

TABLE OF CONTENTS

MAIN BODY OF THE REPORT

ANNEXES

- Annex I Mediterranean Vision for Sustainable Development
- Annex II Framework Orientations for a Mediterranean Strategy for Sustainable Development
- Annex III Millennium Development Goals
- Annex IV Highlights from the Johannesburg Plan of Implementation
- Annex V Methodological note and thematic priorities preparatory guidelines
- Annex VI Illustrative steps for developing a strategy for sustainable development
- Annex VII Table of Contents for Sustainable Development Strategies, For information

I. Introduction

At their 13th Ordinary meeting in Catania, 11-14 November 2003, the Contracting Parties have agreed that the preparation of the Mediterranean Strategy for Sustainable Development (MSSD), should be pursued, requesting the Secretariat “ to organize the preparatory process for the MSSD on the basis of a broad participatory approach and to submit the Strategy document to the next meeting of the Contracting Parties for adoption”.

The preparation of the MSSD will be one of MAP’s most important activities during the 2004-2005 biennium; moreover, the objectives of the Strategy and its derived policy actions are expected to exert a major impact on UNEP/MAP’s programme of work, at least for the decade 2006-2015, that would have to be defined soon after the adoption of the Regional Strategy.

Therefore, this workshop is a determinant milestone on the way towards the final elaboration of a relevant and realistic Regional Strategy. It is at least as important as the previous workshop in Barcelona, in March 2003, during which the foundations for the “Vision” and the “Framework Orientations” were clearly defined. Comparatively and as a subsequent major step, the present workshop is expected to lay the ground for the elaboration of the Strategy itself by discussing and defining the most appropriate methodology, proposing realistic objectives for each of the areas for priority actions together with adequate ways and means for proceeding with the preparation of the respective “thematic” components and the overall Strategy document.

To that end, the preparation of the MSSD will draw lessons from similar experiences in other regions, such as the EU and the Baltic and from available methodologies such as the one developed by OECD. Moreover, due consideration will be given to the Millennium Development Goals (MDGs) and the Johannesburg Plan of Implementation (JPOI) in defining the Strategy’s objectives. All relevant documents are either attached to this report as annexes or will be made available during the workshop for information and reference. These concern:

- Mediterranean Vision for Sustainable Development (Annex I)
- Framework Orientations for a Mediterranean Strategy for Sustainable Development (Annex II)
- Millennium Development Goals (Annex III)
- Highlights from the Johannesburg Plan of Implementation (Annex IV)
- Methodological note and thematic priorities preparatory guidelines (Annex V)
- Illustrative steps for developing a strategy for sustainable development (Annex VI)

These five documents are annexed to this report; however, in order to draw lessons from previous and on-going activities, as well as from other experiences, copies of various relevant documents will be made available during the workshop for easy consultation and reference. These concern:

- The Strategic Review for sustainable development in the Mediterranean Region;
- The UNEP/MAP Partnership Initiative on: Regional Strategy for Sustainable Development in the Mediterranean.
- OECD/DAC Guidelines on Strategies for Sustainable Development;
- Baltic 21;

- EU Sustainable Development Strategy and the consultation paper for its preparation;
- Sustainable Development Strategy for the Seas of East Asia.

The workshop will consist of eight sessions over two days; each session is expected to last for about 1 hour and 45 minutes. After the two morning sessions on the overall introduction and general framework and guidelines, the participants will split in three parallel breakout groups over three sessions, to discuss and propose for each one of the areas for priority actions, objectives, means, policies, governance, etc, before wrapping up in plenary and discussing the overall elaboration of the Strategy document.

In addition to the experts nominated by the Parties and the Partners, the Secretariat has invited some of the experts that have previously actively contributed to the preparation of the "Vision" and the "Orientations", as well as to the Mediterranean Report on Environment and Development; all MAP components are expected to have an active technical support role during the workshop.

As various reports were previously prepared in relation to the progress in the preparatory process for the MSSD, part of the information hereafter have already been reflected in other reports. For the persons who have been regularly following the preparatory process, they could go straight to the fourth section of this report, even though reading it all will recall or inform as appropriate all participants about the overall context and main concerns.

II. Highlights from the preparatory process

In 2002, at the Johannesburg Summit, Sustainable Development was perceived and defined in more practical terms as an integration of the various pillars, mainly the social, economical and environmental ones in addition to the governance issue. It is the interaction of all these dimensions that makes sustainability real. Focusing on their inter-linkages, the Millennium Development Goals and the Plan of Implementation of the World Summit on Sustainable Development (WSSD) have both explicitly recognized that poverty eradication is the overarching objective together with changing consumption and production patterns, and protecting and managing the natural resources base of economic and social development.

The process and the path to Sustainable Development is not a smooth one, but identifying and achieving time bound quantitative targets could give an operational character to Sustainable Development, giving a concrete aspect to a rather broad-based concept. At global as well as at regional levels, there are several trends that have adverse impacts and are causes for important constraints throughout the process towards Sustainable Development, keeping in mind that for both poverty reduction and environmental sustainability, economic growth is critical and efficiency in resource use is crucial.

Deciding resolutely to frame out their processes, programmes and activities in conformity with Sustainable Development principles and approach, the UNEP/Mediterranean Action Plan and the Contracting Parties to the Barcelona Convention have:

- prepared an Agenda MED 21 in 1994;
- reviewed and updated their legal framework in 1995;
- established, together with other concerned Mediterranean Partners, the Mediterranean Commission on Sustainable Development, in 1996,
- prepared a Strategic Review for Sustainable Development in the Mediterranean Region in 2000;
- prepared a common “Vision” and “Framework Orientations” for sustainable development in the Region in 2003; and,
- launched the process for the elaboration of a Mediterranean Strategy for Sustainable Development in 2004.

The Mediterranean as an area for North-South partnership between Europe and other Mediterranean countries could be considered as the arena in which to try out and apply the sustainable development concept. It brings together many of the conditions for this purpose:

- fragile eco-systems and landscapes and the presence of shared resources such as the sea and coastal zones require the joint management of environmental issues,
- in contrast, the unequal development of economies and riparian countries, the presence of pockets of poverty, and the existence of conflict and tension represent major challenges to this joint approach.

The Strategic Review has considered that implementation by the countries of measures towards sustainable development requires:

- Greater practical understanding of what sustainable development requires
- Consistency between the mechanisms to be established and the aims set
- A level of authority to influence the behavior and encourage the support of all citizens, as well as their actual involvement
- Cohesion and conviction on the part of those responsible for decision taking and implementation.

At regional level, the efficiency of the Mediterranean structures requires an optimum level of organization, with a clear and determined political will to cooperate towards specific ends. A Mediterranean strategy for sustainable development will have to take account of:

- On the one hand, the context outside the region in terms of opportunities to be grasped, or threats to be avoided;
- On the other, the context within the region in its full complexity, in terms of the strengths to be exploited and the weaknesses to be reduced.

There is no doubt that only reforms which constitute various packages of statutory, fiscal, financial, commercial or economic measures will allow the rules to be changed and the outcome to be coaxed through the channels intended. The reforms to be considered would be rendered still more beneficial and desirable by the fact that their impact would encourage growth, alleviate poverty and reduce income inequality.

However, sustainable development appears to exert no influence on the policies of many partners in the Mediterranean, apart from its environmental protection component. Sectoral visions and priorities still predominate heavily, and environmental policies have precious little impact on development policies.

Economic efficiency continues to be the driving force behind policy for most Mediterranean countries, an aim towards which they move along the shortest possible route, using existing tools. The current international situation in terms of globalization and competitiveness exerts pressure towards the adoption of such an aim.

The Mediterranean partners are facing increasing challenges in terms of wider economic, technological and socio-cultural change such as the globalization of world markets, increased competitiveness, geo-political restructuring, the growth of tourism, and technological progress in telecommunications and information distribution, in transport and travel. This in turn affects the opportunities for development and employment, population migration, and rural exodus, changing the long-term results of balanced development and accelerating change.

Moreover, institutional capacity and financial resources at regional and local level are not really in a position to bring about change nor to take up the challenges. The economic and social capacity to innovate which is essential to competitiveness in the modern world, is also limited with many countries in the region still being in the first throes of development in their national economies, most of them faced with the problems of marked population growth, economic inefficiency, rising unemployment, and rampant urbanisation, which demand an immediate response, giving priority to short term action rather than long term strategies.

However, despite the progress achieved over recent years in terms of political reform, still a lot needs to be done in terms of integration, governance and sustainable development. New types of growth and development which take greater account of the social well being of the entire population and of environmental concerns need to be sought.

The environmental, economic and social cost to be borne in the short term by certain countries within a context of integration and liberalization which favors market mechanisms can only be acceptable if serious accompanying measures are adopted in order to cushion the impact on the least privileged sectors of society, and which will guarantee more long-term sustainability.

Although it is highly active, co-operation in the Mediterranean is affected, on the one hand, by a lack of common vision and inadequate co-ordination between the main partners currently or potentially involved and, on the other, by a mismatch between resources available for development and investments, given the scale of the tasks to be accomplished.

Apart from a clear political impetus, any shift towards sustainable development also requires reference models which identify and put across a shared vision, which takes account of the Mediterranean peculiarities, as well as a coherent strategy capable of guiding the various stages of its implementation.

In close consultation with the MCSD and its Steering Committee, three "pillar" studies were prepared on "environment and natural resources", "economic development and social equity" and "governance"; the contents of these studies, their findings and proposals that were discussed and reviewed during the workshop on "Orientations for the MSSD" in March 2003 in Barcelona, constituted the basic information and guidance for the preparation of the "Vision" and the "Framework Orientations".

The preparatory process went through a large participatory approach involving all Contracting Parties and MCSD members, as well as various Partners. It has also benefited from the expertise of many eminent experts with different technical backgrounds from around the Mediterranean.

III. Common Vision and Framework Orientations for sustainable development in the Mediterranean

As for the Johannesburg Summit, the crucial challenges for the Mediterranean Strategy will be to present Sustainable Development as a set of choices which are relevant to all Mediterranean Partners and actors, a set of principles which can guide future action and a set of practical policies at local, national and regional levels.

Pursuing Sustainable Development is essentially a task of transforming governance, and preparing and implementing a Sustainable Development Strategy could be considered as a test case for good governance. Therefore, moving towards Sustainable Development will require adequate structural changes in economic, social, environmental and political sectors: reforming fiscal policies, inequity and inequality of access to assets and resources, integrating environment in development policies, decoupling environmental degradation and resource consumption from economic and social development, reorienting and increasing public and private investment towards Sustainable Development.

Eventhough Sustainable Development concerns all areas of economic, social, environmental and political life, a Mediterranean Sustainable Development Strategy would better focus on a small number of problems which pose severe or irreversible threats to the Region, to the well being of its people and regional cooperation, so as to bridge the gap between an ambitious vision and practical political action.

Given the multiple transition process (economic, technological, social, institutional, informational) in a more and more globalized world, a new social contract is necessary between concerned partners, providing a new equilibrium between economic growth and sustained improvement in quality of life; a dynamic and constructive interaction between globalization and decentralization should be established, especially on governance and business partners; moreover, in the framework of the Euro-Mediterranean Partnership, the Mediterranean could be an interacting regional case.

The challenge of realizing Mediterranean Sustainable Development is to translate the Strategy into concrete objectives and concrete action in openness and dialogue among authorities, citizens and experts; the active participation of all concerned actors at different levels is necessary. Adequate mechanisms and appropriate means should be identified, especially for financing sustainable development (domestic, regional and international resources, foreign direct investments, international trade, bilateral and multi-lateral cooperation).

Designing a Regional Strategy requires a common and comprehensive vision of a more sustainable Mediterranean; A common "Vision" was therefore prepared together with "Framework Orientations" and presented to the Contacting Parties in November 2003 for their attention. Taking note of their contents, these documents were considered as providing adequate and relevant basis, policy frame and guidance for the preparation of the MSSD. These need not to be completed by specific objectives and targets with specific time-bound measures and performance indicators. Consequently, the contents of these documents should be used as main reference for this workshop and its expected outcomes.

The Regional Strategy, even though prepared by and in the framework of UNEP/MAP, should concern the whole Mediterranean and its actors. This was recently confirmed by the decision of the 2nd Euro-Mediterranean Ministerial Conference on the Environment

(Athens, July 2002), considering that the Barcelona Convention/MAP framework is the appropriate context to deal with a regional Sustainable Development Strategy in the Mediterranean.

Translating to the Mediterranean context the global concerns as identified throughout the preparatory process for the WSSD and its Johannesburg Plan of Implementation, and bearing in mind the objectives and priorities as identified in the Mediterranean Declaration for the Johannesburg Summit, six major challenges have been defined, out of which five on which to structure the foundations of the common Vision for the Mediterranean and one that would secure their effective implementation towards sustainable development; moreover, these challenges should lead to relevant and clear commitments by all concerned partners and to the establishment of specific “contracts” that would provide the political and moral conditions to face up satisfactorily related stakes.

The six key Mediterranean Challenges for sustainable development are: Development and Environment Protection, Poverty and Inequality, Innovation and Economic Entrepreneurship, Preservation of Cultural Diversity and Governance, with, for all, the necessary Peace and Security. These challenges are also in coherence with the global driving forces and stakes identified in the UNEP’s Future of the World Environment, GEO-3, as they structured background for the 2002-2003 global prospective exercise.

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.

Based on this common vision for the Region, a vision to be shared by all the Countries but also by the regional partners (IGOs, NGOs, civil society, business sectors), the framework Orientations defined the guiding principles for the elaboration of the Strategy together with a limited number of stakes and issues of regional nature on which the Strategy would be structured. As far as possible and realistic, some measurable objectives would be identified, to be further endorsed by the MCSD and the Contracting Parties together with concerned partners.

Two key features distinguish the Mediterranean as a Region in the global context: the wide asymmetry between its various parts, and the weakness of the economic dynamism and innovation. Closely linked, these two challenges constitute a vicious circle that maintains a relative economic sluggishness in the Mediterranean Region. Related political consciousness and answer would much determine the way in which the other challenges would be faced up: globalization, illiteracy and poverty, reforming of education sector, competitiveness in the private sector, improving management of natural resources and reducing sources of pollution, and the challenge of integrating sustainable development in Official Development Assistance and of up-grading Mediterranean cooperation.

It could ensue from this a long list of priority actions on which to structure the Regional Strategy, but considering the Mediterranean context, few areas for priority actions for a MSSD have been proposed: sustainable management of water, energy, air pollution, tourism, transport, management of marine and coastal zones and management of urban development, to which we could eventually add “sustainable agriculture and rural development” as referred to in the “Orientations” document itself and as requested by some participants in the last meeting of the Contracting Parties. This meeting of experts will therefore also consider this theme in the framework of the Orientations for the Regional Strategy, eventhough its final integration is still pending the approval of the MCSD and the Bureau members, both of them to meet next June 2004.

IV. Towards the preparation of the MSSD

If the common “Vision” and “Framework Orientations” are basic reference and guiding documents for the elaboration of the Regional Strategy, its preparation will also use as background information all relevant existing and accessible documents prepared by MAP as well as by other partners, regional/international institutions and civil society. As a matter of fact, information of great interest for the regional strategy exists in documents recently prepared by NGOs, private sector associations and regional programmes such as METAP and CIHEAM. From within MAP, analytical information and relevant conclusions deriving from the Strategic Action Programmes for Land Based Pollution and for Biodiversity, together with the Mediterranean Environment and Development Report the Coastal Management and the Tourism White Books, will be of particular interest. Moreover, considering the importance of an efficient management of the Mediterranean coastal zones for sustainable development, a regional strategy for Integrated Coastal Area Management is expected to be prepared during the next biennium together with an appropriate regional legal instrument. These would constitute an essential input to the MSSD, providing a more coherent framework for several of its priority actions.

For the elaboration of the MSSD, the most important step would probably be to define relevant objectives, qualitative and/or quantitative, that correspond to the Mediterranean context for each of the areas for priority actions, while giving due consideration to the Agenda 21 and Agenda Med 21, the Millennium Development Goals and the Johannesburg Plan of Implementation. Other important steps should also be dealt with so as to define a coherent methodological framework and appropriate guidelines for the preparation of the MSSD document; to that end, the Workshop would have to give due consideration to the following issues and concerns, that could be completed or detailed:

- Objectives: what adequate and realistic objectives could be identified for the Mediterranean Region for the promotion of sustainable development; in relation with such objectives, what knowledge is necessary, what analysis-information-knowledge is available (from MAP as well as other partners in the Region), what kind and amount of additional information is required?
- Task Managers: considering MAP capacities and other expertise available around the Mediterranean, which institution from public/private sectors or major groups could assume the role of task manager (s) for undertaking analysis and information in cooperation with MAP Secretariat and its potential support centres?
- Partners: who are the most concerned partners that should cooperate for preparing and achieving these objectives?
- Means: what reasonable technical and financial means would be required for adequately defining these objectives and providing relevant background analytical and policy support information? At least for a well argued integration of these objectives in the MSSD, and later on for their implementation;
- Responsibilities: depending on the scope, kind and level of information required for each objective, what would be expected from each task manager and support centre in terms of organization, inputs and outputs, for the subject itself as well as in relation to other priority issues and their overall integration in a Strategy for sustainable development?

The above “thematic objective” analysis should also consider the set of challenges, as identified in the “Vision” and the “Orientations”, and appraise the contribution and added value expected from achieving the targeted objectives to these strategic challenges as key constituent pillars of the MSSD; this would also encompass the means of implementation and the institutional and governance requirements.

As a contribution to the discussion and in order to provide guidance for the elaboration of inputs for the Strategy, a draft methodological note has been prepared together with two demonstration cases related to “water” and “energy”; in fact these two draft “thematic priority” preparatory guidelines will be presented during the meeting that would consider their interest and appropriateness, so as to be used as reference for the other priorities and their respective objectives. This methodological note and the preparatory guidelines are proposed as working tools to facilitate and frame the discussions, and the purpose of presenting them in plenary is to discuss them, review and improve them as much and as relevant as possible before applying them during the breakout sessions.

Moreover, as the MSSD concerns the whole Mediterranean Region and its constituent parties and partners, it is important to keep in mind that possible task managers and their collaborating partners are not only to be looked for from within MAP system but could, even should, also represent major groups (NGOs, business sector, local authorities, research institutes, etc) and other regional or sub regional programmes/ institutions, such as, and as appropriate and relevant, UNDP, FAO, METAP, the League of Arab States, CEDARE, CIHAEM, MEDENER, and UN regional offices, UN-ESCWA and ECE, UNEP-ROWA and ROE.

These three parallel break out working groups that will be organized after the lunch break of the first day will deal respectively with:

- Group 1/- Sustainable management of water; Sustainable Agriculture and Rural Development;
- Group 2/- Energy; Air Pollution; Sustainable Transport;
- Group 3/- Sustainable Management of Marine and Coastal Zones; Sustainable Tourism; Sustainable Management of Urban Development.

However, considering the strong inter-relations between “water” and “agriculture”, and considering the large scope of “Marine and Coastal Zones”, it could be preferable to ask Group 1 to deal also with the “Urban” issues.

In any case, each of the Areas for Priority Actions is expected to be dealt with in the break out sessions and then in the plenary for final review according to the indicative set of questions and concerns reflected above as well as in the proposed matrixes in annex V.

For each of the “Areas for Priority Actions”, the workshop is expected to come out with a draft “note” of about 2 pages in which answers and comments to above set of questions and concerns would be summarized. These draft “notes” would be presented to the MCSD members at the next meeting (17-19 June 2004, Genoa, Italy); they would be the considered as framework and guidelines for the preparation of the “thematic” chapters that would be used as background strategic information for the preparatory process of the MSSD document.

Finally concerning this final document on the MSSD to be presented to the Contracting Parties around the end of 2005, it will consist of some 30 to 50 pages maximum with a related and relevant 4-5 pages Ministerial Declaration.

A preliminary draft table of contents is proposed together with a table of contents of the EU and the Seas of East Asia Sustainable Development report for information (Annex VII).

ANNEX I

MEDITERRANEAN VISION FOR SUSTAINABLE DEVELOPMENT¹

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

¹ 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.

ANNEX II

FRAMEWORK ORIENTATIONS FOR A MEDITERRANEAN STRATEGY FOR SUSTAINABLE DEVELOPMENT¹

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;

¹ 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 8th 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 this 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 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:

- the diversification of tourist destinations based on a better exploitation of the cultural and natural heritage;
- the promotion of land use planning, tourism carrying capacity assessments and impact studies to facilitate environmentally-friendly tourism;
- 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:

- implement effectively the SAP and SAP BIO in accordance with the relevant provisions of the LBS and SPA and Biodiversity Protocols;
- develop practical implementation projects (new GEF-FFEM project);
- mobilize the EC-MEDA/SMAP to combat land-based pollution;
- 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:

- urban planning policy, including reducing urban sprawl, promoting urban regeneration and preventing natural risks;
- protection and promotion of peri-urban agriculture;
- promotion of sustainable urban transport and development of new working means and technologies;
- control and management of domestic waste;
- 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.

New “Area for Priority Actions” that could be inserted in the “Orientations”, pending approval by MCSD (the principle was accepted by the Steering Committee) and the Bureau of the Contracting Parties:

Proposed text

Sustainable agriculture and rural development

The bad management of Mediterranean rural areas has a severe impact. The desertification that affects 80 per cent of dry and arid areas is causing an inestimable loss of biodiversity, the progressive silting of reservoirs and reductions in agricultural production. The principal cause in developing countries is the overexploitation of resources (forests and firewood, pastureland, agricultural land and water) by the large rural populations, which are poverty-stricken and over-dependent on agriculture. Neighbouring countries also face the risk of forest fires, which are occurring with greater frequency in developed countries as a result of the reduction of agricultural activity and the management deficit.

The marginalization of hinterlands and internal disparities have grown with the polarization of agricultural development around irrigated crops and on the rare coastal and fluvial plains, to the benefit of a minority of farmers. This polarization has also contributed to an accentuation of the pressure on water resources and of pollution by fertilizers and pesticides. As demonstrated by the work of the MCSD and FEMISE, the liberalization of trade could augment the rural exodus and certain types of social and environmental deterioration. An evolution of policy towards more integrated, diversified and participative forms of rural development would therefore appear to be essential to ensure the sustainable management of vital resources (land, biodiversity, water), limit risk factors (fires, floods, pollution), offer a way out of rural poverty (which limits the development of internal markets and is a source of social instability) and reduce the rural exodus (which is having a detrimental impact on urban areas, the coast and emigration). What is also at stake is the creation in the long term of added value through development, which integrates environmental concerns and promotes the strong points of the Mediterranean (synergy between agriculture, tourism, industry and services, and the development of local products and organic agriculture).

Through support for the Johannesburg Plan of Implementation and the work of the FAO, Silva Mediterranean, CIHEAM, MAP and Euro-Mediterranean Conferences, the Strategy could establish as objectives a reorientation of public policies and the implementation of integrated development programmes (such as regional natural parks, biosphere reserves and other pilot actions). At the regional level, it would call for the strengthening of development assistance policies, the greater integration of environmental and social factors in Euro-Mediterranean agricultural negotiations and the more robust implementation of international Conventions on biodiversity and desertification.

ANNEX III**Millennium Development Goals (MDGs)**

By 2015 all 189 United Nations member States have pledged to :

Eradicate extreme poverty and hunger

- Reduce by half the proportion of people living on less than a dollar a day
- Reduce by half the proportion of people who suffer from hunger

Achieve universal primary Education

- Ensure that all boys and girls complete a full course of primary schooling

Promote gender equality and empower women

- Eliminate gender disparity in primary and secondary education preferably by 2005, and all levels by 2015

Reduce child mortality

- Reduce by two-thirds the mortality rate among children under five

Improve maternal health

- Reduce, by three-quarters the maternal mortality ratio

Combat HIV/AIDS, malaria and other diseases

- Halt and begin to reverse the spread of HIV/AIDS
- Halt and begin to reverse the incidence of malaria and other major diseases

Ensure environmental sustainability

- Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources
- Reduce by half the proportion of people without sustainable access to safe drinking water
- Achieve significant improvement in lives of at least 100 million slum dwellers, by 2020

Develop a global partnership for development

- Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
- Address the least developed countries' special needs
- Address the special needs of landlocked countries and small island developing states
- Deal comprehensively with developing countries' debt problems
- In cooperation with the developing countries. Develop decent and productive work for youth
- In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- In cooperation with the private sector, make available the benefits of new technologies – especially information and communications technologies

ANNEX IV

A. HIGHLIGHTS FROM THE JOHANNESBURG DECLARATION ON SUSTAINABLE DEVELOPMENT

Broader commitment

- collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development – economic development, social development and environmental protection– at local, national, regional and global levels

Overarching objectives

- poverty eradication
- changing consumption and production patterns
- protecting and managing the natural resource base
- address globalization

Commitment to Sustainable Development

- dialogue and cooperation
- access to basic requirements such as clean water, sanitation, shelter, energy, health care, food security and the protection of bio-diversity
- access to financial resources, benefit from the opening of markets, ensure capacity building, use modern technology to bring about development, and make sure that there is technology transfer, human resource development, education and training

Stronger regional groupings and alliances

- broad-based participation
- stable partnerships with all major groups
- corporate responsibility
- strengthen and improve governance at all levels

Multilateralism is the Future

- effective, democratic and accountable international and multilateral institutions.
- monitor progress at regular intervals

Making it Happen!

- an inclusive process, involving all the major groups and governments

B. HIGHLIGHTS FROM THE JOHANNESBURG PLAN OF IMPLEMENTATION, AS THEY RELATE TO THE MEDITERRANEAN AND THE MAP/MCSD

I. INTRODUCTION

- Involve all relevant actors through *partnerships*, especially between Governments of the North and South, on the one hand, and between Governments and major groups, on the other, to achieve the widely shared goals of sustainable development

II. POVERTY ERADICATION

- Develop *national programmes for sustainable development*
- Combat *desertification* and mitigate the effects of drought and floods
- **Provide access to safe drinking water and to basic sanitation**
- Achieve a significant improvement in the lives of at least 100 million *slum dwellers*

III. CHANGING UNSUSTAINABLE PATTERNS OF CONSUMPTION AND PRODUCTION

- Promote the development of a *10-year framework of programmes in support of regional and national initiatives to accelerate the shift towards sustainable consumption and production*
- Establish and support *cleaner production programmes and centres*
- Encourage *industry to improve social and environmental performance*
- *Integrate energy considerations, including energy efficiency, affordability and accessibility, into socio-economic programmes*
- *substantially increase the global share of renewable energy sources*
- Promote *waste prevention and minimization*
- Promote efforts to *prevent international illegal trafficking of hazardous chemicals and hazardous wastes*

IV. PROTECTING AND MANAGING THE NATURAL RESOURCE BASE OF ECONOMIC AND SOCIAL DEVELOPMENT

- Halve, by the year 2015, the proportion of people who are unable to reach or to afford *safe drinking water* as outlined in the Millennium Declaration and the proportion of people without access to *basic sanitation*
- Develop *integrated water resources management and water efficiency plans* by 2005
- Encourage the application by 2010 of the *ecosystem approach in fisheries management*
- Promote *integrated coastal and ocean management*
- Maintain or restore *fish stocks* not later than 2015
- Support the sustainable development of *aquaculture*
- Maintain the productivity and biodiversity of important and vulnerable *marine and coastal areas*

- Elaborate regional programmes of action for the sustainable development of *coastal and marine resources*
- Accelerate the development of measures to address *invasive alien species* in ballast water
- Build capacity in *marine science, information and management*
- Support the establishment of effective regional, subregional and national strategies and scientific and technical institutional support for *disaster management*
- **Reduce the risks of flooding and drought in vulnerable countries**
- Increase understanding of the sustainable use, protection and management of *water resources*
- Promote the conservation, and sustainable use and management of *traditional and indigenous agricultural systems*
- Integrate measures to prevent and combat *desertification* as well as to mitigate the effects of drought
- Develop and promote programmes, policies and approaches that integrate environmental, economic and social components of *sustainable mountain development*
- Promote *sustainable tourism developmen*;
- Develop programmes, including education and training programmes, that encourage people to participate in *eco-tourism*
- Integrate the objectives of the *Convention (on Biological Diversity)* into global, regional and national sectoral and cross-sectoral programmes and policies
- Promote the wide implementation and further development of the *ecosystem approach*, as being elaborated in the ongoing work of the Convention
- Support efforts to address the environmental, economic, health and social impacts and benefits of *mining, minerals and metals* throughout their life cycle, including workers' health and safety

V. **SUSTAINABLE DEVELOPMENT IN A GLOBALIZING WORLD**

- Enhance the capacities of developing countries to benefit from *liberalized trade opportunities*
- Actively promote *corporate responsibility and accountability*
- Strengthen *regional trade and cooperation agreements*....with a view to achieving the objectives of sustainable development

VII. **SUSTAINABLE DEVELOPMENT OF SMALL ISLAND DEVELOPING STATES**

- Assist small island developing States, including through the elaboration of specific initiatives, in *delimiting and managing in a sustainable manner their coastal areas and exclusive economic zones and the continental shelf*
- Develop community-based initiatives on *sustainable tourism* by 2004
- Support the finalization and subsequent early operationalization, ...of *vulnerability indices*

VIII. SUSTAINABLE DEVELOPMENT FOR AFRICA

- Develop projects, programmes and partnerships.....for the effective implementation of the outcome of the *African Process for the Protection and Development of the Marine and Coastal Environment*
- Provide financial and technical support for Africa's efforts to implement the *Convention to Combat Desertification* at the national level
- Develop and implement *integrated river basin and watershed management* strategies and plans

IX. MEANS OF IMPLEMENTATION

- Promote *mutual supportiveness between the multilateral trading system and the multilateral environmental agreements*
- Promote and improve *science-based decision-making* and reaffirm the *precautionary approach*
- Continue to implement the work programme of the Commission on Sustainable Development on *education for sustainable development*
- Develop the capacity of civil society to participate in decision- making
- Promote and further develop methodologies at policy, strategy and project levels for *sustainable development decision-making at the local and national levels, and where relevant at the regional level*

X. INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

- Strengthen the institutional framework for sustainable development at the international level
- Strengthen and better integrate the three dimensions of sustainable development policies and programmes, and promote the full integration of sustainable development objectives into programmes and policies of bodies that have a primary focus on social issues
- **Role and function of the Commission on Sustainable Development**
 - Review progress and promote the further implementation of Agenda 21
 - Serve as a focal point for the discussion of partnerships that promote sustainable development
 - Provide a forum for analysis and exchange of experience on measures that assist sustainable development planning, decision-making and the implementation of sustainable development strategies
 - Furthering the contribution of educators to sustainable development
 - Role of international institutions
- *Strengthen cooperation among UNEP and other United Nations bodies and specialized agencies, the Bretton Woods institutions and WTO, within their mandates*
- UNEP, UN-Habitat, UNDP and UNCTAD, within their mandates, should strengthen their contribution to sustainable development programmes and the

- implementation of Agenda 21 at all levels, particularly in the area of promoting capacity-building
- Strengthening institutional arrangements for sustainable development at the regional level
 - Implementation of Agenda 21 and the outcomes of the Summit should be effectively pursued at the regional and subregional levels, through the regional commissions and other regional and subregional institutions and bodies
 - *Intraregional coordination and cooperation on sustainable development should be improved* among the regional commissions, United Nations Funds, programmes and agencies, regional development banks, and other regional and subregional institutions and bodies
 - Facilitate and promote a balanced *integration of the economic, social and environmental dimensions of sustainable development into the work of regional, subregional and other bodies*
 - *Assist in the mobilization of technical and financial assistance, and facilitate the provision of adequate financing for the implementation of regionally and subregionally agreed sustainable development programmes and projects*
 - Continue to promote *multi-stakeholder participation* and encourage partnerships
 - Strengthening institutional frameworks for sustainable development at the national level
 - Take immediate steps to make progress in the *formulation and elaboration of national strategies for sustainable development* and begin their implementation by 2005
 - Further promote the *establishment or enhancement of sustainable development councils* and/or coordination structures at the national level, including at the local level
 - *Enhance the role and capacity of local authorities* as well as stakeholders in implementing Agenda 21 and the outcomes of the Summit

Participation of major groups

Enhance partnerships between governmental and non-governmental actors, including all major groups, as well as volunteer groups, on programmes and activities for the achievement of sustainable development at all levels.

ANNEX V

METHODOLOGICAL NOTE AND THEMATIC PRIORITIES PREPARATORY GUIDELINES¹

1. INTRODUCTION

This contribution consists in several main tasks.

- A position note on how to proceed from the “Orientations” (major issues, steps, principles, general methodological guidance) to the “Preparation” of the MSSD;
- A methodological note on how to proceed from the “Orientations” to the “Preparation” based on two simulation cases (thematic or sectorial objectives) selected from the areas for priority actions in the “Orientations” and highlighting for each sector the following points:
 - Challenges and stakes
 - Objectives, goals, targets.
 - Actors, stakeholders, responsibilities
 - Institutional and financial means
 - Policies, actions, measures
- A matrix going through all the parameters for a Strategy for Sustainable Development (SSD) (challenges, means, objectives, actors – responsibilities) in relation to each priority issue;
- A preliminary proposed table of contents for the MSSD.

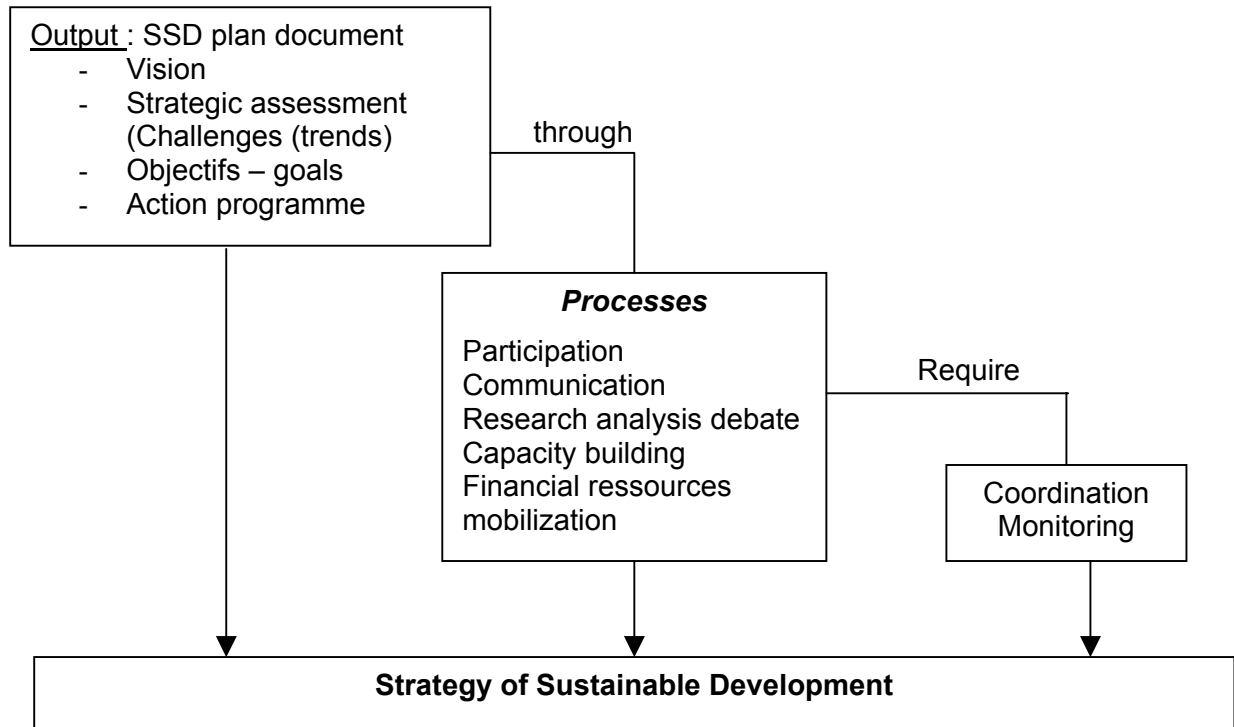
2. FROM THE ORIENTATIONS TO THE PREPARATION: METHODOLOGICAL GUIDELINES

SSD OECD definition: A coordinated set of participatory and continuously improving processes of analysis, debate, capacity-strengthening, planning and investment, which integrates the economic, social and environmental objectives of society, seeking trade-offs where this is not possible.

- **Key consideration:** SDD as outcome & process and two important principles: Participation; Integration
- | | |
|---|--|
| { | <ul style="list-style-type: none">a. <u>Outcome</u> : Objectives, goals, targets to be achieved (based on common vision) within appropriate action plans, through adequate means.b. <u>Process</u> : Participation, communication, information, coordination, analysis, capacity building |
|---|--|

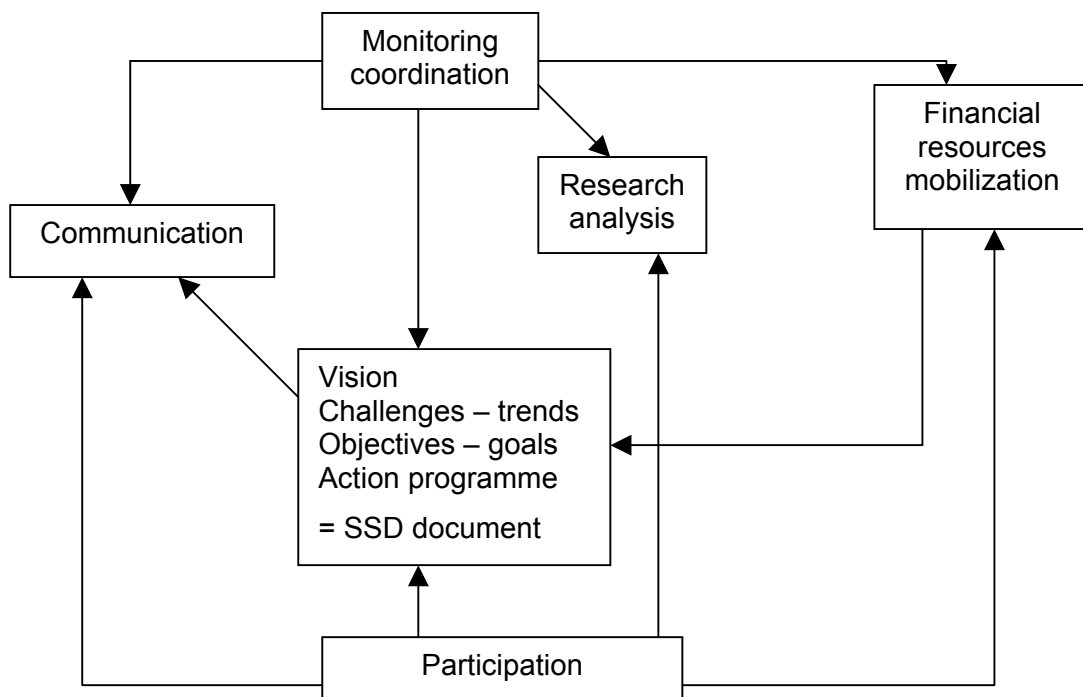
¹ Document prepared by Mr. Azzam Mahjoub, Professor in Economics, University of Tunis

Illustrative figures on SSD approach and mechanisms



The figure might not imply that a SSD involves a linear sequence of steps. In practice, the SSD needs to a cyclical continuous approach with monitoring and evaluation of the process and outcome enabling for readjustments.

[Adapted from SSD Ressource book UNDP – OECD 2002]



Constellation of inter-related mechanisms contributing to the preparation of a SSD.

[Adapted from SSD Ressource book, UNDP – OECD, 2002]

Illustrative key steps (tasks) for the preparation of SSD [Adapted from SSD Resources book – UNDP, OCDE 2002]

It should not be assumed that the subsequent tasks/steps should be undertaken as a rigid sequence. In practice, many of them will need to be pursued in parallel and so might best make use of opportunities as they arise.

When dealing with the different steps / tasks, we introduce appropriate comments related to the ongoing MSSD preparation process.

STEPS / TASKS	COMMENTS
<p>Strengthen a secretariat coordinating body</p> <p>Strengthen a steering committee</p> <p>Identify the stakeholders</p> <p>Define and seek agreements on the roles, responsibility, rights, rewards and relation of the stakeholders</p> <p>Plan to establish a multi-stakeholders forum</p> <p>Set up a communication and information system</p>	<p>Preparation of a regional SSD for the Mediterranean:</p> <ul style="list-style-type: none"> - Partners involved - Coordination and implementation mechanisms <p>Actions planned:</p> <ul style="list-style-type: none"> - creation of a post of SD officer within the UNEP/MAP secretariat for MCSD/MSSD activities (2 years) - creation of MSSD advisory group - interagency platform - build on NGO's commitments to the participation in the MSSD formulation process - expected regional NGO's forum on the MSSD <ul style="list-style-type: none"> a) specific MAP website on the MSSD
<p>Improve political commitments</p> <p>Confirm the mandate for the MSSD</p> <p>Ensure broad-based ownership</p>	<p>Baltic SSD = success story:</p> <ul style="list-style-type: none"> - high level commitment - intensive stakeholders participation
<p>Mobilize the requested resources:</p> <ul style="list-style-type: none"> - skills and source of knowledge - management, legal and institutional support - financial resources 	<p>For the MSSD preparation</p> <p>Contracting Parties have provided financial means for the preparatory process; but Parties and Partners to look for and identify adequate financial and technical resources for the implementation of the Strategy.</p>
<p>Map out the strategy preparation process by :</p> <ul style="list-style-type: none"> - Identifying existing strategic frameworks, mechanisms and process - Analyzing the different existing strategies (assessment of contents 	<p>Vision and framework orientation document prepared and presented to the Parties and Partners in 2003</p> <ul style="list-style-type: none"> - May 2004, Rabat workshop [Draft documents on the preparatory process + draft table of contents of

<p>and process)</p> <p>Establish the ground rules governing the strategy preparation process</p> <p>Establish and promote a schedule, a broad calendar for the strategy preparation process</p> <p>Establish strategy sectors frameworks and plan to develop coherence and coordination</p> <p>Promote the strategy as a unified concept: A single plan document</p> <p>Plan to publish the SSD document</p>	<p>MSSD</p> <ul style="list-style-type: none"> - June 2004: MCSD Review of the draft documents on the preparatory process and table of contents - June 2005: MCSD 10th meeting. Finalization of the draft MSSD document - November – December 2005: Adoption by the Contracting Parties - <p>Key issue from July 2004 – April 2005: Achieve strategic sectorial reports</p>
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3. USEFUL METHODOLOGICAL LESSONS FROM THE AGENDA 21 BALTIC

3.1 General features:

The mandate to develop an Agenda 21 for the Baltic Sea Region (Baltic 21), with the objective Sustainable Development, stems from the Heads of Government of the region and the meeting of Ministers for Foreign Affairs of the Baltic Sea Region (BSR), within the framework of the Council of the Baltic Sea States (CBSS), including the European Union.

Baltic 21 was officially launched by the Ministers of Environment in October 1996

Baltic 21 is a democratic, open and transparent process. It is steered by the Senior Officials Group (SOG), with members from the Governments of the CBSS and the European Commission, intergovernmental organisations and the international development banks (World Bank, EBRD, EIB, NIB, NEFCO), and a number of non-governmental organizations (NGOs). Agenda 21 for the Baltic Sea region integrates a common vision of sustainability.

This vision is based on a set of key issues that represents a sustainable development in economic, social and environmental terms: **The economic differences in the region have vanished, unemployment is reduced to a minimum**, the economic dependence on non-renewable energy and material is substantially reduced, greenhouse gas emissions are significantly reduced, acidification of soils and waters are reduced to levels where the productivity and diversity of ecosystems are secured and, finally, the state of the Baltic Sea marine environment is improved and capable to sustain healthy marine ecosystems. Consumers and different actors in society are widely aware of social and environmental factors related to sustainable development.

The work focuses on seven sectors of crucial economic and environmental importance to the region. For each sector, goals and scenarios for sustainable development have been elaborated, as well as a sector action programmes including time frames, actors and financing. All sectors have presented their work in a sector report that are published in the Baltic 21 Series. The responsibility for the sector work is distributed among the SOG members. The seven sectors and their lead parties are: Agriculture (HELCOM and Sweden), Energy (Denmark and Estonia), Fisheries (IBSFC), Forestry (Finland and Lithuania), Industry (Russia and Sweden), Tourism (Estonia, Finland Baltic Sea Tourism Commission) and Transports

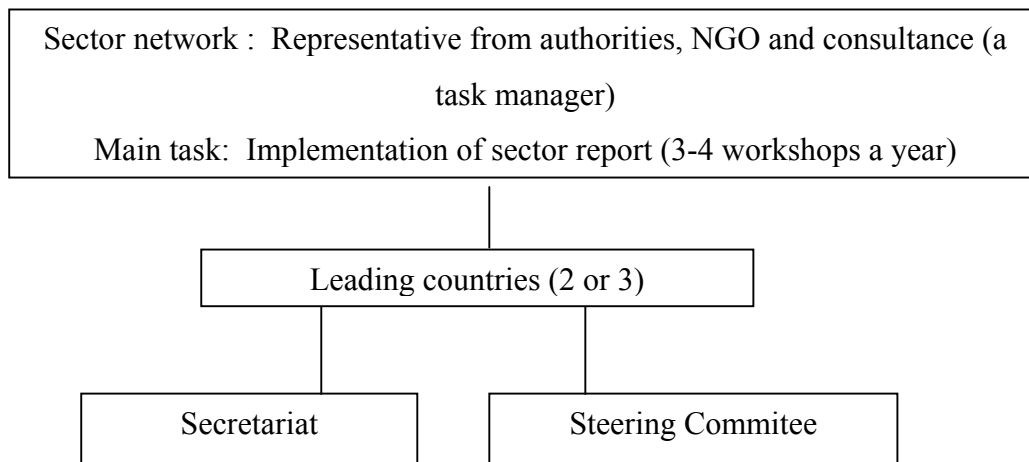
(Germany and Latvia). Work on the Baltic 21 initiative has involved some 300 persons in the region.

All sectors have presented their work in a sector report. The sector reports constitute the background for the integrated and comprehensive Agenda 21 for the Baltic Sea Region.

The Baltic SSD action programs contains:

- sectorial actions
- joint actions (several sectors implicated)
- pilot, demonstrative projects

3.2 Baltic 21 sector organigramme:



3.3 Baltic 21 SSD document plan (about 30 pages)

Table of contents

Overview (3 pages)

- What is Baltic 21?
- Main objectives and goals
- History and background
- The agenda
- What is doing now?

Summary

- Baltic 21 Action programme

[listing the 30 different areas addressing the transition to SD in the Baltic Sea Region based on selected proposals from the 9 priority areas.]

Introduction

Basic principles

Definition and goals

- Overall goals
- 9 priority sector goals (3 – 6)

Scenarios and vision

Policy implications

Overall nature of the action programme

- Joint actions
 - Sector actions
- } statement of the actions
actors

Financing budget

Actors and responsibilities

Comment: As a document plan, 21 Baltic main input is the Action Programme

Content: Joint actions and sector actions consequently, sector reports constitute a major component.

3.4 Scheduled calendar for the 21 Baltic preparation process (See Appendix)

Scheduled calendar for the 21 Baltic preparation process

- 1996: The prime ministers of BSR launch the 21 Baltic initiative
- 1996 – 1997: Establishing organizational structures and networks for the 9 priority areas
- Developing a work plan for each of the 9 priority areas
- Creating the necessary framework for the sectors to function including the role of each partner (lead parties and stakeholders)
- 1997–1998: As an example: The Baltic 21 Energy Project.
The Baltic 21- Energy project has been carried out in a network consisting of around 40 people from the countries in the Baltic Sea Region representing authorities, NGOs and consultants. Three workshops were held in the period from June 1997 to January 1998. One important intention has been to achieve consensus in the network regarding the main conclusions and the action programme. Consensus has been achieved for the bulk of the work, which also builds on comments from the actors in the energy sector.
- 1998: Foreign ministers adopted Baltic 21

3.5 Sector Report Content [Baltic 21]. Example of energy (See appendix)

4. THE MSSD PREPARATORY PROCESS: WHAT HAVE BEEN ACHIEVED?

- Mediterranean vision for sustainable development
- Framework orientations for a MSSD

4.1 Vision: The common vision of progress and sustainable development has been elaborated on the basis of 5 major identified challenges, in addition to Peace and Security.

CHALLENGES	VISIONS
Development and environmental protection Development is : insufficient Unsustainable (patterns of production and consumption)	Common environmental vision: Accelerate economic development but under constraint of sustainability
Poverty and inequality: - lack of convergence between the two shores - knowledge gap (NTIC) - unemployment - illiteracy – poverty – education gender disparities	Common social vision - reduce the gap (welfare – knowledge) - achieve Millenium Development Goals
Innovation – economy entrepreneurship - globalization – risk of exclusion (little benefit actually) - low productivity – competitiveness - weak entrepreneurship	Dynamic entrepreneurial vision - promote entrepreneurship [SME in particular] - promote private sector partnership
Cultural diversity - risk of cultural divide - threat of extremism - gender inequalities issues	Cultural vision - cultural diversity as a source of mutual enrichment - promote tolerance and cultural dialogue
Governance - excess of centralism - weak civil society	Ethical vision - promote: democratizatio – participation – decentralization - share common principles: peace and security, solidarity (common and differentiated responsibilities), precaution integration

OVERALL GOALS

- Secure peace and stability
- Put priority on sustainability
- Achieve Millenium Development Goals and progree towards convergence between two shores
- Preserve culture diversity as a source of mutual enrichment
- achieve adequate steps towards good governance
- promote entrepreneurship and innovative private sector

4.2 Framework orientations for a MSSD

4.2.1 Matrix 1

The aim of this matrix is to go through the main parameters taken in account in the “framework orientations” in relation to the main priority issues. In this matrix 1, we grouped the priority sectors in 3 blocs: Water (agriculture); Energy, Air pollution, Transport; Marine coastal, tourism, urbanization and the challenges in 3 sets as shown in the matrix. The empty cases indicate that no links has been established within the framework orientations, but this preliminary analysis is just given for indicative purposes.

	Priority sectors	Water (agriculture)	Energy, Air pollution, Transport	Marine coastal, tourism, urbanization
	Parameters			
	Diagnostic	Common ecological problems		
CHALLENGES	Globalization Competitiveness Privatization	No significative analysis are devoted to the relationship between globalization and the priority sector		
	Poverty Illiteracy - education Gender issue	Focus on rural ares		
	Management of natural ressources and reducing pollution	Improve management of water ressources	- Energy saving - Better transport - Air pollution control - Renewable Energy	- Appropriate land use plans - Combat land based pollution - Of the marine environment - Industrial and urban waste
MEANS	SD in ODA cooperation assistance	- Promote MED preference, commercial label - More financial ressources in UN framework - Decentralized assistance - ODA ressources must be devoted to priority areas		
	Governance key acters and stakeholders	- From centralized state-oriented approach to governance approach [participation, partnerships, institutional dialogue -Better identify actors and partners See list of partners involved in "Partnership initiative: Preparation of a regional SDS"		
	Capacity building and awareness	- Establish structures of development implementing SDS [national, local, regional] - Increase awareness and knowledge - Strengthen public information and participation mechanisms - Develop environmental statistical services and observatories		
	Financial means	- ODA = 0,7% of GDP - Taxe measures - Financial mechanisms (waste water treatment) - Mobilizing the ressources (multilateral, bilateral) - Innovative financial mechanisms		

4.2.2 Matrix 2: Here, we proceed in a broad perspective taking in account the 7 priority sectors in relations to challenges and stakes, objectives/goals, actors/responsibilities, means/policies/actions. This exercise allows us to benchmark knowledge achievement. Here also, this preliminary analysis is done for indicative purposes.

Parameters	Challenges and Stakes	Objectives and Goals	Actors and Responsibilities	Means	Policies /Actions
Priority Areas					
Sustainable Management Water	<ul style="list-style-type: none"> • Water • Water Quality • Salinization • Major Consumers • Increasing Urban 	<ul style="list-style-type: none"> • Recycling used • Water Saving • Renovation of distribution system 			
Energy	Demand running high and depending on fossil	Energy saving <ul style="list-style-type: none"> • Renewable energy 			
Air Pollution	Ineffective energy Dominance: <ul style="list-style-type: none"> • Of road • Intense • Lack of waste facilities 	Framework CCC			
Transport	<ul style="list-style-type: none"> • Intense road and air transportation • Threat of oil 	<ul style="list-style-type: none"> • Urban transport • Safe marine • Railway line • Coastal 			
Sea and Coastal	<ul style="list-style-type: none"> • Mass tourism • Rural migration 	Based on: <ul style="list-style-type: none"> • PAP/RAC white paper • MCSD • CAMPs 			
Tourism	Med: 1 st world tourist destination <ul style="list-style-type: none"> • High degree of threat to coastal systems • Under monopoly of tour operators 	Based on WTO and MCSD recommendations			
Urbanization	<ul style="list-style-type: none"> • Increasing coastal urbanization • Spatial • Increasing and demand of key 	MCSD relevant recommendations			

According to the table above, we can approximately indicate the degree of actual knowledge achievement within the MSSD preparation framework (parameters):

- + Good
- +/- Sufficient
- /+ Almost sufficient
- Insufficient

Parameters Priority areas	Challenges and stakes	Overall objectives	Goals targets	Actors responsibilities	Means
Water	+	+	+/-	+/-	+/-
Energy	+	+	-	-	-
Air pollution	+/-	+	-	-	-
Transport	-/+	+/-	-	-	-
Sea coastal zones	+	+	+/-	+/-	-
Tourism	+	+/-	-	-	-
Urbanization	+	+/-	-	-	-

Recommandation: Use the table with precaution.

5. FROM THE ORIENTATIONS TO THE PREPARATION: 2 CASE STUDIES

5.1 The 2 selected priority sectors: energy and water / poverty.

Two “areas” for priority actions have been selected according to :

- differences in term of knowledge existing and to be collected
- differences in term of complexity, so as to give an idea of alternative actions versus requirements

For the energy sector, the Baltic experience is very useful in a methodological perspective, because it constitutes one of the most successful components of the Baltic strategy for sustainable development.

For the second case – water versus poverty, – it is from a comprehensive, integrative sustainable development perspective the case “par excellence”, the most adequate, appropriate, demonstrative pilot action program

As mentioned in the “Orientations” document [UNEP / MED IG. 15/10 Part B, page 20] the strategy related to sustainable management of water will build on the findings of MCSD and will be based on the current channel of cooperation in the region and particularly the MCSD, and type II GWP MED initiative on the EUROMED water and poverty facility and EU / Greece on the MED EU water initiative.

It will make links with EU water framework directive.

On the basis of what have been already achieved within the MAP framework (Strategic review for sustainable development in the Mediterranean, Blue Plan ongoing report on environment and development in the Mediterranean and the Orientations for a Mediterranean strategy for sustainable development) we capture the main outcomes for each priority sector according to the 5 key elements :

- challenges and stakes
- overall objectives
- partnership and stakeholders
- institutional and financial means
- policies, actions, measures

The objective is to attempt an assessment on the amount and type of work needed at this step to build on the work plan related to the required report.

5.2 Example of energy :

Challenges and stakes:

- 1: High demand for energy (SEMC 4 times more than SMNC ; urbanization, transport and industry)
- 2: Energy (and electricity generation systems) highly depend on fuel (75% in the North and 96% in the South)
(By 2025, 87% of the total demand will be satisfied by the fossil energies; An increasing use of gas without the reduction of needs in oil and coal)
- 3: Growing energetic deficit & dependency
- 4: Serious impacts in term of pollution and risks on health

Comment: Not significant additional work is required

Overall objectives, goals, targets and indicators:

- 1: Rational energy use (better efficiency of actual energy systems : promote energy saving process in industry, housing, transport & electricity production)
- 2: Supply diversification (use of clean gas resources) & Renewable Energy promotion (use of renewable energy sources)

Comment: Overall objectives have to be translated in goals and targets

Blue Plan scenarios 2025 estimated targets:

- reduction by 20%-25% the total Med energy demand
- renewed energy = 14% of total energy primary supply (instead of 4% actually) and 40% of electricity production (instead of 21% actually)
- energy intensity reduction rate 1,6% per year (instead of 0,7% actually).

Partnership and stakeholders:

- 1: UE role
- 2: Euro-Mediterranean partnership
- 3: MEDENER

Comment: Building on the actual informal Mediterranean Energy Network.

A deeper investigation on potential partners and stakeholders.

**Potential manager task (responsible for the achievement of the energy report):
Mediterranean Observatory of Energy**

Institutional & financial means :

- 1: More Public Development Aid (PDA) is required to RE promotion
- 2: Countries public sector may support the initial investments in saving energy processes (direct aides, fiscal deduction)
- 3: In the North Mediterranean countries, in particular, the public intervention in R&D is needed to accelerate the transition toward the RE (by lowering their installation cost)
- 4: Public measures are needed to promote the diffusion of already operational eco-technologies
- 5: Liberalization of the sector (attracting foreign investment, introducing free competition, restructuring of the energy market)

Policies, actions, measures:

- 1: Internalisation: energy price must incorporate the harmful externalities and allow cost comparison with alternative energy sources (elimination of subsidies to the energy-consumption)
- 2: Improving public awareness and acceptance of behavioural changes

- 3: Financial incentives to investments in saving energy processes
- 4: Adjustment to UE norms and thermic standards
- 5: A very strong public impulse (national strategies within regional cooperation)

Comment (on the 2 last points): A substantial work has to be done within a comprehensive action plan. The Baltic 21 action program may be useful in the preparation of the work plan related to the energy sector report.

Recommendation: Take into account the Johannesburg Plan of Implementation (see appendix).

5.3 Example of water vs poverty

5.3.1. The same kind of analysis has been undertaken for water sector.

Challenges and stakes:

- 1: High demand for water in agriculture (irrigation) particularly in the Eastern Mediterranean countries
- 2: Increasingly demand in safe water (due to urbanization growth) particularly in the South
- 3: Unsustainable exploitation of renewable resources
- 4: Rising saltiness in the coastal aquifers
- 5: Pollution of the surface waters due to human activities (industrial & urban wastes)

Comment: Not significant additional work is required

Overall objectives, goals, targets and indicators:

- 1: Better resources management (reducing pollution, recycling, increasing potential resource tap sustainably)
- 2: Better management of the demand (regarding to important wastes, savings up to 25% of the demand)
- 3: Better use of economic instrument (weakly used)
- 4: Strengthening the Mediterranean cooperation

Comment: Overall objectives have to be translated in goals and targets

Partnership and stakeholders:

- 1: MAP/MCSD
- 2: Euro-Mediterranean partnership
- 3: SEMIDE

Institutional & financial means:

- 1: Remodeling the financing system (combination of different sources - international, regional, national, local, private, users)
- 2: Decentralization in financing and decision-making
- 3: An increasing volume of PDA dedicated to freshwater (actually only 8% of PDA is allocated to) and better distribution between the different projects (avoiding a concentration on the heavy infrastructure construction)

Policies, actions, measures :

- 1: Progressive tariffs, quota, subsidies, fiscality
- 2: Construction and sustained management of storing and cleaning infrastructures
- 3: Improvement of institutional capabilities (national strategies, training skills, clarification of institutional, legal and financial settings)
- 4: Increasing storage capacities

5.3.2. Partnership Euro-Mediterranean Water and Poverty Facility (EuroMed WPF): A tripartite program of action

The Euro-Mediterranean Water and Poverty Facility (WPF) aims to:

- Assist in improving the livelihoods of poor people in urban areas of the Mediterranean, particularly in relation to water and sanitation
- Contribute in designing guidelines on social performance of water pricing
- Develop guidelines and expertise in order to facilitate the integration of poverty reduction components in major water projects of the region.
- Develop functional tripartite initiatives to facilitate regional and national investment on Water and Poverty initiatives

Key dimensions to be addressed by the WPF are: improving livelihoods, improving health, mitigating vulnerability of the poor under extraordinary conditions and events such as disasters related to water.

WPF is a Type II Initiative, led by Greece, Egypt and GWP-Med. The governments of Egypt, Greece, Morocco and Tunisia, several intergovernmental organizations, NGOs, and local authorities in the region have confirmed their partnership in WPF, which was officially launched in Johannesburg². WPF is already a building block of the EU Water Initiative

The Euromed WPF document plan is a very useful resource guide for the elaboration of priority sector report. Its table of content may be used as a guideline for the work plan for each sector project :

- Background
- Main objectives, main expected results – specific target
- Time frame
- Partnership target groups
- Coordination, monitoring, arrangements of WPF implementation
- Financial support
- Scheduled activities 2004-2006

Action plan will be elaborated, based on the base line assessment and mapping (BAM) during 2004

² Johannesburg Plan of implementation – JPI (Water / Poverty)

The provision of clean drinking water and adequate sanitation is necessary to protect human health and the environment. In this respect, we agree to halve, by the year 2015, the proportion of people who are unable to reach or to afford safe drinking water (as outlined in the Millenium Declaration) and the proportion of people who do not have access to basic sanitation which would include actions at all levels.

APPENDIX

1. Sector Report Content [Baltic 21]. Example of energy

1. Strategic assessment: Energy in the region
trends – challenges – stakes
2. Overall goals set up for 2030
based on scenarios
in line with international and regional concerns
taking in account the global vision
3. Action Programme: based on necessary assessment of what has already been
achieved (or on the way to be), regional and by country
statement for each specific action (main content)
time frame
responsibilities for implementation
financing

Example: Baltic 21 Energy action program

Overall objectives (3) for the Energy sector:

- energy savings in all sectors
- reduction of energy losses; increased combined heat production, CHP
- increased use of renewable energy

Actions (10)

- Strengthening of cooperation between authorities in order to develop an efficient market framework
- Kyoto follow- up and flexible instruments
- Promotion of increased energy efficiency and energy savings by regional competition
- Setting up of a system for regional competition in the renewable energy market
- Workshop regarding energy statistics and regional model- building for “sustainability” scenarios. Cooperation between cities on district heating etc.
- Evaluation of investments made by donors and international financial institutions
- Cooperation on information regarding renewable energy potentials
- Coordination between Baltic 21 sectors with special relevance for energy development.
- Cooperation on research and development. The implementation phase must give due consideration to existing cooperation and ongoing work.

4. Example Action (1)

The framework coordination could encompass energy taxation, environmental regulations and accounting systems, crossborder energy trade, standards regarding energy- consuming equipment etc.

Action:

Prepare input for the meeting of the BSR Ministers of Energy in autumn 1998.

Objective:

To improve regional coordination of long- term goals, actor incentives, and certain infrastructure investments. Ensure coordination of energy market framework, taking international trends and agreements into account.

Main content:

The input should contain main conclusions regarding the potential benefits of authority cooperation from the Baltic 21- Energy process. Furthermore, the input should include a catalogue of market actor incentives, common environmental accounting and aspects in relation to joint implementation, discussed in the Baltic 21- Energy network.

Time frame:

Spring 1998 – September 1998.

Responsible:

The Baltic 21- Energy network will convey the input to the group for follow-up of the Bergen Declaration and the group preparing the ministerial meeting.

Financing:

Part of the Baltic 21- Energy follow-up, financed by leading countries.

2. Johannesburg Plan of implementation – JPOI (Energy)

Paragraph19: Take into account the recommendations and conclusions of the CSD concerning energy for SD adopted in its 9th session.

Objectives	MEANS			Cooperation
	Financial ressources	R – D education information	Policies	
c-d-e-f-g-h-i	a-j-n	k-l-m	b-o-r-p-q-r	s-u-v-w

1) Objectives

c = develop and disseminate alternative energy

d = increase use of renewable energy

e = diversify energy supply

f = reduce flaring and venturing of gas associated with crude oil production

g = utilize indigenous energy

h = establish programs for energy efficiency

i = accelerate the development of cleaner energy efficiency

2) Means

2.1) Financial resssources

a = mobilizing the provision of financial resssources: technology transfer, capacity building and diffusion of environmentally sound technology

j = seek international financial institutions and other agencies support

n = utilize international financial instruments and mechanisms (GEF)

2.2) R – D, education, information

k = promote increased R – D (renewable energy, energy efficiency, clean technology)

l = promote networking centers of excellence on energy for sustainable development

m = promote education, provide information about available sources and technology

2.3) Policies

b = integrate energy considerations including energy efficiency into socio-economic programs

o – r = improve energy market functioning

p = reduce market distortions to promote SD in energy

q = phase out subsidies that inhibit SD in energy

2.4) Cooperation

s – u = stregnthen regional and international cooperation

t = develop publi – private partnership

v = promote crossborder energy trade

ANNEX VI

Illustrative steps for developing a strategy for sustainable development

The 14 key steps according to OECD. It should not be assumed that the subsequent steps should be undertaken as a rigid sequence (see appendix):

- a. Establish or strengthen a *secretariat or coordinating body* acceptable to stakeholders, with sufficient authority and resources to coordinate the steps, and the continuing strategy mechanisms.
- b. Establish or strengthen a *steering committee or equivalent multi-stakeholder forum* (eg Regional Council for Sustainable Development) with a broad balance of representation from government, the private sector and civil society acceptable to stakeholders.
- c. Seek or improve *political commitment* to the strategy preparation and implementation process from the highest levels as well as all other levels.
- d. Secure or confirm a *mandate* for the strategy.
- e. Identify the *stakeholders* that will own the preparation and implementation of an integrated sustainable development strategy, and encourage discussion of their (potential) roles.
- f. Ensure *broad-based ownership* by key ministries and agencies, civil society and the private sector.
- g. Mobilize the *required resources*. Identify, secure, and allocate in a timely and accountable manner, the required:
 - skills, and sources of knowledge and learning;
 - management, legal and institutional support;
 - financial resources
- h. Define and seek agreement on the roles of *stakeholders* (ie their rights, responsibilities, rewards, and relations) – private sector, civil society (eg NGOs, local communities), donors, national and local government, the Secretariat, etc
- i. Map out the *strategy process*, taking stock of *existing processes and mechanisms*.
- j. Develop or improve *coherence and coordination* between strategy frameworks at all levels and between and within sectors.
- k. Establish or improve the *ground rules* governing the strategy process.
- l. Establish and promote a *schedule or broad calendar* for the strategy process – determine activities, responsibilities, capabilities and resources needed, and their timing.
- m. *Promote* the strategy as a unified concept. Possibly publish a ‘prospectus’ for the strategy outlining all the above.
- n. Establish or improve provisions for *regular analysis, debate, communication, planning, implementation, monitoring and review*; to ensure that all stakeholders are best able to play their part in the strategy. These processes are the ‘heart’ of the strategy. In particular:
 - regular stakeholder fora and other means for participation (thematic, national, decentralized and local) to reach and improve consensus on basic

vision, goals, principles, system components, pilot activities, targets and responsibilities, and to review progress

- communication and information systems to ensure regular flows of information concerning both the strategy and sustainable development between stakeholders and between fora. This will include development of key information products to improve awareness and stimulate action, and the establishment of knowledge management systems to ensure sharing of experience and facilitate collective learning.

Source: Modified from OECD DAC (2001)

ANNEX VII

Table of Contents for Sustainable Development Strategies

Proposed preliminary table of contents for the Mediterranean Strategy for Sustainable Development (40 pages)

- Summary – Overview
- Introduction: Background
- Vision: Main aim – overall objectives – key principles: the broad purpose of the MSSD (why and what it would essentially aim to achieve)
- Strategic objectives: the priority sectors (based on challenges and stakes assessment)
- Action program
- Actions plans related to priority sectors
 - Goals and targets
 - Actions contents
 - Time frame
 - Responsibilities and target stakeholders involved in the implementation
 - Financial resources
- Coordination, monitoring, arrangements in MSSD implementation

Hereunder for information, the table of contents of two Regional Sustainable Development Strategies

1. A European Union Strategy for Sustainable Development

Table of Contents (20 Pages)

- Towards a Sustainable Europe
- Making Sustainable Development happen: achieving our ambitions:
 - Improve policy coherence
 - Getting prices right to give signals to individuals and business
 - Invest in science and technology for the future
 - Improve communication and mobilize citizens and business
 - Take enlargement and the global dimension into account
- Setting long-term objectives and targets: identifying priorities for action:
 - Action is needed across a wide range of policies
 - Limit climate change and increase the use of clean energy
 - Address threats to public health
 - Manage natural resources more responsibly
 - Improve the transport system and land-use management

- Implementing the Strategy and reviewing progress: steps after Gothenburg:
 - Annual stocktaking checks our progress
 - Working methods need to change
 - Medium-term reviews allow us to adopt the Strategy to changes in long-term priorities

2. **Sustainable Development Strategy for the Seas of East Asia**

Table of Contents (60 pages)

- Foundation of the Strategy
- Executing the Strategy
- Strategic Action Statement
- General principles
- A Strategic Approach to Achieving a shared vision:
 - Sustain
 - Preserve
 - Protect
 - Develop
 - Implement
 - Communicate
- Monitoring the Strategy