public investors for an initial portfolio of projects of around 100 to 150 million euros at the next COP 30 climate change summit in Belém, Brazil, in November 2025.

To this end, a number of strong words of encouragement were expressed in the second half of 2024, which are now waiting to be put into practice:

- The Michael Bloomberg Foundation, which has signed a major partnership agreement with Catalytic Finance to support the C40 network in developing its portfolio of green ports, has responded favorably to the request to set up a Mediterranean sub-portfolio. Fund manager Brookfield and Mitsubishi Bank have informed us that an investment request could be submitted to them based on the presentation of bankable projects.
- Several financial partners, including the Islamic Development Bank and Middle East Family Offices, have indicated to TELL Group, manager of the Green Ports portfolio, that they are prepared to make initial investments of up to USD 75 million following the submission of bankable projects;
- The Blue Med Partnership initiative led by the UfM with the EIB, the EBRD and several development agencies has also agreed in principle to consider projects from the PLIFF portfolio;
- The Technical Assistance and Equity funds of the Subnational Climate Fund are able to co-invest in the PLIFF.

4. Proposed next steps for the UN Oceans Summit in June 2025, followed by COP 30 in November 2025

4.1. First quarter 2025

In the first quarter of 2025, **we expect to mobilize between 1 and 1.5 million euros in subsidies to carry out feasibility studies for 3 to 6 bankable projects** (a feasibility study requires an average of 250,000 euros for an average investment project of 15 to 25 million euros).

The feasibility study for green ports could focus on the port of La Goulette in Tunisia, the port of Alexandria in Egypt or the port of Beirut in Lebanon. At the same time, discussions are underway with the UfM as part of the “Blue Med Partnership” on a larger budget for the Port of Tangier Med in Morocco.

The feasibility study for the zero-plastic theme, based on the example of Kerkennah, can be reinforced and replicated in Tunisia and one or two territories in Morocco, Algeria, Tunisia, Egypt or Lebanon.

The feasibility study for the protection and restoration of biodiversity can be carried out for either Lake Bardawil in Egypt or the Gulf of Gabes and Bay of Sfax, including the Kerkennah Islands in Tunisia.

France and Spain, which have already contributed to the first stage of PLIFF, can be mobilized again in the light of the initial results, around i.) a solid, credible partnership in their areas of intervention, ii.) a portfolio of concrete projects identified on a sound scientific, institutional and economic basis.

Two new countries - Greece, which has signed the PLIFF Charter and now chairs PAMEX, and Italy - may be approached. Total or partial mobilization of these countries will trigger additional subsidies from private foundations with which PLIFF partners are already in contact.

4.2. Second quarter 2025

The second quarter of 2025 will be used **to mobilize institutions for the creation of innovative financial vehicles such as Mediterranean Blue Bonds**, with the aim of providing the means to reach 30% of protected areas in the Mediterranean.

Blue bonds can help mobilize substantial capital from private financial institutions (pension funds, insurance companies, banks, impact investment funds ....), which are looking for credible financial instruments to invest in, such as bonds. **A workshop** bringing together PAMEX, UNEP MAP, UfM, IUCN, the Blue Med Partnership and Posaidon Capital for protected areas in the Mediterranean and the Conservatoire français du littoral is planned for Bonifacio in April 2025.

4.3. Announcements at the United Nations Ocean Summit in Nice in June 2025

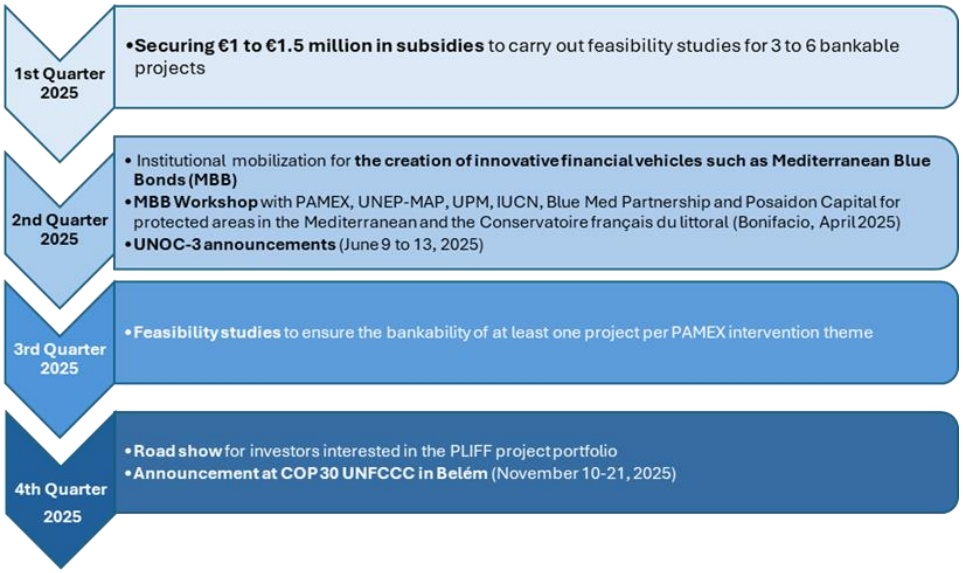
These two parallel actions should enable us to make **credible announcements of large portfolios of bankable projects at the Oceans Summit to be held in Nice in June 2025**.

4.4. Third quarter 2025

As soon as the grant funds for Technical Assistance have been mobilized, **feasibility studies to ensure the bankability of at least one project per PAMEX intervention theme will be carried out** in the field with the recipient partners, in order to be able to present the project portfolio to public and private investors.

4.5. Fourth quarter 2025

Feasibility studies will be near completion. A road show will be organized for potential investors who have already expressed an interest in PLIFF and its portfolio of projects. Negotiations will be completed to enable a significant announcement (between 150 and 200 million euros at least) at COP 30 in Belém.

4.6. Announcement at COP 30 in Belém in November 2025

PLIFF Timeline 2025