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I. Introduction

Considering the September's international context and its security impact in the region, the 7th MCSD meeting, foreseen to be held in Antalya from 3 to 6 October 2001, was postponed until early next year. Consequently, several MCSD members have expressed their concern for the conclusions and recommendations of the three Thematic Working Groups, requesting an approval by the next meeting of the Contracting Parties (14-17 November 2001, in Monaco) rather than postponing their approval for two more years.

Therefore, and after consulting the Chairman and the members of the Steering Committee, it was decided to hold an Extraordinary meeting of the MCSD for one day, on 12 November 2001 in Monaco just before the meeting of the Contracting Parties.

The main objective for holding this extraordinary meeting is to review the findings and conclusions of the three on-going Thematic Working Groups and agree on a set of recommendations and proposals for action to be then presented to the Contracting Parties for their consideration and approval. If possible, this Extraordinary meeting would also review the assessment of and proposed general guidelines for the implementation and follow up of MCSD recommendations. It would also be important to decide on the new date for the 7th MCSD meeting and its provisional agenda.

Consequently, the present report submitted by the Secretariat of the MCSD refers only to the above items; conclusions and proposals by the extraordinary meeting will be submitted to the Contracting Parties only one day after the MCSD concludes its activities. Therefore, the sets of recommendations and proposals for action from the three Thematic Working Groups and the Guidelines for the implementation and follow up of MCSD recommendations should be finalized and approved in their English and French versions on 13 November morning the latest. Considering the time limit, only these sets of recommendations will be adopted by the Extraordinary meeting of the MCSD together with dates and provisional agenda for the 7th MCSD meeting. The in-depth report of the meeting will be prepared and submitted later on to MCSD members for review.

II. Brief history of the MCSD: benchmarks and decisions

The post-Rio era was an important period in the history of the Mediterranean Action Plan (MAP) during which the Governments of the Mediterranean region and the European Community, in cooperation with concerned partners, started the process of translating and adapting UNCED principles to the Mediterranean context through the preparation of Agenda MED 21, reorientation of MAP, the revised Barcelona Convention and its protocols and the creation of the Mediterranean Commission on Sustainable Development (MCSD).

The MCSD was established in 1995 within the framework of MAP, as an advisory body with the following mandate:

- to identify, evaluate and examine major economic, ecological and social problems set out in Agenda MED 21, make appropriate proposals thereon to the meetings of the Contracting Parties, evaluate the effectiveness of the implementation of decisions taken by the Contracting Parties and facilitate the exchange of information among institutions implementing activities related to sustainable development in the Mediterranean;

- to enhance regional cooperation and rationalise the inter-governmental decision-making capacity in the Mediterranean basin for the integration of environment and development issues.

At their Extraordinary Meeting (Montpellier, 1-4 July 1996), the Contracting Parties to the Barcelona Convention adopted the Terms of Reference and the Composition of the Commission. According to the Terms of Reference, the Commission is composed of 36 members, sitting on equal footing, consisting of high-level representatives from each of the Contracting Parties (21), representatives of local authorities, socio-economic actors and non-governmental organisations (15), working in the fields of environment and sustainable development.

The first ordinary meeting of the MCSD was held in December 1996 in Rabat and the most recent, the sixth meeting, was held in Tunis, November 2000. The second, third, fourth and fifth meetings took place in Palma de Majorca, May 1997, Sophia-Antipolis, October 1997, Monaco, October 1998 and Rome July 1999 respectively. During the period between the MCSD meetings, intensive technical work was undertaken at the various experts meetings and workshops, usually attended by qualified thematic experts, ensuring a more coherent and multidisciplinary activity.

Building the programme of work on Mediterranean priority issues, rather than just sticking to Agenda MED 21 chapters, eight thematic working groups were established under the coordination of one or two task managers and with the support of MAP's Secretariat (MEDU and concerned Regional Activity Centres and Programmes).

In conformity with its mandate, the MCSD has already submitted five sets of recommendations and proposals for action; these concern "Sustainable Management of Coastal Regions", "Management of Water Demand", "Sustainable Development Indicators", "Tourism and Sustainable Development" and "Information, Awareness, Environmental Education and Participation". As the MCSD and its support centres (MEDU and RACs) could not handle the eight subjects altogether with the same intensity, three themes are still in progress; they concern "Industry and Sustainable Development", "Free Trade and Environment in the framework of the Euro-Mediterranean Partnership" and "Urban Management and Sustainable Development".

During this biennium, the MCSD has mainly focussed its activities on these three thematic issues in view of preparing relevant sets of recommendations to the attention of the Contracting Parties; it had also to deal with the finalisation of the "Strategic Review" and the preparation of a "Synthesis", as well as the "Implementation and follow up of MCSD recommendations and proposals for action". Work has also progressed on "Assessment and prospects for the MCSD", as well as feasibility studies for possible new issues together Information/Communication activities and cooperation with Major Groups. Moreover, following the decision of the 6th MCSD meeting, preparations for the elaboration of the "Orientations for a Sustainable Development Strategy for the Mediterranean Region" have been launched, with the financial support of Spain; these will be reviewed by the 7th MCSD meeting, in view of their finalisation by an expert meeting to be held by mid-2002.

Over the last two years, including the 11th Contracting Parties meeting, a series of questions were raised concerning the method of work of the MCSD, the quality and usefulness of its conclusions, the implementation and follow up of its proposals and the membership and participation issues.

Six years after its creation, a review and assessment of the MCSD's organisation and method of work is felt necessary in order to make the MCSD more efficient in advising the Contracting Parties and all other concerned partners in their respective tasks towards

sustainable development. To that end, a major analytical work is being undertaken on "Assessment and Prospects for the MCSD" and will be presented for review to the 7th MCSD meeting. Relevant proposals that could derive from this assessment and that could require changing the rules of procedure and terms of reference of the MCSD would be then presented to the 13th Contracting Parties meeting in 2003.

Except for the three Thematic issues and the follow up of MCSD recommendations that will compose the agenda of this Extraordinary meeting, all other items will be dealt with by the 7th MCSD meeting, to be held in principle during the first quarter of 2002.

III. MCSD Membership

As the mandate of the actual MCSD members representing the three Major Groups will expire before the 8th meeting of the MCSD, and in conformity with the rules approved by the Contracting Parties, a call for the identification and nomination of adequate and interested new members has been sent out to Contracting Parties and Partners requesting them to propose candidates before 15 October 2001, in view of a selection of the fifteen new members by the 12th Contracting Parties meeting; for the identification of potential candidates, the following criteria were provided; proposed candidates would preferably:

- *Be active in the field of environmental protection and promotion of sustainable development;*
- *Be willing to share and exchange with other members their expertise and experience;*
- *Play a dynamic role in the activities of the MCSD, notably assuming leading roles or providing/looking for support;*
- *Represent or be active member of a national or Mediterranean network;*
- *Have an explicit interest and involvement in Mediterranean activities;*
- *Have a broad vision and a Mediterranean focus;*

In order to ensure continuity and satisfactory transition, new and actual members representing the three Major Groups will be invited to participate to the inter-session activities between the 7th and the 8th meeting of the MCSD, keeping in mind that, as was done previously, the new members will take over at the latter meeting.

Proposed candidacies are being reviewed by the Secretariat and relevant file will be submitted to the Contracting Parties for their consideration and selection of the MCSD new members representing the three Major Groups.

IV. Follow-up of the "Strategic Review"

At their 6th meeting, the MCSD members requested the Secretariat to enhance the presentation of the report of the Strategic Review, disseminate it largely and prepare a synthesis of the Strategic Review.

Before enhancing the presentation of the Strategic Review document without changing its substance, comments received from MCSD members, together with a brief section on natural risks following the meeting of the Steering Committee, were incorporated in the report, as well as an updated set of indicators. In view of its publication for a wider dissemination, the report of the Strategic Review has been re-edited with a more easy-to-read lay out including colours, boxes and diagrams (mainly related to some indicators). The final report has been printed in English and French under the following title: "Strategic

Review for Sustainable Development in the Mediterranean Region” and will be presented at the Extraordinary Meeting of the MCSD and then to the Contracting Parties.

Considering the importance of the Strategic Review and the overall regional and global on-going preparatory process for the World Summit on Sustainable Development, the report on Strategic Review in its previous form, as from the meeting in Tunis, was made available on our web site and sent to institutions and persons concerned with the preparations for the Earth Summit and GEO III, and mainly the three Regional UN Economic Commissions (ECE, ESCWA and ECA) and the three Regional UNEP Offices (ROE, ROWA and ROA). Obviously, the enhanced final version will be sent to MCSD members, partners from Major Groups, concerned regional and international institutions.

Preparing a synthesis of the Strategic Review turned out to be a rather delicate exercise, the report of the Strategic Review being itself a synthesis of not less than 25 reports in addition to thematic and institutional information. A satisfactory version has been recently completed and this synthesis is under printing in the form of an A5 or small size brochure in English and French; as such its dissemination and accessibility will be much easier. If the synthesis attempts to reflect most of the major issues referred to in the Strategic Review -rationale, economic and environment state and trends, national and regional achievements and cooperation- it also looks for highlighting the actual and further necessary political and institutional steps towards sustainable development. The "Synthesis" is being printed and, if possible, it would be presented at the MCSD Extraordinary meeting.

V. Thematic Working Groups: progress of activities and proposals

Three out of eight themes of the work programme of the MCSD are still on-going; they concern: "Industry and Sustainable Development", "Urban Management and Sustainable Development" and "Free Trade and Environment in the Euro-Mediterranean Context"; the Task Managers and Support Centres will present for the consideration of the MCSD members the conclusions of their respective activities together with a series of recommendations and proposals for action. To discuss the findings and conclusions of their activities, the three groups have held important workshops; Moreover, as these three thematic groups are expected to conclude their activities and present their proposals to the 12th meeting of the Contracting Parties, three series of recommendations and proposals for action have been prepared and agreed upon by the respective members of the Working groups and other participants to the Workshops. These three sets of proposals together with related progress reports are in annexes I, II and III of this report.

While reviewing related proposals from each of the three thematic working groups in view of their submission to the Contracting Parties for approval, it would be important to consider the following:

- **"Industry"**; thanks to the support of CP/RAC the Group has reached interesting conclusions with relevant proposals addressed to the Contracting Parties and to the Secretariat; as the "Industry" Group is expected to finalise its activities with these proposals, some in depth analysis and relevant pilot projects on cleaner production issues could be highlighted for a better defined follow up at regional as well as national levels;
- **"Urban Management"**; considering the complexity of the Urban Development and Management Issue involving a wide range of thematic issues with concerned actors, proposed recommendations are numerous, looking for addressing as many issues as possible; in view of their approval by the Contracting Parties, these proposals need to be re-edited so as to address the Contracting Parties and the Secretariat; this could be an opportunity to reduce the number of recommendations and mainly to highlight

some of the proposals of more practical nature and that could be implemented in the next few years by the Contracting Parties and the Secretariat, with a few indicators for follow up;

"Free Trade and Environment"; considering the importance of this issue for the Region and its rather quick evolution, the Group on "Free Trade and Environment in the Euro-Mediterranean Context" is expected to continue its activities in the next workprogramme of the MCSD; however, a first series of conclusions and recommendations will be presented to the Extraordinary meeting of the MCSD so as to decide on a set of proposals addressed to the Contracting Parties and to the Secretariat, and agree on next steps with relevant ways and means.

Considering actual results and concerned stakes, it is proposed to extend the activities of the working group on "Free Trade and Environment in the Euro Mediterranean Context" for another two years, with the following objectives:

- validation of a follow up methodology for the impacts of trade liberalisation on the environment (identification and validation of a common set of indicators);
- deepening of the identification of possible impacts in terms of sustainability in the agriculture field (in cooperation with CIHEAM) together with possible responses;
- support to the establishment of dialogues between environment and trade in view of a better consideration of their respective concerns in the framework of negotiations or their follow up (awareness actions, exchange of experience, training, etc..) in cooperation with the UNEP-UNCTAD task force.

VI. Assessment of implementation and follow-up of MCSD recommendations and proposals for action

Since the launching of the MCSD activities, the question of implementation and follow-up of MCSD proposals (that would become later on recommendations or decisions when adopted by the Contracting Parties) has been regularly brought up during MCSD and CP meetings; more precisely:

- In its terms of reference, the MCSD is expected to "make proposals to the meeting of the Contracting Parties" but also "to evaluate the effectiveness of the follow up to their decisions";
- During the 11th meeting of the Contracting Parties, this issue was subject to an intensive discussion that ended up by the recognition by the Contracting Parties of the "need for follow up measures to the recommendations and proposals for action by the MCSD"; the Secretariat was requested to "draw up a strategy for this purpose", that would also be "designed to help in evaluating the effectiveness of the action undertaken"; the Steering Committee of the MCSD has then decided to prepare "Guidelines" rather than a "Strategy" for this purpose.

Considering that five sets of recommendations related to issues on the programme of work of the MCSD were already adopted by the Contracting Parties in 1997 (management of water demand and sustainable management of coastal regions) and in 1999 (sustainable development indicators, tourism, and information, awareness and participation), the Secretariat undertook the preparation of these guidelines through a large consultation process, assessing the actual experiences (even though very short) and expectations of concerned institutions and persons; to that end, the following methodological approach was applied:

- background question: what was done (is being done and/or will be done) in implementing and following MCSD related recommendations : whom, how, means, partners, constraints, results.
- associate directly concerned parties to this preparatory process: the Contracting Parties, the other MCSD members (previous and actual members from Major Groups) and MAP components;
- a three page questionnaire was prepared and addressed to concerned parties; for each of the 3 sub-groups (CPs, other MCSD members, MAP), a specific questionnaire was elaborated, giving due consideration to their respective context and responsibilities; in view of facilitating the task for concerned correspondents and getting back duly filled in questionnaires in a short period, most questions required a yes/no answer, with additional comments whenever possible;
- in addition to the information collected from the questionnaires, it was considered useful to have a series of pilot / demonstration studies; in a 10-20 page report, these studies were expected to present and analyse ways and means applied by a given country in implementing the MCSD decisions of the Contracting Parties, together with indications for follow up. In fact, few actions were undertaken and experts were requested to review their reports so as to reflect more the actual situation.
- In order to come out with more realistic guidelines, similar thematic studies were requested by 3 to 5 different countries; with the assistance of the Secretariat, pilot studies on implementation and follow up of MCSD recommendations were undertaken in:
 - Bosnia and Herzegovina, Egypt, France and Malta, on management of water demand;
 - Croatia, Greece, Lebanon, Tunisia and Morocco, on sustainable management of coastal regions;
 - Israel, Spain and Turkey on tourism and sustainable development;

Moreover, the on going work on indicators by BP/RAC and some countries (Greece and France) and outputs from recent workshop by MAP/MEDU and regional partners and further analysis of substantive reports on information and awareness were also considered as background knowledge for related guidelines.

Answers to the questionnaires were received from 20 Contracting Parties and 14 from the previous and actual representatives of the three Major Groups together with 3 from concerned MAP/Secretariat components. The Draft Assessment and Guidelines were first sent on the 22nd of August to concerned thematic Task Managers and Support Centres, in charge of the first five thematic Working Groups for comments. Unfortunately, only one Task Manager sent comments to the Secretariat. Consequently, it was decided not to include the proposed thematic guidelines and rename the report "Assessment of Implementation and follow up of MCSD recommendations and proposals for action", including a draft set of general guidelines. This "assessment" is in annex IV of this report.

While discussing about the ways and means for the implementation and follow up of MCSD proposals, ending up with the preparation of related draft guidelines, some of the proposals, adopted by the Contracting Parties and that fall under the responsibility of the Secretariat, have been implemented. Related actions taken by MAP and its concerned components are summarized here under:

- **Sustainable Management of Coastal Regions.** A major project was prepared by PAP/RAC, BP/RAC and ERS/RAC, with the participation of several countries, and submitted to EU funding under SMAP/MEDA; it was unfortunately not accepted; moreover, PAP/RAC has prepared an excellent White Paper on Coastal Zone Management in the Mediterranean, that has been widely disseminating, becoming a major reference in many institutions.
- **Management of Water Demand.** Being active on this issue, BP/RAC has been promoting the necessity for management of Water Demand, mainly through its involvement in the Global Water Partnership and for its Mediterranean regional component.
- **Sustainable Development Indicators.** Calculations and analysis of the 130 indicators is going on with all countries, nearing completion in several cases; an important Workshop was organized in December 2000 by BP/RAC and a set of 50 Indicators was published; moreover, Greece is assisting six Mediterranean Countries in developing information systems, observatories and indicators.
- **Tourism.** An important project was prepared by BP/RAC and submitted to EU for funding but it was unfortunately not accepted; moreover, BP/RAC is preparing a White Book on Tourism in the Mediterranean.
- **Information, Awareness and Participation.** Building on the results and proposals of an EU-funded project on "promoting information and awareness and participation in the Mediterranean Arab Countries", an overall "information, awareness and participation Strategy for the Mediterranean Region" is being prepared, and a first draft will be circulated at the 7th MCSD meeting. Moreover, the Secretariat has induced and provided support for the preparation of national brochures on Environment and Sustainable Development in several countries (Albania, Bosnia and Herzegovina, Lebanon, Syria, Malta, Morocco, Egypt, Greece and Turkey). Some of these information documents have already been completed and all are expected to be completed for the next meeting of the Contracting Parties. Five additional national brochures (Croatia, Cyprus, Israel, Libya and Tunisia) are expected to be finalized in February 2002. Conceived within the major objective of wide dissemination of information, these brochures have been or are being prepared in one, mainly two, or three languages, as appropriate for each country; in most cases, the elaboration of this information document was prepared through a national workshop involving partners concerned with environment and sustainable development from various ministries and major groups. Finally, in order to promote better the visibility of the MCSD, a specific brochure was prepared in English and French and widely disseminated; considering that some changes are expected in the programme and method of work from the 7th MCSD, this brochure would be updated in 2003, taking into account the World Summit on Sustainable Development and its conclusions.

While reviewing this assessment with proposed draft guidelines, we should keep in mind that it is sometimes not easy to precisely identify what was implemented as a direct consequence to MCSD proposals. In some cases, the process for preparation and contribution to MCSD related activities could have had a practical impact in the way concerned actors deal with the issue; this was probably the case in at least a few countries in the fields of "Management of Water Demand", "Tourism" and "Indicators", a kind of implementation before adoption. However, this is sometimes difficult to assess but it should not be neglected.

Proposed guidelines are not to be approved and then strictly applied. They are to be considered, after review, as a framework including a series of questions and concerns that would guide the discussions and decisions related to the implementation and follow up of MCSD recommendations.

Giving due consideration to the Terms of Reference of the MCSD, the various discussions on this issue and the assessment and conclusions related to the implementation and follow up of MCSD proposals, a set of few recommendations are proposed hereunder. These recommendations will be first discussed by the Extraordinary meeting of the MCSD; a revised version, following this discussion, would then be submitted to the consideration and approval of the 12th meeting of the Contracting Parties.

- **Recommendations to the Secretariat**

1. *To assist the Contracting Parties and other actors concerned in implementing the MCSD recommendations, notably through pilot projects and where possible regional Action Programmes;*
2. *To assess the implementation and follow up of MCSD recommendations on a regular basis (every 2 to 4 years) and report to the MCSD and CP meetings;*
3. *To prepare specific guidelines for implementation and follow up of MCSD recommendations for each of the MCSD adopted thematic sets, including where possible and appropriate, technical and financial requirements;*

- **Recommendations to the Contracting Parties**

1. *To take the necessary steps and measures so as to improve communication and dissemination of MCSD recommendations and proposals for action, notably to concerned actors in national and local public and private sectors as well as major groups from society;*
2. *To define the necessary measures to implement and follow up the recommendations adopted, notably through a participatory approach involving concerned actors;*
3. *To promote the development of twinning projects between Mediterranean countries for implementation of recommendations and exchange of experience;*

VII. Seventh meeting of the MCSD: draft agenda and dates

Following the postponement of the 7th MCSD, it was decided to organise an extraordinary meeting of the MCSD so as to review and agree on issues that needed to be submitted to the 12th Ordinary Meeting of the Contracting Parties. Turkey has confirmed its proposals to host and cost-share the 7th MCSD meeting that will be held in Antalya.

Considering that the Extraordinary meeting will review issues related to the three on-going thematic working groups and the draft guidelines for implementation and follow up of MCSD proposals, it is proposed to devote the period of the 7th MCSD meeting to mostly review issues related to:

- MCSD assessment and prospects;
- Framework Orientations for a Sustainable Development Strategy for the Mediterranean Region;
- MCSD work programme: new issues and re-examination of some already studied ones;
- Participation and contribution by the Major Groups to MCSD activities.

A provisional agenda is attached hereafter for the consideration of MCSD members; it is proposed to organise the 7th MCSD meeting over three days. In order to ensure a satisfactory preparatory process for this meeting, it would be important to agree on the period; to that end, the Secretariat suggests to hold the 7th MCSD meeting in Antalya during the period 13-15 March 2002.

Consequently, the 8th meeting of the MCSD to be held in Algeria (the Ministry of Environment confirmed its willingness to host and cost-share it), could be held some 12 months later, around April-May 2003.

**Seventh meeting of the MCSD, 13-15 March 2002, Antalya
Provisional Agenda**

	13 March	14 March	15 March
09.00-11.00	<p>S1.</p> <ul style="list-style-type: none"> • Opening of the meeting; • Election of the Steering Committee; • Adoption of the Agenda and organisation of the meeting; • MCSD assessment and prospects (<i>presentation of the Secretariat/Expert report</i>) 	<p>S5.</p> <ul style="list-style-type: none"> • "Framework Orientations" for Sustainable Development in the Mediterranean Region 	<p>S9.</p> <ul style="list-style-type: none"> • MAP/MCSD participation and contribution to the WSSD preparatory process; • Other matters 8th MCSD meeting (agenda, venue)
11.00-11.30	Coffee Break		
11.00-13.30	<p>S2.</p> <ul style="list-style-type: none"> • Round Table discussion on MCSD Assessment and Prospects 	<p>S6.</p> <ul style="list-style-type: none"> • "Framework Orientations" discussion (cont.) 	<p>S10.</p> <ul style="list-style-type: none"> • Review and adoption of the report • Conclusions and closure of the meeting
13.30-15.00	Lunch Break		
	<p>S3.</p> <ul style="list-style-type: none"> • Round Table discussion on MCSD Assessment and Prospects 	<p>S7.</p> <ul style="list-style-type: none"> • New issues and re-examination of some already studied. (<i>presentation by concerned Support Centres</i>) 	
Coffee Break	Coffee Break		
17.00-18.30	<p>S4.</p> <ul style="list-style-type: none"> • Major Groups: participation and contribution to MCSD activities (<i>presentation of conclusions of Major Groups Forum and discussion</i>) • 	<p>S8.</p> <ul style="list-style-type: none"> • New issues and re-examination of some already studied. (<i>presentation by concerned Support Centres</i>) 	

ANNEX I

INDUSTRY AND SUSTAINABLE DEVELOPMENT

*Draft Report prepared by the Task Managers (Italy and Algeria)
and Support Centres (CP/RAC and MEDPOL) and submitted to the
MCSD Extraordinary meeting (Monaco, 12 November 2001)*

ANNEX I
Appendix I

Activities undertaken by the MCSD Working Group on Industry and Sustainable Development since the MCSD Meeting in Tunis, 14-17 November 2000.

At the meeting of the Mediterranean Commission on Sustainable Development, held in Tunis from 14 to 17 November 2000, it was proposed by the CP/RAC to organise a Regional Workshop for the Industry and Sustainable Development Work Group in 2001.

RAC/CP would support the organisation of the aforementioned Workshop during which the various aspects of the work would be examined with the members of the Group and with representatives of prominent Mediterranean institutions and experts invited to attend such meeting.

The Regional Workshop was intended as a platform from which an assessment of the current status and trends of industry and sustainable development in the Mediterranean Region would be made and a set of practical recommendations would emerge to be presented to the 7th MCSD Meeting in Antalya.

The Workshop was held in Barcelona (Spain) from 27 to 29 June 2001 with the backing of the RAC/CP, the collaboration of the MAP Co-ordinating Unit and MEDPOL, the attendance of the Group Task Managers, and the financing of the Spanish Government. More than 60 invited experts from countries, industrial associations, United Nations bodies, NGOs and stakeholders attended the meeting.

Prior to the Regional Workshop, the RAC/CP engaged an international expert to prepare a background paper (UNEP (DEC) MED WG.192/3) that was aimed to be used as a discussion document during the workshop.

The background paper was finalised with the collaboration of the MAP Co-ordinating Unit and MEDPOL. It presented an overview focused on the legal framework to which industry is subject, the stakeholders that deal with industry and the different instruments that have been developed to promote sustainable development in the Mediterranean industry both at regional and national levels.

Some of the main conclusions that the background paper offered were the basis for the discussion during the meeting.

In addition, and before the workshop took place, the RAC/CP asked several experts that were going to participate (as representatives of different stakeholders dealing with industry and sustainable development: CP Centres, Environmental Agencies, industrial associations, Ministries of the Environment, environmental consultancies, NGOs, etc.) to prepare a brief presentation of case studies of regional-national initiatives related to industry and sustainable development to be showed during the first day of the workshop. These case studies served

to exchange information on initiatives that are being carried out and present several subjects that could serve as a basis for discussion on the recommendations that would be raised.

Taking into account the debate, the Secretariat of the Workshop prepared a tentative "Draft proposals for action by the MCSD Work Group on Industry and Sustainable Development". After making the necessary amendments during the last session, a final Proposal for Actions were agreed to be presented to MCSD Antalya Meeting.

Following the recommendations issued from the participants, the RAC/CP has completed and improved the background paper (UNEP(DEC) MED WG.192/3) on the Status and Trends of Industry and Sustainable Development in the Mediterranean Region by means of the contribution of two complementary studies on south-north perspectives to complement the previous background document in order to present at Antalya meeting a more exhaustive overview. It was also demanded (and agreed by CP/RAC) to publish the set of case studies presented.

The annexed Proposals for Action will be submitted by the MCSD Work Group on Industry and Sustainable Development to the 7th Meeting of the MCSD for adoption.

ANNEX I
Appendix II

**Proposals for Action Submitted by the MCSD Working Group
on Industry and Sustainable Development**

THE MCSD WORKING GROUP ON INDUSTRY AND SUSTAINABLE DEVELOPMENT,

having regard to the terms of reference as set for it by the Mediterranean Commission on Sustainable Development (MCSD) meeting held in Tunis in November 2000,

having convened in Barcelona (Spain) from 27 to 29 June 2001 under the auspices of the United Nations Environment Programme Mediterranean Action Plan, and with the support of the Regional Activity Centre for Cleaner Production(RAC/CP) and MEDPOL,

having regard to the background paper entitled “*Status and trends of industry and sustainable development in the Mediterranean Region*” and the various regional and national case studies presented at the Regional Workshop held in Barcelona,

having regard to the ensuing discussions, the views and recommendations put forward by the various members of the Working Group,

having regard to the main actors, legal frameworks, tools and instruments that may play a part in the integration of industry and environment so as to reach ecologically sustainable industrial development (ESID),and

Considering the Contracting Parties' international commitments, particularly the Barcelona Convention and its Protocols,

Considering that the pressure from industrial activities, particularly around pollution hotspots and sensitive zones, calls for an integrated approach so as to reduce the adverse impacts arising from pollution,

Considering the need to give due consideration to climate change, biodiversity and transboundary issues,

Considering the need to assist enterprises, particularly Small and Medium Enterprises, and Small and Medium Industries (SMEs/SMIs), to comply with their legal obligations, and to adopt the concept of sustainable development — by developing and mobilising the means and the appropriate instruments, and by fostering a participatory approach, such as voluntary agreements,

Considering the precautionary and polluter pays principles as a means for reducing industrial pollution,

Aware of the lacunae that exist in initiatives currently undertaken to reduce industrial pollution,

Aware that the Strategic Action Programme (SAP) is a vital instrument for implementing the LBS Protocol to combat pollution from land-based sources and activities, particularly industrial pollution, and that its application contributes to improving the quality of the marine environment and the environmental performance of enterprises and their competitiveness, and desiring to meet fully the SAP objectives and targets,

Desiring to integrate the concept of sustainable development into the industrial development process,

Desiring to anticipate foreseeable impacts on the environment arising from the evolution of socio-economic development of the Mediterranean basin region, particularly the establishment of the Euro-Mediterranean Free Trade Zone,

Desiring to promote the transparency of any monitoring and evaluation processes applied towards reaching ecologically sustainable industrial development (ESID),

Desiring to strengthen the competitiveness of the industrial pollution prevention and control sector in the Mediterranean countries, and

In order to promote the integration of industry and the environment so as to reach ecologically sustainable industrial development (ESID), notably through cleaner production, at regional, national and local levels, and by particularly targeting SMEs/SMIs,

Hereunder submits a proposed set of actions and recommendations in contribution to the preparation of the Mediterranean Strategy for Sustainable Development. These proposed actions will be presented at the next plenary session of the MCSD to be held in Antalya in October 2001.

PROPOSED SET OF ACTIONS

1. To identify the stakeholders involved, to sensitise them about the implications of sustainable development and to promote co-operation among these stakeholders, namely:

- governmental bodies (ministries of the environment, industry, planning, economic affairs, tourism, etc.);*
- financial institutions;*
- industries, chambers of commerce and industrial associations;*
- regional and international institutions, notably UNEP, MAP, EU, LAS, UNIDO, WBCSD, ASCAME, etc;*
- local authorities;*
- non-governmental organisations and other members of civil society;*
- academia, training and research institutions,*

2. *To strengthen and make coordinated use of the relevant existing international, regional and national resources, such as Cleaner Production (CP) centres, UNIDO, R&D institutions, industry, professional associations, etc;*

To promote and support the establishment of new resource centres and other relevant bodies of expertise at national and local levels, where needed.

3. *To promote consensus-building through consultation mechanisms at the national and local levels for the integration of industry and sustainable development, notably through sound environmental management and cleaner production practices;*

To prepare and disseminate through regional bodies, the tools, experiences, lessons learned and the methodologies which would facilitate consensus-building and consultation mechanisms;

To provide the appropriate framework for the promotion of successful voluntary agreements and for the periodic monitoring of their performance and compliance.

4. *To establish incentives aimed at encouraging existing industries to adapt to present-day environmental requirements;*

To require environmental management plans for any newly proposed industrial activities, prior to their start-up, and to provide assistance in the preparation and implementation of such environmental management plans when needed;

To set specific after-care obligations, particularly relating to the decommissioning of industrial establishments, including site remediation, as conditions for the granting of an industrial operating permit;

To set up an effective inspectorate system so as to ensure that industrial establishments comply with the conditions attached to their operating permit.

5. *To promote the transfer of environmentally sound technologies, and their adaptation to national and local conditions, notably through partnership and twinning;*

To promote the dissemination of information about any relevant technological know-how, practices, diagnostic tools, guides, etc;

To exchange information, particularly at the regional level, through networking and other electronic means, including the interconnection of existing networks and the creation of a common web site, which would particularly target SMEs/SMLs.

6. *To promote an integrated approach to sustainable development through the use of existing and emerging environment management tools, such as:*

- *Sustainability Impact, Strategic Environmental and Environmental Impact Assessments*
- *Environmental Management Systems (ISO 14000, EMAS, etc.)*
- *Integrated Product Policy and Life-Cycle Analysis*
- *Waste reduction audits, good housekeeping methods, the simple material balance approach and sector/specific CP opportunity assessment checklists;*

To apply environmental criteria and standards:

- *to marketed products including imported ones.*
- *to privatisation processes.*
- *in codes of practice relating to national and foreign investments*

7. *To ensure the enforcement of any relevant legal instruments;*

To improve and implement monitoring and evaluation systems which are consistent with internationally accepted ones and which are namely:

*at the **company** level--*

- *performance indicators to monitor continuous improvement;*

*at the **sectoral and national** levels--*

- *benchmarking mechanisms, including indicators;*
- *sectoral reports;*

*at the **regional** level--*

- *sustainable industry indicators that complement those already adopted in the region;*
- *a regional review of progress of the status of industry and sustainable development.*

8. *To internalise environmental externalities (hidden or implicit environmental costs), and apply the polluter pays principle;*

To progressively reduce subsidies in production input, notably in water and energy costs so as to better reflect environmental costs of production.

9. *To use economic and financial instruments, such as grants, soft loans, tax deductions and levies, as tools to ease the introduction of sustainability in the general management of enterprises.*

10. *To promote the monitoring and following up of sustainability-related projects, by entities which are independent of the financing and executing agencies of such projects.*

11. *To give due consideration to the environmental implications of Free Trade Zones, notably of the Euro/Mediterranean Free Trade Area, on the industrial sector.*

12. *To integrate the principles of cleaner production and sustainable development in processes, products and services, notably in strategic sectors such as communications, transportation and tourism;*

To integrate the principles of cleaner production and sustainable development in all aspects of human resources training and education.

13. *To create mechanisms (through training, twinning, technical information, business incubators, public participation, etc.) to enhance capacity-building:*

- for the required experts,*
- for the technical bodies of public administration, including inspectorate bodies,*
- for SMEs/SMIs,*
- for vulnerable areas and islands.*

14. *To require the MAP Secretariat (RAC/CP and MEDPOL) to follow-up the implementation of these proposals for action, in cooperation with the other regional and international institutions concerned.*

ANNEX I
APPENDIX III

**REGIONAL WORKSHOP OF THE MEDITERRANEAN COMMISSION ON
SUSTAINABLE DEVELOPMENT (MCSD) WORKING GROUP ON INDUSTRY AND
SUSTAINABLE DEVELOPMENT**

BARCELONA, 27-29 JUNE 2001

REPORT OF THE WORKSHOP

INTRODUCTION

A. *Background*

1. At the 6th Meeting of the Mediterranean Commission on Sustainable Development (MCSD), held in Tunis from 14 to 17 November 2000, it was decided to convene a regional Workshop on Industry and Sustainable Development in 2001.

2. In accordance with that decision, the Regional Workshop on Industry and Sustainable Development was held at the Gran Hotel Catalonia, Barcelona, Spain, from 27 to 29 June 2001, at the invitation of the Governments of Spain and of the Government of Catalonia. The Workshop was organized by the Regional Activity Centre for Cleaner Production (RAC/CP) of the Mediterranean Action Plan (UNEP/MAP) of the Barcelona Convention for the Protection of the Mediterranean.

B. *Attendance*

3. Participants in the Workshop were selected among concerned governmental institutions, competent intergovernmental and non-governmental organizations, as well as local authorities and socio-economic actors. In addition, several experts were invited.

4. The Workshop was attended by the following members of the MCSD Industry and Sustainable Development Working Group: Algeria; Chambers Group for the Greek Islands (EOAEN), Israel, Italy, MEDCOAST, Spain, Tunisia, Turkey.

5. The following MCSD members attended: Albania; Bosnia and Herzegovina, Croatia, Cyprus, Egypt, Environment and Development in Maghreb (ENDA), Lebanon, Malta, MEDCITIES, MEDENER, MED FORUM, Monaco, Morocco, Slovenia, Syrian Arab Republic, Municipality of Tripoli.

6. The Palestinian Authority also attended as an observer.

7. The following United Nations bodies and Secretariat units, non-governmental organizations and other stakeholders participated in the Meeting as observers:

(a) *United Nations bodies and Secretariat units:* ICS/United Nations Industrial Development Organization (UNIDO), United Nations Environment Programme (UNEP), MAP Regional Activity Centre for the Blue Plan (RAC/BP), MAP Regional Activity Centre for the Priority Actions Programme (RAC/PAP);

(b) *Non-governmental organizations and other stakeholders:* Cambra de Comerç de Barcelona, CEFIC-EUROCHLOR, Centre Marocain de Production Plus Propre (CMPP), CITET, Croatian CPC, Ministry of the Environment of the Government of Catalonia, Egyptian Environmental Affairs Agency (EEAA), ENVIROTECH, Spanish Enterprises Representative, Institut Catala de la Mediterranea (ICM), Institut Internacional de Governalitat (IIG), Malta Cleaner Technology Centre (CTC), Arab Network for Environment and Development (RAED), TUBITAK.

The Coordinating Unit for the Mediterranean Action Plan (MAP), the Regional Activity Centre for Cleaner Production (RAC/CP) and the MEDPOL Programme acted as the Secretariat of the Workshop.

ITEM 1. OPENING OF THE MEETING

8. The meeting was opened by Mr. Arab Hoballah, UNEP/MAP Deputy Coordinator, at 9.30 a.m. on Wednesday, 27 June 2001.

9. In his opening statement, Mr. Hoballah welcomed all participants and thanked the Governments of Spain and Catalonia for their generous support in hosting and helping to finance the current Workshop. He also thanked the Secretariat of RAC/CP for its assistance in organizing the Workshop. He recalled that one of the thematic groups set up by the Mediterranean Commission for Sustainable Development (MCSDD) had been mandated with the task of carrying out an in-depth analysis of industry and making proposals for consideration by the Contracting Parties to the Barcelona Convention. Those proposals would also be an important input for the preparation of guidelines for countries to implement activities to combat the pollution of the Mediterranean region. Work had started in 1997, under the leadership of co-Task Managers from Algeria and Italy, with support from MEDPOL and RAC/CP. Because of the lack of technical capacity in the Mediterranean area, the lack of a pre-feasibility analysis, and the difficulty of clearly identifying the relations with the Strategic Action Programme (SAP), it had initially been difficult to prepare an in-depth regional analysis. With the support of RAC/CP, a first regional assessment had been made of the status and trends of industry in the Mediterranean environment, together with relevant case studies.

10. He stressed that participants were attending the current Workshop in their personal capacity as experts, rather than representatives, and should aim to enrich the assessment with debate on industrial considerations and appropriate practical recommendations. Those recommendations would be considered by the MCSDD at its meeting in Antalya, Turkey, in October 2001 and subsequently submitted to the Contracting Parties for approval. In conclusion, he stressed that it was also important to see how countries could be assisted in the implementation of activities related to adopted recommendations.

11. Opening statements were also made by Mr. Víctor Macià, Director, RAC/CP, Mr. Saverio Civili, MEDPOL Coordinator, and Mr. Giovanni Guerrieri, Co-Chair of the MCSDD Work Group on Industry and Sustainable Development.

12. In his statement, Mr. Macià welcomed participants on behalf of the Governments of Spain and Catalonia and on behalf of the RAC/CP Secretariat. Drawing attention to the complexity of the interrelationship between industry and sustainable development, he pointed to the tasks before the Workshop and the need to come up with practical proposals that could be integrated into the Strategic Action Programme (SAP). He highlighted importance of preparing practical proposals for consideration by MCSD and for integration into its work programme. He also pointed to the need for recommendations on the role of RAC/CP in implementing the recommendations within the framework of MAP, and in interacting with Governments, industry and others.

13. Mr. Saverio Civili highlighted the importance of the recent adoption of the revised Protocol on Land-based Sources of Pollution and of the Strategic Action Programme for its implementation, which would become binding upon the entry into force of the Protocol. Among the problems identified for the region, land-based sources were considered very important in terms of levels of pollution and costs. The SAP would in future give countries concrete possibilities of reducing pollution. The tasks before MAP and MEDPOL also included creating the supporting structures to help countries to combat pollution and reach the goals of the SAP. Concerning industry, it was proposed that, in the course of the coming biennium, all countries would prepare a national baseline budget of emissions into the Mediterranean, and then carry out reductions in line with the objectives of the SAP. Thus, the current Workshop was being held in the important period of entering the phase of practical reductions in pollution, and it was hoped that it would help to identify the instruments that would help attain that goal.

14. Mr. Guerrieri said that the current Workshop was the result of the work carried out over the past years by the Thematic Group, and he gave thanks for the contributions and support given by organizations that were not MCSD members. He stressed that the recommendations of the current Workshop should be few in number, rather than just a shopping list, and should be practical and capable of being implemented. In addition, it was necessary to consider the need for practical tools for operators, decision makers and civil society. Information was crucial, particularly when it identified support measures, training and new approaches to best available technologies (BAT) and best environmental practices (BEP). Moreover, in addressing the issues of sustainable development and pollution, it was important to try to bring about a change in the attitudes of consumers.

ITEM 2. ELECTION OF OFFICERS

15. At the opening session of the Workshop, on 27 June 2001, the Secretariat proposed the following: Mr. Anton Pizzuto (Malta), Ms. Garrette Clarke (UNEP/IE), and Mr. Víctor Macià would, respectively, chair days one, two and three of the Workshop, under the overall coordination of the Task Managers (Mr. Giovanni Guerrieri, Co-Chair of the MCSD Task Group on Industry and Sustainable Development and Ms. Dalila Boudjemaa Co-Chair of the MCSD Task Group on Industry and Sustainable Development).

ITEM 3. ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

16. The Meeting adopted the following agenda on the basis of the provisional agenda proposed in document UNEP(DEC) MED WG.192/1, as amended:

1. Opening of the meeting

2. Election of Officers
 3. Adoption of the agenda and organization of work
 4. Presentation of the background document "Status and Trends of Industry and Sustainable Development in the Mediterranean Region"
 5. Open discussion
 6. Presentation of regional-national initiatives related to industry and sustainable development
 7. Presentation and discussion of issues related to Actors, Legislation framework, Instruments and tools
 8. Review of proposed set of actions
 9. Other business
 10. Adoption of the summary of conclusions and proposals for action to be presented to the next MCSD meeting in Antalya
 11. Closure of the Regional Workshop
17. The Workshop decided that all items would be taken up directly in plenary.

ITEM 4. PRESENTATION OF THE BACKGROUND DOCUMENT "STATUS AND TRENDS OF INDUSTRY AND SUSTAINABLE DEVELOPMENT IN THE MEDITERRANEAN REGION"

18. The Workshop took up agenda item 4 at its 1st session, on Wednesday, 27 June 2001. Introducing the item, the consultant to RAC/CP, Mr. Nordine Sini, presented the background paper entitled "Status and Trends of Industry and Sustainable Development in the Mediterranean Region" (UNEP(DEC) MED WG.192/3), stressing that the document was not meant to be an exhaustive study, but rather the basis for discussion and formulation of specific recommendations for adoption by the Workshop. He emphasized that the details would be discussed later and that the basic protocols of the Barcelona Convention, regional plans and programmes, MAP PHASE II and the SAP had been used to prepare the background document. He considered that the real value of the background paper would be fruitful discussion leading to realistic and practical recommendations for submission to the next meeting of MCSD.

ITEM 5. OPEN DISCUSSION

19. Following the presentation by the consultant, an open discussion was held on the content of the background paper on status and trends of industry and sustainable development in the Mediterranean region (UNEP(DEC) MED WG.192/3), in which many experts participated.

20. During the discussion, the following main points were raised: the need to involve further actors in the sustainable development process, such as the Ministry of Industry and other relevant Ministries, and regional and local actors, such as district industrial associations, and universities; the importance of national-level coordination of sustainable development; the difficulty of identifying the tools available for addressing bad practices; ways to overcome the lack of access to data; the possible mechanisms for financing the introduction of cleaner production methods, in particular the identification of possible national solutions and methods for financing, as well as the issues of direct foreign investment, financial incentive measures, soft loans, and government and regional subsidies; the fact that cleaner production methods were applied with different levels of stringency, both in terms of the North and South Mediterranean areas and with regard to large-scale versus small-scale enterprises; the particular problems of introducing the concept of sustainable development to SMEs, including the need for capacity-building and technology transfer to address outdated practices responsible for high levels of pollution, the demand for short-term, rapid-payback solutions, and the possibility of public-private partnerships; the possibility of a formal twinning system, perhaps using CP/RAC as a mechanism, to match SMEs with improved technologies; the need for sustainable management and development planning prior to the establishment of new production facilities; the need to take into account the impact of the decisions of the World Trade Organization (WTO) and the decisions and Directives of the EC, particularly concerning the requirements for environmentally friendly products; the need to link up with the operational plan for the implementation of the SAP; and the specific problems of Mediterranean islands.

21. The representative of MEDPOL, addressing the issue of identifying financial institutions for industries, pointed to the country-by-country financial mechanism for the implementation of the SAP, which was directly related to the objectives of reducing industrial pollution. Pilot testing of the mechanism would be carried out in countries and it was expected that new tools would be available by the end of the biennium. A mixed steering committee, composed of donors and the Secretariat, overviewed the mechanism. He believed that the problem lay not in the availability of funding but, rather, in putting those requiring funds in touch with what was available. For example, MEDPOL had US\$2 million available for pre-investment studies for pollution hotspots.

22. Noting that the European Union had very effective sanctions for transgressors of anti-pollution laws, he pointed out that, although the Barcelona Convention allowed no sanctions, the SAP foresaw a reporting system which would enable the Secretariat to monitor the results of implementation of the LBS Protocol in countries. Since the Secretariat closely followed what the EU was doing in the field, the type of decision-making it proposed for countries was unlikely to be incompatible with the decisions of the EU. He went on to note the need to involve subregional actors and, especially, the SMEs, since large industrial complexes easily acquired information and funding. The Ministries of Industry also needed to be involved, since they also played a role in the implementation of the SAP. Moreover, there should be an obligatory inter-ministerial committee. On the question of availability of data, he noted the possibility of buying the information required, and highlighted the fact that MEDPOL would be collecting data on emissions into the sea. In conclusion, he pointed to the importance of technology transfer.

ITEM 6. PRESENTATION OF REGIONAL-NATIONAL INITIATIVES RELATED TO INDUSTRY AND SUSTAINABLE DEVELOPMENT

23. At its 1st session, on 27 June 2001, the Workshop took up the above item of its agenda.

24. Mr. Ahmed Hamza, in his presentation on sustainable industrial activities in Egypt, stated that there were 25,000 large industrial sites and 100,000 service industries. Industry contributed 28 per cent of GNP and would be the subject of US\$ 120 billion in investment for industrial development over the following 20 years. National policy had concentrated on promoting the efficient utilization of inputs, introduction of cleaner technologies, recycling of waste and introduction of efficient legislation and enforcement measures. In addition, 11 new cities had been created with industrial areas where one third of national industrial production was then located. Government actions stressed, *inter alia*, the development of guidelines for cleaner production, the provision of training and adaptation of the recycling of waste to reuse of recycled waste. It was stressed that the Government was motivated by the conclusion that cleaner production equalled a reduction in production costs.

25. Ms. Dalila Boudjemaa, in her presentation of government initiatives in promoting sustainable development in Algeria, described the policy of diversification and a programme of privatization. Public policy encouraged adoption of new technologies and the protection of resources. The Government sought to promote long-term sustainable economic development, preserve natural resources and improve public health, as well as reduce poverty. Considerable effort was being made to generate broader awareness of the concept of cleaner production.

26. Mr. Rachid Nafti in his presentation described in detail the role of the Tunisian Centre for Environmental Technologies (CITET) and SMEs. The Centre had been created in 1996 to support sustainable development in Tunisia, with the broad mission of training and capacity-building, provision of technical assistance for adoption of environmental protection measures in industry and to serve as an information clearing house. The Centre promoted cleaner production and environmental management, provided expertise and advice, and developed integrated information systems. It had four quality laboratories for the 11,000 industries registered in Tunisia that produced 34 per cent of the GNP and were a major export activity. The political commitment of all parties was reflected in two declarations on cleaner production and the development of a national cleaner production action plan that was under way.

27. Mr. Víctor Macià in his presentation described the evolution and activities of the Centre per a l'Empresa i el Medi Ambient (CEMA) in Barcelona. In his view, the keys to success were preconditions of a clear willingness of Government to make progress, a clear definition of concepts, information about sources of pollution, a capacity to identify effective measures and the existence of suitable incentives. The Centre had been created in 1994 as a public company in order to increase its scope and improve its activities. The Government of Catalonia and the Spanish Ministry for the Environment provided financial support. The Centre was intended to be the pleasant face of the Ministry for the Environment, serving as a meeting point between economic sectors and the environmental authorities, dealing directly with private-sector companies, providing information, technical support and training. In addition, it acted as a technical tool for the Ministry of the Environment. The Centre had produced case studies, carried out more than 300 diagnostic studies, made presentations, prepared publications, analysed requests for special conditions and prepared reports. Its activities had resulted in a decrease in the use of water, a decrease in pollution and increased awareness.

28. Ms. Alissar Chaker described the problems related to the tanning sector in Lebanon and the work of Envirotech Ltd. in providing advice for relocation of the tanning industry in Lebanon, the largest source of industrial pollution. Envirotech Ltd. had produced a pre-feasibility study for a new industrial city for the tanning industry and related industries, represented by 25 small and

medium industries in five separate areas on the coast on in catchment basins. That industry provided 28 per cent of GNP, used a high level of technology and was one of the few industries to have survived the war. In addition, it was highly dependent on the use of chromium. Re-adaptation of the industry had successfully mobilized a participatory approach and achieved voluntary compliance. Major existing difficulties were the coastal concentration, a lack of planning, a lack of funds and a lack of economic incentives and awareness.

29. Mr. García-Muro described the activities of the Instituto Tecnológico de Aragón, which had a staff of 150 with the primary mission to support local industry, offering advice, quality control and the services of a calibration laboratory. The Institute carried out a programme of environmental certification, mostly for companies with fewer than 15 employees, in order to improve the management of waste.

30. Ms. Maria Dalla Costa from the Italian Environmental Protection Agency (ANPA), presented a preliminary overview of "Voluntary Agreements" in Italy, promoted by the Ministry of the Environment in co-operation with other Public Administrations at the national, regional and local level in partnerships with large industrial companies, industrial associations and small and medium size enterprises. The use of these tools began in 1990 with an increase in number from 1997, following ad hoc legislation to incorporate EU directives on waste management, recovery, recycling and reuse to reduce the quantity and danger of waste, also through the development of innovative production processes favouring the production of goods and services by the utilization of less polluting and reusable materials and the rational use of energy. Examples were provided regarding agreements with Montedison, FIAT, ANCI and ANCMA which are expected to lead to environmental improvements in sectors such as motorcycles, electric vehicles, detergents, energy, disposable cameras, paints and solvents, urban waste and the emission of greenhouse gases. A shortcoming had been the absence of an appropriate monitoring programme to measure compliance and achievement. Strong shared objectives and effective co-operation in the implementation stage are essential for the success of this programme.

31. Mr. Francisco Nuñez presented the strategic study methods of industrial activities in an area of Catalonia, describing the analysis aspects and other aspects, such as the safety of the workers, the plant and the neighbouring zone. He pointed to the importance of audits of plant activities, in order to ensure that emissions to the environment were correctly addressed. He highlighted the need to take into account the correct transport of the products, the correct use by consumers, the elimination and recycling of waste and the critical importance of collaboration. He also presented a case study of an analysis of accidental releases of pollutants at a PVC factory, and the methods used to determine the flows of such accidental emissions and how best to contain them and recover contaminants.

32. Ms. Nilgun Kiram Ciliz described the application of the CP methodology to the textile industry in Turkey, using the examples of cotton and wool processing. That had resulted in significant savings of water, energy and chemicals, leading to an immediate payback of the costs required for those inputs, while also benefiting the environment. She stressed that, in applying CP methodology to such enterprises, it was crucial to prove that it would not have any negative impact on the quality of the end product. In the near future, Turkey hoped to extend the application of the CP methodology to other sectors of industry.

33. Mr. Essam Nada described the structure, history and objectives of the Arab Network for Environment and Development (RAED) and presented its regional pilot project for the management of solid waste, which was being implemented in Egypt, Lebanon, Morocco and Tunisia. In selected target communities, training was provided in the sorting of solid waste at source, with particular attention to the separation and recycling of metals, paper, plastics and compostable materials. Activities were also undertaken to increase public awareness and to disseminate the results of the project to participating countries.

34. Ms. Savka Kucar-Dragicevic presented the 1997-1999 UNIDO umbrella project for CP in Croatia and its outputs. She drew attention to the fact that a high proportion of the projects had required relatively little or no financial investment and, where investments had been necessary, the payback period for the majority had been less than one year. She presented a case study of the project for CP in Osijek-Baranja county, setting out the main goals of reconstructing industry in a cost-effective way and giving the results of the projects for the year 2000. She described new projects for the year 2001, including the Test project, which formed part of the project to reduce pollution of the River Danube. In conclusion, she said that a new development strategy was being prepared in Croatia, and that the sustainable development approach had been adopted as the starting point for all activities. Such an approach would also be integrated into all other sectoral strategies.

35. Mr. Abdeljaouad Jorio presented a paper on a study of the transportation sector in Morocco, with particular reference to identifying instruments to reduce the polluting factors from the domestic production, import and use of private automobiles. He pointed to the application of legislative and customs-tariff-related tools to discontinue imports and use of older, more polluting cars and to encourage the purchase of new, less environmentally damaging vehicles. He also analysed the impact of the creation of a free trade zone on the Moroccan car-making industry, and pointed to the enlarged market for new and cleaner cars, with a concomitant effect on environmental pollution. Assessing the technological effects, he also highlighted the importance of new, cleaner production technologies for both the unit consumption cost of each car produced and for the reduction of their pollution of the environment.

36. Mr. Said Jalala, in his presentation described the steps taken by the Palestinian Authority since 1994 to organize industrial activities in order to achieve environmentally sound socio-economic development. A full legal and regulatory framework had been adopted to ensure sound practices, taking into account the creation of special industrial zones, the requirements for cleaner production, waste management and training, among other considerations. The Palestinian Authority was fully committed to the concept of cleaner production.

37. Mr. Mounir Ghribi described the background, structure, objectives and activities of ICS/UNIDO, stressing its role in the pursuit of transfer of technology to SMEs. In that connection, the Centre actively carried out networking, in order to seek out new partners for technology transfer and for other cooperation activities. As well as organizing scientific workshops and expert meetings, the Centre produced a number of publications. It also provided training, particularly in Geographic Information Systems (GIS), which were used as tools to support coastal zone management.

ITEM 7. PRESENTATION AND DISCUSSION OF ISSUES RELATED TO ACTORS, LEGISLATIVE FRAMEWORK AND INSTRUMENTS, PROGRAMMES AND TOOLS

38. Introducing the item, the consultant to RAC/CP, Mr. Nordine Sini, gave a presentation on how the comments made during the discussion of the "Status and Trends of Industry and Sustainable Development in the Mediterranean Region" (UNEP(DEC) MED WG.192/3) impacted on that report and how the issues raised could be related to possible recommendations by the Group.

39. Following a number of comments and proposals for elements for possible inclusion in the consultant's report or in the recommendations of the Group, the experts took up consideration of an informal paper, prepared by the Secretariat, entitled "Draft proposals for action by the MCSD Working Group on Industry and Sustainable Development".

40. Introducing the paper, a representative of the Secretariat explained that it was based on the comments and proposals made by experts during the open discussion under agenda item 5. She observed that the introduction of the paper, containing a summary of major issues, stakes and trends, achievements and gaps, would be completed by the Secretariat at a later stage. She clarified that, in drafting the paper, the Secretariat had considered it necessary to add to the existing three categories (Actors, Legal framework, and Instruments and tools) a fourth category (Horizontal), covering cross-cutting issues.

41. During the discussion on the sections covering "Actors", experts considered the list should be supplemented to include the private sector and financial institutions, Ministries of Planning, the European Community and other European institutions, and the donors. One expert pointed to the need to distinguish between the universities and other important training and education bodies. It was pointed out that there were bodies that could be actors at the present time without their being aware of the fact, or which, as a result of developments, could become actors at some future time.

42. One expert considered that businesses that were environmental leaders needed to be identified and given special assistance, for example by provision of training in overseas financial investment, commitment by Governments to purchase their products, and assistance in certification and recognition that their products were the result of cleaner and sustainable production methods.

43. Some experts considered that it was necessary to identify which actors should undertake specific tasks. It was observed that a consulting and coordinating mechanism was needed to harmonize the activities of the actors and stakeholders. Some experts believed that a regional mechanism was needed, while one expert said that the mechanism should be at the national level and should coordinate the activities of Ministers in implementing a cleaner production agenda.

44. On the subject of the concept of sustainable development, one expert was of the view that a top-down approach from Governments would not easily cause businesses to adopt sustainable production methods. Rather, a consumer-driven strategy was necessary.

45. One expert, pointing to experience with direct foreign investment, pointed to the danger of having only the stronger firms surviving the introduction of strict norms for sustainable production. The SMEs would need time to be able to integrate those into their industrial practices and reach the required level, and many would be unable to compete and would go under, with the loss of many industries and jobs. Foreign direct investment also brought the risk of relocating

polluting activities to the Mediterranean area. A recommendation was needed to address that risk.

46. Concerning coordinated use of existing resources, it was proposed that industrial associations, as well as regional bodies for cleaner production, be included in the list of such resources. In addition, one expert considered that, in addition to establishing new bodies, it was also necessary to make reference to the need to strengthen existing bodies.

47. Several experts commented on various aspects of any requirements for an environmental impact study and the question of a need for voluntary agreements.

48. Concerning a legal framework, comments ranged from specific proposals for modification of text, to the need to eliminate the sections (Actors, Legal framework, Instruments and tools and Horizontal) and to close the gap between legal provisions and real results. As for the section on instruments and tools, it was suggested that the technique of life-cycle assessment could be a useful tool. Another suggestion was that there be a focus on training in simple environmental management techniques to promote eco-efficiency, along with related considerations. Several experts asked that a recommendation be expanded to include provision for site recovery. A question was raised about environmental indicators as valid and full indicators of progress and compliance. Another expert commented on mechanisms for incubation of industries in relation to sustainable development.

49. Several experts expressed views on the relations between assisted countries and donors or investors. The monitoring of results and the promotion of sustainable development were considered to be of paramount importance. Several textual changes were proposed under that section. One expert suggested that the use of a glossary or expansion of abbreviations might prove useful. The view was expressed that there was a need to recommend the formulation and submission of good projects that would immediately find financing. Another expert stressed the importance of public participation in the process of promoting cleaner production.

50. A number of proposed changes were submitted for incorporation into a revision of draft recommendations for subsequent discussion and adoption.

ITEM 8. REVIEW OF PROPOSED SET OF ACTIONS

51. At its session on 29 June 2001, the Workshop reviewed the paper prepared by the Secretariat, entitled "Proposals for action by the MCSD Working Group on Industry and Sustainable Development".

52. In the course of the discussion, experts made a number of proposals for amendment to the proposals.

ITEM 9. OTHER BUSINESS

53. No other matters were raised for discussion.

ITEM 10. ADOPTION OF THE SUMMARY OF CONCLUSIONS AND PROPOSALS FOR ACTION TO BE PRESENTED TO THE NEXT MCSD MEETING IN ANTALYA

Following an exchange of views, it was agreed that the Secretariat would be entrusted with the finalization of the proposals, taking into account the comments and proposals made at the Workshop.

ITEM 11. CLOSURE OF THE REGIONAL WORKSHOP

The Workshop rose at 1p.m. on Friday, 29 June 2001.

ANNEX II

Urban Management and Sustainable Development in the Mediterranean

*Draft Report prepared by the Support Centres (PAP/RAC and BP/RAC)
and Task Managers (Egypt, Turkey, Medcities) and submitted to the
Extraordinary Meeting of the MCSD (Monaco, 12, November 2001)*

ANNEX II
Appendix I

**MCS D WORKING GROUP ON URBAN MANAGEMENT AND SUSTAINABLE
DEVELOPMENT**

PROGRESS REPORT COVERING THE PERIOD NOVEMBER 2000-SEPTEMBER 2001

1. The report of the Working Group was presented in the Sixth Meeting of the Mediterranean Commission for Sustainable Development (MCS D) held in Tunis on November 14-17, 2000. The members of the MCS D pointed out that it was a highly complex issue that should be studied thoroughly. They made valuable suggestions for the continuation of the Group's activity. The Meeting suggested that in the next MCS D meeting proposals should be presented to be submitted to the Contracting Parties to the Barcelona Convention.
2. The European Union allocated, within the Calls for Proposals for the activities related to the MCS D, financial support for the preparation of a part of thematic studies within the activity of the Working Group. According to an agreement between PAP/RAC and BP/RAC, the proposal was prepared and presented to the European Union by the BP/RAC.
3. An Information and sensibilisation campaign was performed among the Mediterranean countries and cities. Questionnaires were sent to 80 towns and 20 countries in order to gain answers to important questions relevant to urban management, i.e. urban development planning policies and urbanisation of various countries. Replies were obtained from 45 % of the towns contacted and from almost all of the countries.
4. In January 2001, the Second Meeting of the Steering Committee of the Working Group was organised in Sophia Antipolis, attended by the task managers of the group, 15 regional urban experts and representatives of the supporting centres. The principal objective of the meeting was to assess the progress of the Group's work and decide on the organisation of a regional workshop. The following was presented in the meeting:
 - Preliminary results of the questionnaires sent to the towns and countries;
 - Terms of reference for the selection of experts to prepare the 5 sub-regional studies and the synthesis studies on the urban issues in the region;
 - Terms of reference and the selection of the towns for which in-depth analyses would be prepared;
 - An action paper on possible regional actions to improve urban management in the region; and
 - First draft of possible recommendations to be submitted by the MCS D to the Contracting Parties.
5. The meeting also discussed various organisational issues regarding the regional workshop. It was announced that the city of Barcelona had accepted to host the workshop and to cover the expenses relevant to the conference room, and a part of the expenses relevant to hospitality and logistics. It was also announced that the Government of Spain had decided to offer financial support to the organisation of the workshop by covering the expenses of translation and a part of organisational costs.
6. Between January and June 2001, 5 sub-regional studies were prepared, for the southern and eastern countries, as well countries of the eastern Adriatic. Twelve national, sub-regional and regional experts participated in their preparation. The studies indicated the priority urban problems of each sub-region, as well as the principal obstacles and difficulties standing in the way of a sustainable urban development. On the basis of those studies, a synthesis study was prepared entitled

“Urbanisation and town management in the Mediterranean countries: Assessment and perspectives for sustainable urban development”.

7. In the period April-July 2001, two more synthesis studies were prepared to be presented in the workshop: a study presenting an overview of international and regional initiatives towards a sustainable development of Mediterranean towns, and an analysis of the questionnaire for the town and national authorities.
8. In the period May-July 2001, 6 case studies on urban management were prepared (Malaga, Ismailia, Split, Iskenderun, Tetouan, Limassol), illustrating the diversity of approaches to sustainable urban development.
9. In May 2001, a meeting of core group of task managers and supporting centres was held in Sophia Antipolis to discuss some operational issues relevant to the regional workshop in Barcelona. Due to unforeseen circumstances (unavailability of hotel accommodation in Barcelona in the beginning of July, due to a large international convention), the workshop date was set for September 3-5, 2001. It was estimated that, in spite of that postponement, it would be possible to prepare the recommendations to be presented in the MCSD meeting in Antalya in October 2001. The meeting defined the agenda of the workshop, a list of about 80 people to be invited, and the documents to be presented. Other relevant organisational issues were discussed. A tentative list of recommendations was also drafted. It was agreed that the list would be further elaborated and sent to the participants for consideration few days before the workshop. After the meeting, the PAP/RAC director visited Barcelona to discuss various relevant issues with the local co-organisers and check the conference facilities.
10. All the activities mentioned in the present and earlier reports, as well as contributions by a large number of regional urban experts coming from several disciplines (geography, town planning, economics, environmental sciences, social sciences) contributed to a better understanding of the effects of urban development (demographic, physical, economic) on the urban environment, spatial organisation, social structures and economic system, and to the identification of difficulties in the management that need to be overcome on the way to a sustainable development of the region. The joint work of experts, task managers (Medcities, Egypt, Turkey) and the supporting centres (PAP/RAC, BP/RAC) created an excellent basis for the organisation of the regional workshop that was held in Barcelona on September 3-5, 2001.
11. The workshop was organised in the premises of the “Far” consortium in the old harbour of Barcelona. It was attended by more than 60 representatives of the Group’s Task Managers (Egypt, Turkey, Medcities), members of the MCSD Working Group, towns that participated in the programme implementation, regional experts, METAP, MEDU and interested MAP regional centres, and the supporting centres to the Working Group (PAP/RAC, BP/RAC). The participants were divided into four working groups which covered the following topics:
 - Mobilising actors and means of action towards achieving the sustainable development objectives;
 - Managing to guide the urban dynamics;
 - Improving public urban services management ;
 - Strengthening the Mediterranean and Euro-Mediterranean co-operation on cities and between cities for a sustainable urban development.

Each of the working groups produced a set of draft proposals that were discussed on the last day of the workshop. These were harmonised and edited by the Task Managers and the supporting centres, and submitted to the MCSD for adoption.

Urban Management and Sustainable Development in the Mediterranean

SYNTHESIS REPORT AND PROPOSALS

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ANNEX II Appendix II

Introduction

“Urban Management and Sustainable Development” was chosen to be one of the main topics to be considered by the Mediterranean Commission for Sustainable Development in the period 1999-2001.

A Working Group on towns was established in the beginning of 1999: it launched a number of activities in order to respond to its mandate, defined, together with its composition, in July 1999 as follows: *“The Working Group on Sustainable Development and Urban Management was, within its present mandate, established at the Meeting of the Mediterranean Commission for Sustainable Development in Monaco (20-22 October 1998). The task managers of the Group are Egypt, MEDCITIES and Turkey. [...] The Group is supported by the Priority Actions Programme and the Blue Plan Regional Activity Centres of MAP. The meeting also decided that the Group will concentrate its work on the issues of urban development and sustainable management ...”* (excerpt from the Report of the Fifth Meeting of the MCSD, Rome, July 1999)

After two years, the main activities¹ implemented can be summarised as follows:

- organisation of three meetings and fora (Split, 1999; Paris, 2000; Sophia-Antipolis, 2001), each enjoying the participation of fifteen-odd experts in urban issues in the Mediterranean;
- preparation of a preliminary assessment of urban issues and challenges of urban management aimed at a sustainable development of the Mediterranean region;
- implementation of an “information campaign” through questionnaires sent to the authorities of 50 Mediterranean towns and 20 coastal states.;
- mobilisation of 12 experts (national, sub-regional, regional) from three shores of the Mediterranean in order to get a better insight, into the priority urban problems of each sub-region, as well as the principal obstacles and difficulties standing in the way of a sustainable urban development;
- identification of 6 examples of urban management (Malaga, Ismailia, Split, Iskenderun, Tetouan, Limassol), illustrating the diversity of methods of progressing towards a more harmonised urban future;
- an overview of international and regional initiatives towards a sustainable development of Mediterranean towns;
- organisation of a Mediterranean meeting on “Urban Management and Sustainable Development” (Barcelona, September 3-5, 2001)², attended by 55 participants from the three shores of the Mediterranean, representing all the members of the urban group.

¹ A number of those activities were implemented with the support of the European Commission – DG Environment.

² See the list of documents and the list of participants of the Barcelona meeting (annexes 2 and 3).

Brief summary of the situation

Throughout the world, the urban reality is a major issue of our contemporary society. This was recognised as one of the priorities at the Habitat II Conference (Istanbul, 1995).

The Mediterranean does not escape to the global evolutions; moreover, it has its specific features and its history. This history, often several thousand years old, gave birth to a true urban network and the living concept of “a town” where urbanism, institutions and society meet.

Mediterranean societies which have become predominantly urban

After half a century of intensive urbanisation (1950-2000) and the accompanying transformations of the way of life and consumption, the Mediterranean societies have become predominantly urban. The urban population of the coastal states grew from 94 million in 1950 to 274 million in 2000. From 1965 to 2000, the urbanisation rate in the countries between Spain and Greece (northern shore) has grown from 58% to 67%, and between Turkey and Morocco (eastern and southern shores) from 37% to almost 62%.

In spite of a recently noted deceleration in the demographic growth in the countries of the northern shore, which is growing or expected to grow in the countries of the south, and in spite of a relative slowing down of rural exodus, in the future the heavy urbanisation trend will continue, even if it might be modified by the evolution of migratory flows which is hard to predict. **And in 25 years, in the Mediterranean region more than 7 inhabitants of 10 will probably live in a town.**

In absolute figures, the urban population could grow from the present 274 million to approximately 378 million in 2025, with a very important growth potential laying in the towns of the eastern and southern shores (probably, additional 100 million inhabitants).

The population littoralisation is not a general phenomenon, but is highly pronounced in a number of countries. According to demographic trend perspectives, in the next 25 years the coastal urban population of the northern shore will remain relatively unchanged, while that of the southern and eastern shores could grow by additional 30 million inhabitants. However, coastal urban sprawl, the touristic para-urbanisation in some areas, and concentration of certain economic activities, such as transports infrastructure, will probably continue turning natural coastal spaces into artificial environments (47,000 km length of coast).

Urbanisation perspectives, long-term environmental concerns, the burden of the towns in the national economies, lead to **considering the towns and agglomerations as strategic places for sustainable development in the Mediterranean**. In fact, the following are concentrated in the towns/agglomerations:

- most of the economic growth of the countries, and of the supply of production factors relevant to the land,
- consumption of an important part of both renewable and non-renewable resources,
- “production” of most of the waste, as well as being source of a considerable portion of pollution of various environments (air, water, surface and underground soil, sea ...),
- critical social situations, sometimes extremely serious (economic, social and environmental dualities, insufficient services, deterioration of the quality of life and sanitary risks, bursting of urban services, segregation, conflicts and violence, ...).

The problems are serious, and even critical, even if in the Mediterranean space where the first nuclei of urban life developed and flourished, the negative features have rarely reached the intensity or severity thresholds observed in other regions of the world.

Moreover, the towns are vectors of innovation and key points of maintenance and promotion of significant models of social and cultural **diversity**.

Urban economies in a globalisation context

Regardless of the contexts varying greatly from one country to another, the globalisation affects the Mediterranean region just as any other region in the world. The countries of the south and the east join this dynamics, one aspect being their approaching the European Union, pre-empted by the association agreements preparing an area of free market and a Euro-Mediterranean space.

Although modalities vary from one country to another, all towns are confronted by challenges of globalisation of economy, progressive liberalisation of the market, displacement of enterprises, relative restriction of the production sectors, an ever growing importance of the services sector, commerce, urban tourism and new information technologies, various privatisations of public companies, and an ever more frequent transfer of responsibility in the management of public urban services. Urban areas are priority factors of progress within this new global scenario.

The current economic changes, as well as socio-economic or geographic contrasts within the Mediterranean urban subsystems lead to situations which are sometimes competing and sometimes complementary. Apart from the positive aspects, the globalisation concept implies numerous de-structuring effects, between territories, between towns and even within the towns themselves, which risk to get even more pronounced in the future; hence the need for the towns and cities to affirm their identities.

Urban management institutions and methods

Both in the countries of the north, with a long tradition of municipal organisation which is now being re-considered, and in the countries of the south and east, involved for just a few decades in the profound institutional changes, all the towns are today faced by the need to respond to **common challenges**, notably:

- responses to segmented demands coming from urban societies which are getting more and more exigent;
- implementation of a negotiated, pragmatic urbanisation involving a large panel of actors, including those coming from the civil society;
- harmonisation of public urban policies, still too often sectorial;
- partial retreat of the States and the growing decentralisation;
- insufficient resources and funds of the local communities which depend in practically everything on exterior support;
- adoption of public/private partnership formula, especially in the domain of public urban services;
- necessary training and sensibilisation, especially in the developing countries, for the leaders and municipal administrative staff, on the most recent knowledge of a more complex urban issues.

Facing the real difficulties in tackling urban problems, it is necessary to find responses adapted to the specific context and traditions of the country. When proceeding towards a more sustainable development, voluntary actions are possible, but must not remain alone. Aimed in each country by different actors - State, local communities, civil society – these will differ considerably.

Four groups of proposals for a sustainable development and urban management

Sustainable development of the Mediterranean towns and agglomerations should not only respect the environment, but has to be socially accepted and have a solid economic base. The sustainable urban development requires measures characterised by a **search for coherent actions**. Moreover, in the Mediterranean towns, the Culture, in a broad sense, imposes itself naturally as a fundamental dimension for the objectives of sustainability which inevitably combine material and immaterial criteria, especially in an area where towns have written the history for millennia. It is in the towns that the art of living together has developed; it is there that the degree of interdependence of the people is manifested; it also in the towns and around them that one usually sees the development of new spatial and environmental interdependencies.

The activities of the MCSD's urban group allowed for defining of **four groups of proposals**. These groups are often "transversal", multidimensional, and characterised by a search for coherence and solidarity mentioned above:

1. *Mobilising actors and means of action towards achieving the sustainable urban development* (institutional coherence);
2. *Acting towards a better management to guide the urban dynamics* (territorial coherence, spatial and environmental interdependence);
3. *Improving public urban services management* (coherence of management methods);
4. *Strengthening the Mediterranean and Euro-Mediterranean co-operation for a sustainable urban development* (better synergy of regional and international initiatives).

Each axis is divided into several proposals for action by decision-makers, managers and various urban stakeholders (socio-economic actors, associations, urban professionals, population).

Certain proposals are strictly targeted, addressing the State, local communities, urban networks, non-governmental organisations, international organisations. Others are "shared": they advocate joint work of different stakeholders in order to achieve the objectives of sustainable development.

A total of **12 proposals** are submitted to the attention of the MCSD. The stress has been placed on the need to anticipate, to be "proactive", i.e. to act before the negative impacts of urban growth are actually felt, and to propose actions regarding the life in the towns itself – economic, social, and institutional.

These proposals are not intended to just define "good" solutions, but rather to encourage the decision-makers, managers and various stakeholders to choose, through several tracks, the one or the ones that are best suited to the context in which they operate and to the specific needs or requirements they have to meet.

The progress towards sustainable urban development requires a strong political will of the decision-makers, both national and local, as well as a dialogue and dedicated participation of numerous town stakeholders, in order to resolve the problems, often very serious, relevant to non viable economic growth, absence of social involvement, and disregard of the environment.

1. *Mobilising actors and means of action towards achieving the sustainable urban development*

Today, throughout the Mediterranean basin, in spite of several pioneering initiatives (Tripoli, Malaga, Essaouira, Ismailia, Rome, ...), the relevant stakeholders have not been in the position to offer their full support to the policy of sustainable development. It should be possible for the

local authorities to express a strong political will regarding more transparent choices for the town and its inhabitants. They should be able to “tailor” it according to the size of the agglomeration and the specific situation. A particular attention should be paid to the small and medium-size towns (60% of the urban population of the region lives in agglomerations with less than 640,000 inhabitants).

The stakeholders are often municipalities which are either isolated or under the “sectorialised” tutorship of ministries and other administrative bodies which operate too separately from each other, while the sustainable development requires a more “transversal” action and a synergy between the local communities grouped at a suitable level **and** the State, provinces or regions, which should be true partners in land-use management and, accordingly, urban planning.

The civil society as a whole – population, associations, professions, enterprises – is not yet fully involved in practice as required by the Rio Declaration (chapter 28 of the activities). Very often, throughout the Mediterranean, the local Agendas 21 are good check-lists, but are not followed by a decisive action. Citizen groups, organised as early as possible, enables to better formulate requirements and expectations over a long-time period and with respect to the mobilisation of available funds (*participatory budgeting*).

Training of stakeholders not yet aware of the ideas of sustainable development, and strengthening of the local capacity building are prerequisites of a good participation.

The international financial means, and especially the European support, identify very seldom urban programmes as such, although the local communities are the best places for implementing transversal projects that, for example, link transports, habitat and greenhouse effect, or water demand pricing and social equity. Euro-Mediterranean meetings like, for example, the one to be held in Athens in 2002, could be good occasions for a new opportunity for the towns which, by the year 2025 in the Mediterranean will account for 70% of the population and where a large part of the problems relevant to the sustainable development will be concentrated.

As regards the resources, the national and local financing in the region is still controlled by, often outdated, fiscal frameworks. Changes are expected in order to enable the local communities, depending on the situation, to redirect the revenues and useless expenditures to environmentally friendly services or social objectives like the poverty reduction.

RECOMMENDATIONS

1. **Mobilise and involve relevant stakeholders**

- *The sustainable urban development calls for the elaboration and implementation, by the urban municipalities and their communities at an appropriate level, of strategies, plans and programmes of progressive physical development, of a sufficient duration (10 – 15 years). These strategies, of the Agenda 21 type, should be initiatives shared and contracted by all of the concerned stakeholders (services of the State, local communities, various actors of the civil society, socio-economic partnerships). All of the Mediterranean countries should have it done in three years.*
- *Since the sustainable urban development is a systemic process of a transversal character, the activities should be interministerial at the State level, and at the level of local authorities the various services should be well linked.*
- *A special attention should be paid to medium-size towns. The States, which secure within their land-use management policies a balanced regional development, could take particular care of this priority issue.*

2. **Promote dialogue and public participation in the decision-making process**

- *Recognition of the role of various actors of the civil society in the urban management should take form of their involvement in the process as early as possible. This participation should take form of joining a consultative process at a medium to long term. The local Agendas 21, and other similar initiatives such as Urban Strategic Plans, could be dynamic exercises for the realisation of this participative democracy.*
- *While preserving their institutional prerogatives, each local or territorial community is encouraged to secure room for and mechanisms of dialogue that will provide for an analysis of the needs and expectations of the local population, as well as the monitoring and evaluation.*
- *The commitments on which a large consensus has been reached, within an expression of active citizenship, should be widely and clearly announced and disseminated in order to enable monitoring and evaluation of action plans and urban projects through indicators of sustainable urban development.*
- *All these arrangements should be reflected in appropriate directives by the Mediterranean States in the year 2002, before the Rio + 10 Conference.*

3. **Capacity building of local stakeholders**

- *The States should create the necessary conditions for the strengthening of the administrative, technical and financial capacities of the municipalities. Strengthening of the local capacities should be implemented at all levels and involve directly the new stakeholders which have emerged from the process of decentralisation (local communities, community organisations, local or neighbourhood associations, ...).*
- *The capacity building mechanisms require transparency and actions aimed at popularisation of and sensibilisation to the issues and challenges of sustainable urban*

development, as well as specific training adapted to the role and prerogatives of the various local stakeholders (leaders, technical municipal services, associations, ...).

- *Exchange of experience among towns and their networking should be encouraged. This exchange should regard both global strategies such as local Agendas 21, and concerted actions focused on one or more topics relevant to sustainable urban development (solid waste reuse, renewable energy sources, transports, ...).*
- *The training on sustainable development for the local stakeholders of the Mediterranean towns could be enhanced by the following:*
 - *some towns may volunteer to accept trainees and officials of the local communities from the region ,*
 - *development of a Mediterranean training programme intended for local stakeholders, for example, departing from the one developed under the auspices of the United Nations/UNITAR,*
 - *international programmes such as HABITAT, International Centre for Eco-technology (UNEP), "Cites Alliance", "Urban Habitat Forum", "International Forum on Urban Poverty",*
 - *a network of engineering schools and universities such as the Mediterranean network (RMEI),*
 - *sessions organised upon initiative of European or Euro-Mediterranean programmes (of the MedCampus type).*

4. Gather and mobilise financial means

- *Territorial strategies aimed at sustainable development which sometimes benefit from external financing (European or other international donors) are, in general, co-financed from national and local funds. International financing would benefit from the identification of urban programmes as such. Local authorities are particularly suitable for presenting integrating non-sectorial projects. It is proposed that MAP prepare a detailed evaluation of the recent evolution and distribution of international financing (multilateral and bilateral) intended for the urban development in the Mediterranean. Criteria could also be defined in order to better guide the future financing towards sustainable development.*
- *Apart from participation in the projects financed by international loans, the local communities should launch a number of activities on their own. To be able to do so, they should be allocated a minimum of their own resources, such as by benefiting from a portion of the tributes and taxes charged by each State.*
- *The Mediterranean towns should refer to the precautionary and polluter-pays principles, encouraging the good developer, and stimulate the exchange of experience and innovations producing a training effect, for developments well adapted to the local needs and specific conditions, as well as to the objectives of sustainable development.*
- *The States will submit a report on the above issues to the MAP by the end of 2002.*

2. Acting towards a better management to guide the urban dynamics

Urban planning, from Hippodamos of Millet to la Cerda in Barcelona, has marked the organisation of the Mediterranean towns, and still today the physical planning is an indispensable affirmation of the public interest in the towns where speculations and individual initiatives could not become lasting components of the systems which are becoming more and more complex. Over the past 30 years, urban and regional planning in the Mediterranean has provided good examples of what physical and land-use plans could be. The coast, which is generally exposed to most of the urban pressure in the Mediterranean, calls for an ever stricter control (coastal laws, coastal programmes, "*contrats de baie*" /a tool for protecting and managing the coastal areas, created in France some 10 years ago; the contract is made by the local authorities concerned - municipalities, urban communities, .../).

However, placed within a time frame, as requested by the sustainable development, "the plans" should be reconsidered and formulated as strategies and programmes paying greater attention to the dynamics, organised or spontaneous, of urbanisation and to the ever faster changes of the civil society. The participative planning is a present day request expressed ever more frequently and strongly.

The Mediterranean towns and regions will draw long-term benefits from exchange of new experience (Catalonia 2010, Egypt 2020, etc.) and from regional strategic programmes with time horizons of 2010 or 2025 (in France, Egypt, Morocco, etc.).

Some issues, characteristic of the entire Mediterranean basin, were examined more thoroughly.

- Sprawl prevention. In the compact Mediterranean town the territory spreads through pavilion housing, cars, tourism, and especially the very strong demographic growth (an increase of 100 million urban inhabitants in the South until 2025), prices of land. Urban spreading is often to the detriment of the neighbouring agricultural land in the coastal planes, already scarce in the region. Other negative consequences are the risk of marginalisation (uncontrolled, often illegal housing), the high vulnerability of urban areas to natural and technological risks, and an increased greenhouse effect due to longer trips in motor vehicles. The "reconstruction of the town on the town", the importance of town cores require renewed urban strategies. A long-term maintenance of the peripheral agriculture is often the most economical way of securing aeration of the town, upkeep of "landscape areas", and reconnecting, in a positive sense, of the town and the countryside.
- Urban transports are one of key issues of sustainable development. Increased numbers of private cars, already considerable in the region or expected to become so (until the year 2025 an increase of more than 400% in the number of cars in Morocco, and an increase of more than 40% in the cargo transport and 30% in the human transport in the Southern Europe), will bring along a considerable risk of air pollution in the part of the world where, in summertime, meteorological inversions are important.
- Demographic explosion, uneven distribution of revenue, unemployment, have led in the towns, sometimes in the degraded ancient centres, and sometimes in marginalised suburbs, to the appearance and development of uncontrolled housing. In view of a progressive reintegration of often unhealthy housing, the local communities have to develop appropriate social and environmental policies that would benefit from being adopted with the involvement of the concerned population.
- The desired revival of the urban centres, but sometimes also the degradation of the housing fund or implosion due to traffic congestion, are very strong facts. The

“reconstruction of town on the town” is necessary; yet it could pose risks if a careful and subtle strategy is not applied with regard to the historic heritage, both ancient and more recent. The local authorities, as well as the State agencies (historic monuments, archaeology) should join forces, and the State itself should play its role in order to secure that the clear laws on historic heritage is respected. It is evident that if the approach is global, in the Mediterranean the stakes are higher since this region is the most important tourist destination in the world. Furthermore, the directly interested population should be more involved in the protection and rehabilitation measures.

- Finally, some more aspects typically Mediterranean like the harbours and harbour zones which, often in decline, had to or still have to be “rehabilitated” or converted to open the Mediterranean towns to the sea. But also to give all their space to inter-Mediterranean maritime navigation that could, in the years to come, have a renaissance in a new form, especially if we want to avoid air traffic congestion already indicated by an annual increase of more than 8%, or negative environmental effects of the cargo traffic along the coastal roads.

RECOMMENDATIONS

5. *Reconsider town planning in view of sustainable development*

- *The States and MAP should encourage an updating of the existing planning tools in the Mediterranean towns, as well stimulate the towns to surpass the approaches considering only land-use planning in order to move towards a global, integrated and prospective strategic planning taking well into account the social, economic and environmental aspects.*
- *Directives should be prepared at the level of each Mediterranean State, and the set published by MAP. These directives should pay particular attention to the points below.*

Knowledge of urban sprawl

- *The States should, within their land-use planning policies, encourage balanced development of medium-size towns and large cities, as alternative to the explosion of too large urban agglomerations.*
- *Rehabilitation and protection of peri-urban agriculture and the development of new rural functions in the surrounding areas of the towns would enable, by adding value to agricultural economy, keeping the farmers on their land, and a better control of land speculations. In the large cities faced by the problem, the cities and the States should launch heritage management programmes for peripheral areas.*
- *The Mediterranean States and towns should improve the available regulatory tools to regulate or control the development and siting of large commercial areas, great consumers of peripheral spaces.*
- *MAP should promote the preparation of cost-benefit analyses for the spreading of agglomerations, as well as exchange of experience in the field of policies of control of urban sprawl.*

Medium-term programmes for degraded or illegal neighbourhoods

- *The towns should elaborate rehabilitation programmes for degraded or unhealthy neighbourhoods, and for the integration uncontrolled housing in peripheral neighbourhoods of significant poverty; these programmes should be established for an appropriate period of time with the participation of the population concerned. MAP should organise exchange of experience on this topic.*

Protection and rehabilitation of historic centres

- *Programmes of conservation and rehabilitation of the architectural heritage, historic or more recent, should be launched by the concerned towns.*
- *The international donors contributing to the preservation of the historic heritage should not take into consideration just the heritage or tourism objectives, but should also aim at improving the living conditions of the local population.*

- *The plans of saving ancient central or peri-central neighbourhoods of heritage value could not be applied without, or with insufficient legal and regulatory tools. Thus, the States are invited to complete appropriate frameworks for the various territories or neighbourhoods of the town and not only for the individual monuments.*
- *Exchange of experience among the Mediterranean towns should be promoted, especially those that stress the need to keep the population in place.*

6. Harbour zones: fallow land and prospectives

- *Rehabilitation programmes for harbour fallow land should be established by the towns concerned, bearing in mind at the same time their interest in the use of the space, urban opening to the sea, and the possible future renaissance of the inter-Mediterranean maritime navigation.*
- *MAP should organise exchange of experience on this topic.*

7. Affirm urban transport policies

- *The Mediterranean towns should adopt, before the year 2004, plans of urban transports, favouring the modes of transport which require less space and energy, and harmonised with the greenhouse effect policies. Those plans should be harmonised with the schemes of urban extension or densification.*

3. *Improving public urban services management*

The Mediterranean towns evidently share most of the urban management dysfunctions with the rest of the world, but especially those in the southern and eastern shores are characterised by the great problems relevant to following the rhythm of urban growth and to the lack of their own means. The priority problems regard the water supply, sewerage and solid waste management, and urban transports.

Faced by this situation, and within their efforts to mobilise means needed to finance infrastructure and urban services or to initiate social policies in their competence, the Mediterranean urban municipalities, even those that have managerial competence, search for external resources, and sometimes partner enterprises for the management. The States play a decisive role for a good management of the services, in the planning, regulation, financing, and distribution of competencies among various levels of administration.

The public urban services of municipalities or groups of municipalities could be managed either directly by the municipality personnel or by transferring those duties to public or private enterprises. In fact, it has been realised that neither the rules of the public market, concession charts, monitoring of sub-contractors, public accountability of the heritage, nor technical control are sufficiently taken into consideration in this respect. As for the methods of assessing the public opinion and impact assessment, these are still insufficient.

The need was also realised to implement legislative measures in order to improve financial and control capacities of the administrative bodies in charge of services management. The ways should be explored of how to secure the necessary control by the communities where some partners tend to impose inadequate conditions in terms of costs or sustainable development.

The pricing (adapted to economic and social criteria) and the administrative or techno-economic tools of control are the instruments on which the good implementation of sustainable development will depend.

RECOMMENDATIONS

8. Strengthen the capacities to manage public urban services

- *The States should strengthen the control and monitoring capacities of the authorities (local, provincial, national) in charge of urban services to achieve a more efficient management, through the following measures:*
 - *Promotion of exchange of experience and of co-operation of neighbouring municipalities, especially within a metropolitan area.*
 - *Improvement of synergies among the various levels of administration in charge of the services through a structured planning.*
 - *Elaboration of financial systems to face the needs for investments.*
- *MAP should organise exchange of experience on the topic requesting the States to prepare reports on what they have done to help the territorial communities to turn towards sustainable development.*
- *In the case of management transferred to a lower level of authority, the municipalities or groups of municipalities should, on one hand, secure that their agents are capable of integrating the issues of sustainable development in their mandates, and on the other revise the monitoring methods (progress indicators, etc.).*
- *In the case of transfer of duties, the selection criteria for the evaluation of bidding applications should not be based solely on the principle of “the most convenient”, but also on the criteria taking into consideration social and environmental goals of sustainable development (environmental management system), the principles of citizen enterprise, etc.*
- *The local communities would benefit from promoting small and medium-size national enterprises allowing them to get a better position on the market.*
- *The local authorities in charge of the transferred duty would benefit from the strengthening of their control capacities over the transferred management through:*
 - *definition of indicators (for monitoring, results, etc.) to facilitate transparency, and which the communities could announce publicly;*
 - *organisation of a complaints systems;*
 - *establishment of users associations to participate in the control process;*
 - *establishment of budgets separating the financial frameworks of the various urban services and identifying their accountability; their accountability reports should evolve so as to introduce the issues of heritage management.*
- *The pricing of public urban services should meet at least two objectives: secure access to the services for the poorest citizens, and recovery of costs. In order to do so, the regulatory institutions and managers of the services are invited to elaborate a pricing system that will comprise a very low fixed cost guaranteeing everyone’s participation and a variable part proportional to the use of the service.*
- *Updated regional databases could facilitate the comparative analyses of the management costs in the Mediterranean towns, as well as of the applied pricing policies.*

4. Strengthening the Mediterranean and Euro-Mediterranean co-operation for a sustainable urban development

For several decades now, the co-operation among nations has become an instrument for improving the social, economic and environmental development. The United Nations Charter, the declarations and action plans from Stockholm (1972) and Rio (1992), Vancouver (1975) and Istanbul (1995) are some of the important milestones of the sustainable development of countries and towns.

The towns level is essential, and its interest was shown in Curitiba and Rio in 1992, in Istanbul (1995), and confirmed in New York in 2000 (Habitat+5). The local authorities and urban NGOs should be present in Johannesburg as they were in Rio and Istanbul. The Rio+10 Conference in Johannesburg will be an occasion to reaffirm that interest, and the Mediterranean States would benefit from a joint approach, and from showing also their own efforts at the regional. The Conference could provide a new impetus to the sustainable urban development.

At their level, the Mediterranean countries have already undertaken initiatives of co-operation, launched in Barcelona in 1975 and confirmed, from the point of view of sustainable development, in Tunis in 1994³, and again in Barcelona in 1995. This also refers to the Euromed process.

However, a significant benefit would be drawn from bringing this co-operation down to the level of towns. Twinning of towns (more than 200 towns), existence of a network created in 1991 (Medcities⁴), opened a path that could now be enlarged by a joint effort made by the towns, provinces or regions, and States.

This approach does not require the creation of an *ad hoc* institution or a RAC, but the use of guidelines prepared by the States, identification of urban programmes by the European and international donors, and a boost, on a voluntary basis, for thematic networks comprising regional and national towns and experts. Little by little, the associations and other representatives of the civil society, as well as the socio-economic partners would draw benefit from their active participation in this co-operation.

³ See the MED 21 programme attached as annex

⁴ A regional network of municipalities and local leaders representing 27 towns, established by METAP in 1991 to support environmental planning at local level and capacity building in urban areas.

RECOMMENDATIONS

9. **Strengthen and develop the co-operation network among towns**

- *The existing co-operation networks, both general (Medcities since 1991) and thematic (Medener, Healthy Cities, MEDSAFE NETWORK on urban safety from natural hazards, etc.) would be strengthened. They would be supported, as necessary, by European or international financing. They should be encouraged by MAP in their networking, and for some of them, in identifying their urban aspect.*
- *Some topics would benefit from becoming part of the new co-operation networks or projects, whose creation should be encouraged, on a voluntary basis, and with the participation of interested authorities:*
 - *for the exchange of experience on sustainable development (local Agendas 21 cared for by the Medcities, for example);*
 - *for the exchange of information (indicators, municipal actions, laws, etc. – 34 towns have already replied to a MAP questionnaire); an agreement could be reached between MAP and Medcities to maintain the flows of information exchange;*
 - *for the protection of the cultural and historic heritage, and tourism in urban environment;*
 - *for the prevention of natural, industrial and technological risks;*
 - *for the rehabilitation of peri-urban agriculture, etc.*
- *Besides town twinnings (still rare in the South-South relations), joint activities of several communities should be enlarged to concrete projects of sustainable development, based on the initiatives such as Agendas 21 or Strategic Urban Plans prepared jointly or on other forms of participation of the civil society.*
- *The sustainable development is not a uniform model. It should be “measure-made”, and is now maturing. MAP should encourage exchange of experience, for example, by organising workshops for the towns sharing common problems and similar objectives. Space for exchange and resources, even if informal, would be precious; it could be envisaged that it be cared for by the Medcities, supported by interested research centres and universities; in the same way the requests could be facilitated from the local communities of the south, and especially those which have not yet had access to the methods of work towards sustainable development.*

10. **Increase efforts aimed at reduction of the greenhouse effect**

- *The towns with large or increasing numbers of motor vehicles should elaborate municipal programmes to combat the greenhouse effect.*
- *A network of pilot towns dealing with this issues, as well as with developing public transports, is necessary to affirm the responsibility of the Mediterranean towns at the international level.*

11. **Achieve better synergy with international co-operation programmes**

- *The local authorities and associations should be better connected with the programmes of international co-operation in the Mediterranean: identification of urban programmes by donors would facilitate this task, as well as the work of various instances concerned, such as Euromed, UNEP, UNDP, UNESCO, The World Bank, EIB, CEDARE, ...*

12. Affirm the urban dimension in the Mediterranean co-operation

- *The Mediterranean Commission for Sustainable Development, supported by the Mediterranean towns, could address Euromed in order to establish a forum on sustainable development of the Mediterranean towns, as well as a specific co-operation programme on sustainable development in urban surroundings between Europe and the coastal States of the southern and eastern Mediterranean.*
- *MAP should not only monitor the implementation of MCSD proposals for the towns, that should be adopted by the Contracting Parties, but should establish (without the need to create a Centre- RAC – or a specific observatory) a permanent system of monitoring and encouragement of initiatives and practices, as well as voluntary co-operation towards sustainable development in urban environment. In this context it will be dedicated to better capitalisation, development and provision of the available information.*

List of Annexes (to be distributed during the meeting)

1. The urban group of the MCSD: its mandate of 1999 and its members since 2000
2. List of studies and contributions presented in the Barcelona meeting on urban management and sustainable development, September 3-5, 2001
3. List of participants in the Barcelona meeting of September 2001
4. Data on urban evolution in the coastal states
5. Sustainable development and the « town » : definition and ideas
6. Agenda MED 21, Tunis 1994 (Chapters 7 and 28).

ANNEX III

FREE-TRADE AND THE ENVIRONMENT IN THE EURO-MEDITERRANEAN CONTEXT

*Draft Report prepared by the Task Managers (Lebanon and France)
and Support Centre (BP/RAC) and submitted to the extraordinary MCSD
meeting (Monaco, 12 November 2001)*

ANNEX III
Appendix I

Progress Report for "Free Trade and Environment in the Euromediterranean context"

Following the 6th meeting of the MCSD (Mediterranean Commission on Sustainable Development) in Tunis, Tunisia, in 2000, it was emphasized that the work on this theme should be continued: i) paying particular attention to a Mediterranean specificity that is in full development (5 neighbouring countries already signed a partnership agreement); ii) taking a stand in the global context of sustainable development; iii) taking into account the reciprocal effects of environment/free trade; iv) examining the policies capable of attenuating the potentially negative effects; v) reinforcing the synergies and using the complementarities with other organizations working on the same theme (notably the METAP); vi) seeking the cooperation of socio-economic actors; and vii) seeking additional sources of financing.

To that end, the Blue Plan (BP), as support centre for the MCSD working group, completed the activities already undertaken in the framework of the free trade and environment theme, and initiated communication activities and exchange of experience, as well as, in-depth understanding and cooperation with other organizations working in the Mediterranean area.

Finalization of activities on "free trade and environment in the Euro-Mediterranean context" theme

In this framework the MCSD support centre finalized the report of the workshop held in Mèze-Monpellier, France, in October 2001. The "synthesis note" distributed in an initial version during the workshop was revised and sent to members of the MCSD for comments.

A working group meeting was held in July 2001 to discuss and validate the actions carried out on the theme, the diagnosis and the advanced proposals made by task managers following the Mèze-Montpellier workshop. The results of this meeting were used to prepare the final document, "free trade and environment in the Euro-Mediterranean context: report for 7th meeting of the MCSD."

Communication

The Blue Plan participated and contributed to a series of high-level conferences and meetings on the question of the environment and free trade. In particular, it participated in the *Enhancing Synergies and Mutual Supportiveness of Environmental Conventions and World Trade Organisation* workshop set up by the UNEP and WTO in Geneva in October 2000. The French Ministry of Environment invited it to a conference on the economic and environmental impacts of free trade in the Mediterranean region, in the presence of high level officials from the various ministries, held in Paris in February 2001. It contributed to work groups' discussions in the framework of the *High-Level Meeting on Environment, Sustainable Development and Trade: Developing Mutually Supportive Trade and Environment Policies*, set up by the German Ministry of the Environment and the UNEP in March 2001.

These meetings served as good opportunity to distribute and/or present the results of studies carried out in the framework of activities related to the "free trade and environment in the Euro-Mediterranean context". Thus, the same "synthesis note" was distributed to all members of the MCSD and to focal points of the Blue Plan, during the focal points meeting which took place in Palermo, Italy, in June 2001. A final version, incorporating the comments received and illustrated, will be published for wide circulation at the end of 2001.

Finally, the final report of the Mèze-Montpellier meeting is about to be completed and will be published in the MAP technical report series.

In-depth understanding

A programme of activities was initiated the aim of which is to get in-depth understanding and knowledge of certain themes, in particular the upgrading of SEMCs' small- and medium-size companies, the possible environmental and social effects of free trade in conjunction with the agricultural sector and rural areas, and the economic measures capable of enhancing mutual supportiveness between environmental and trade policies.

In collaboration with ECSWA and METAP, the Blue Plan prepared a project proposal entitled *Small and Medium Enterprises and Strategic Environmental Assessment in METAP beneficiary Countries: Economic and Environmental Challenges in the Mediterranean Region*, for which they are currently seeking financing from financial backers. The project aims at reinforcing private and public sector capacities in the integration of environmental obligations and preoccupations in the decision making process, at the level of companies, government offices and other stakeholders taking part.

Two meetings were set up with the International Centre for Advanced Mediterranean Agronomic Studies (ICAMAS) aiming at finalizing the terms and conditions for collaboration in the activities regarding the impacts of free trade on modern and traditional agricultural sectors in countries south and east of the Mediterranean, with a view to incorporating agricultural products into the Euro-Mediterranean negotiations. A third meeting is scheduled for September 2001 for preparation of the terms of references for the studies.

Activities were also launched on the most suitable pricing measures for sustainable use of water resources with a view to the expected repercussions of free trade on total consumption of water in SEMCs. A specific study on this theme will start in September 2001, using the terms of reference currently being prepared.

Cooperation

The Blue Plan strengthened contacts, in particular with the METAP, ESCWA and ICAMAS, with which shared programmes of activities were prepared.

FREE-TRADE AND THE ENVIRONMENT IN THE EURO-MEDITERRANEAN CONTEXT

SYNTESIS REPORT AND PROPOSALS



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ANNEX III
Appendix II

Mediterranean Commission for Sustainable Development (MCSD)
Free trade and the environment in the Euro-Mediterranean context

I) A Euro-Mediterranean space for 2010

The European integration on the one side (4 Mediterranean countries are already members of the EU and 4 additional countries are in the negotiation process) and the Euro-Med Partnership on the other, seem to be the two foreseeable major factors that will shape free trade and environment relationships in the Mediterranean.

The above regional efforts take place in a context of fast international changes. Indeed, **multilateral liberalization** pushed forward by the Bretton Woods institutions and particularly the GATT/WTO, together with globalization supported by the development of technologies involving knowledge, information, transport and services are advancing very fast. Given their reported and likely environmental, social and economic impacts, they call for the set up of adapted regional responses aiming at better organizing and conciliating trade policies and environmental protection, especially in fragile regions like the Mediterranean Basin.

The **Euro-Mediterranean partnership**, which, at this stage, combines the 15 countries of the European Union and the 12 countries or authorities¹ of the South and East Mediterranean (SEMC) has set itself this goal. Initiated in 1995 in Barcelona, it is focused on creating a "regional shared prosperity area" by setting up an "**Euro-Mediterranean free trade zone (target date: 2010)**" and through a number of accompanying measures supported more particularly by the MEDA fund. More explicitly, the partnership aims at "conciliating economic development with environmental protection and integrating environmental concerns into the pertinent aspects of the economic policy". It also emphasizes coordination with the Mediterranean Action Plan (MAP).

The free trade zone project objective is to accelerate the opening up of the countries, of providing the necessary impulse for structural reform and improving the competitiveness of production that is now too low or excessively concentrated on product categories that have little dynamism or a low value-added. The improved institutional and regulatory setup of the SEMCs, the creation of a large common market representing some 620 million people and the strengthening of complementary aspects between the two sides of the Mediterranean would thus contribute to attracting investors and lead to the prosperity expected.

¹ Morocco, Algeria, Tunisia, Egypt, Israel, Jordan, Palestinian Authority, Lebanon, Syria, Turkey, Cyprus, Malta. Libya has a status of observer within some of the meetings.

Box 1 State of progress of negotiations

State of Progress of Association Agreements between EU and SEMC (as of July 2001)					
Countries	Association Agreements	Interim Ass. Agr	Cooperation Agreements (mi/mid 70)	First generation of Association Agreements	Comments

		<i>In force</i>	<i>Signed</i>	<i>Negotiations concluded</i>				
1	Algeria			Ongoing		mid-70s		
2	Palestinian Authority			1997	Yes			
3	Cyprus						1970	Custom Union in 2000-2001
4	Egypt		2001	1999		mid-70s		
5	Israel	Yes		1995				
6	Jordan			1997		mid-70s		
7	Lebanon			Advanced		mid-70s		
8	Malta						1970	
9	Morocco	Yes		1996				
10	Syria			Ongoing		mid-70s		
11	Tunisia	Yes		1995				
12	Turkey						1970	Custom union in 1996
	Total	3	1	9	1	5	3	

South-South Negotiations

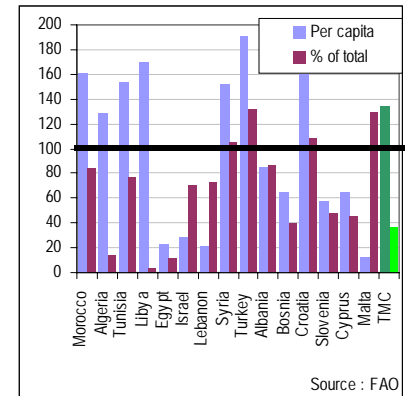
Despite the many bilateral free trade agreements (Morocco-Tunisia-Egypt, Egypt-Palestinian Authority-Jordan, Lebanon-Syria, Bosnia-Croatia, etc.) and multilateral ones (Free trade agreement with the Arab countries, Pan-Arab Free Trade Agreement) signed by the SEMCs and in spite of the commitments binding the 12 SEMCs as part of the association agreements to extend commercial integration to the other countries of the South, beginning in the 70's, South-South trade will be maintained at around 4 to 6% of the total trade volume of these countries, whereas these have grown strongly between countries in other areas of the world (in particular South America – from 11% to 25% between 1970 and 1998 – East Asia – from 19% to 22% - and those of the Andean Pact, from 1% to 11%).

According to most analysts, this situation is a major factor in achieving such objectives as: i) making large-scale savings; ii) increasing direct foreign investments, often linked to large-scale savings; iii) diversifying the products needed for intra-branch trade development; iv) greater competitiveness of the region with respect to the rest of the world.

The accelerated trend toward free trade takes place, however, within a **difficult context** and concerns a **fragile region**, which includes countries having **extremely different situations**:

**Fig. 1 Arable land per capita, 1998
(Base 100= European Union)²**

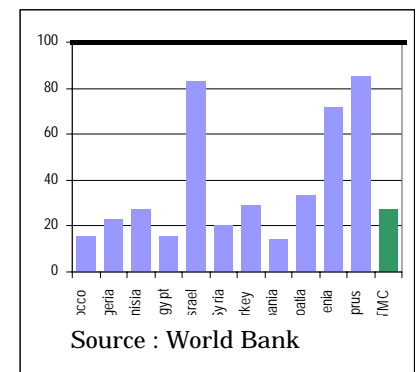
- **difference of historical and cultural backgrounds** and developments;
- **specificity of natural Mediterranean characteristics**: lack of space and resources in terms of soil (Fig. 1), irregularity of water resources (almost no large rivers), fragile agro-ecosystems with great contrast between the unfavored hinterland and coastal regions, which are the subject of many different pressures;



**Fig. 2 GDP per capita (PPP, 1999)
Base 100 = European Union**

considerable **differences in income** (Fig. 2), **demographic growth** (Fig. 3), institutional development and markets, environmental pressures;

- **deficit of trade balance** (Fig. 4) and substantial debt burden (Fig. 5), already excessive in several SEMCs;
- very **high custom duties** (Fig. 6) in some SEMCs while others (Malta, Cyprus, Israel and Turkey) already have a customs union understanding established with the European Union;
- particularly **weak foreign direct investments** (Fig. 7), global reduction in aid to developing countries with priority placed by the European Union on the integration of Central and Eastern European countries;



- **lack of South-South integration** and situation of competition between SEMCs on the European market (Fig. 8);
- short-term **competition with other regions of the world** (India, China) for some essential export products (textiles: 2005), previously benefiting from preferential access to the European markets (multifiber agreements);
- **high regional and international competition on the major tourism market**, and increasing intersectoral competition for the use of natural resources (notably, water and soils).

² TMC stands for third Mediterranean countries. It includes all Eastern and Southern Mediterranean countries but Cyprus and Malta.

Fig. 3 Population growth, 1999 (%)

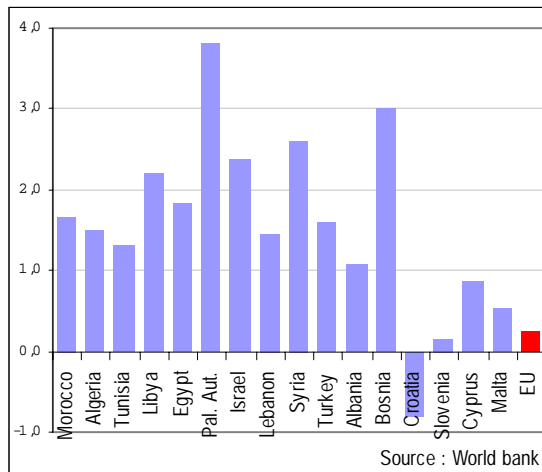


Fig. 4 Trade balance, 1999 (% of GDP)

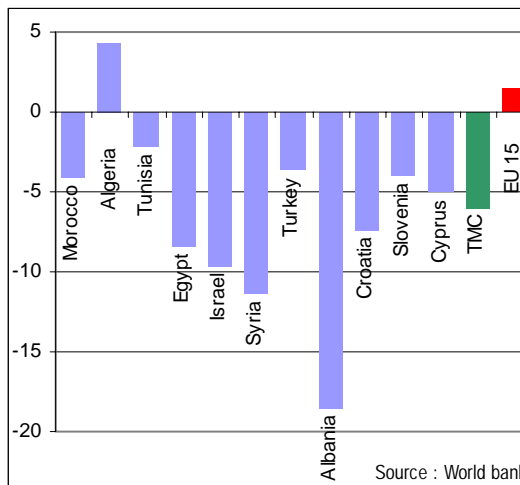


Fig. 5 Actual value of external debt and debt service, 1999 (% of GNP)

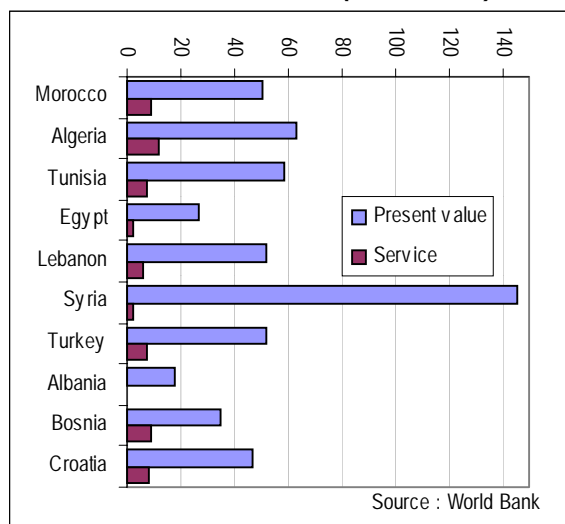


Fig. 6 Export duties revenues, 1999 (% of import value)

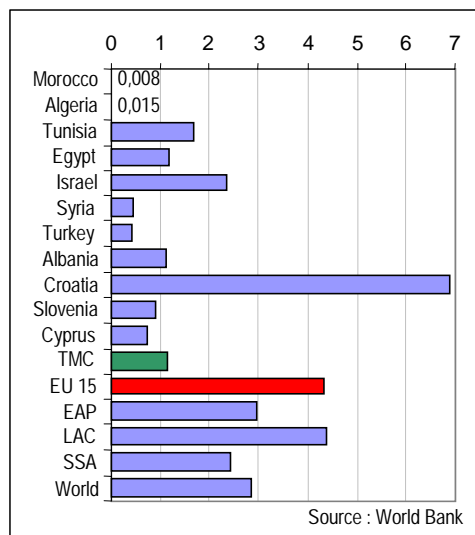
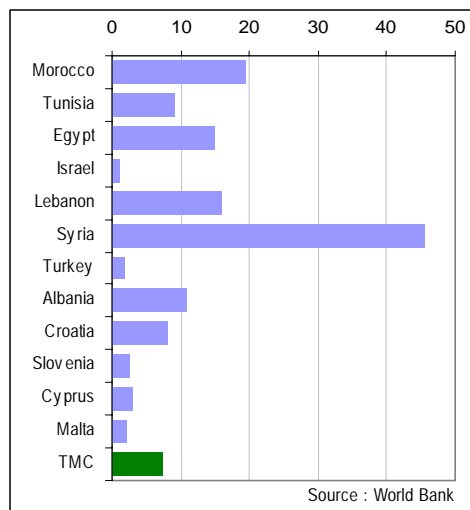
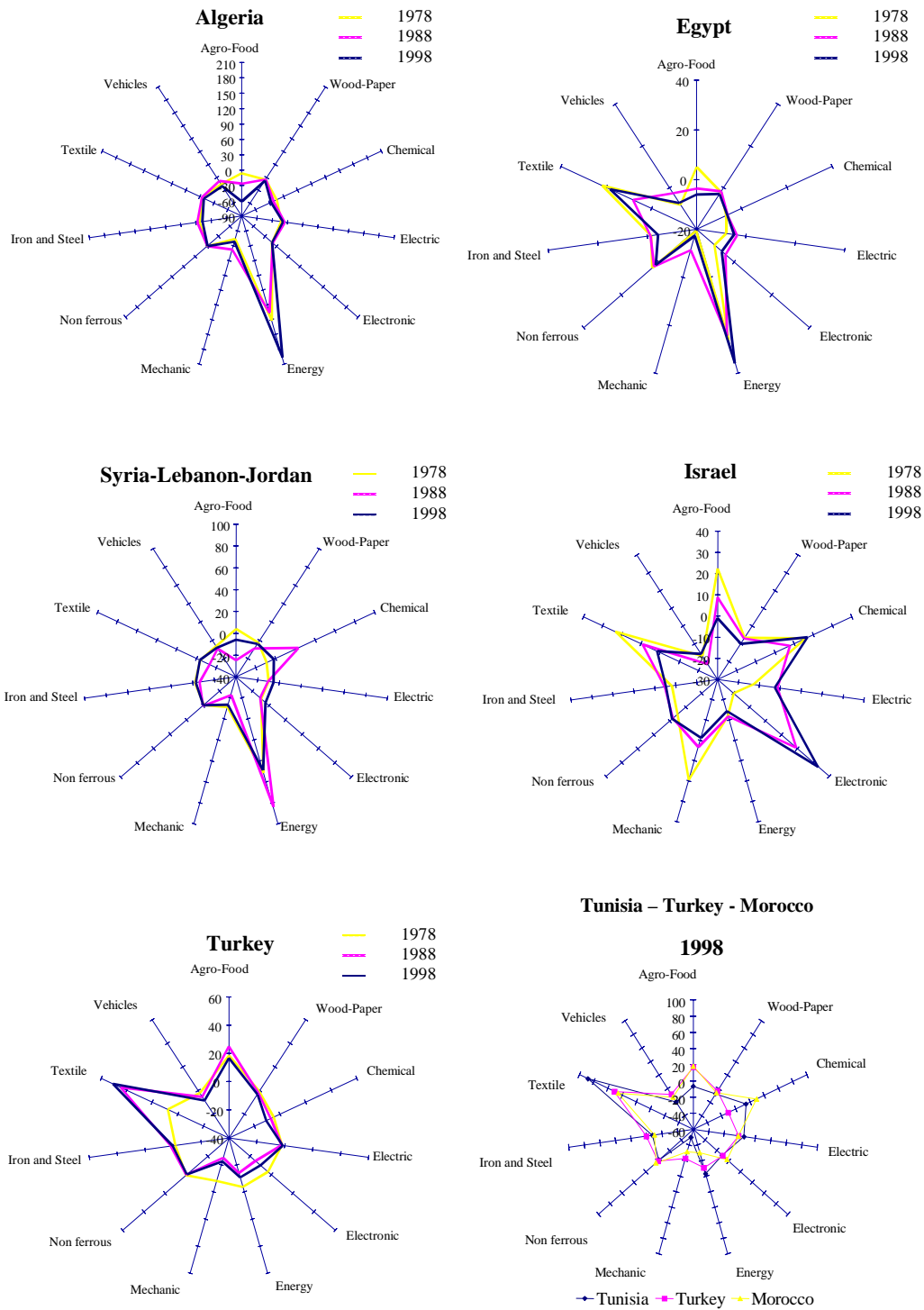


Fig. 7 Foreign direct investments, net inflows, 1999 (% GDP)

Fig. 8 Similar specializations and competing areas in the SEMCs³



Source, CEPII, 2000

³ This indicator allows to identify the sectors of strength (positive values) and weakness (negative values) in external trade flows of SMECs.

Within this context, the risk of the opening of the South markets to manufactured products is an **increase of imports to the detriment of local production essentially due to very small companies having very little capacities**. The fast trend toward free trade, if suitable policies are not established, could have **very strong impact and partly irreversible impact on the quality of the environment**, whereas environment is a **key development factor** in the region (economic importance of natural resources, of the coast, of the cultural heritage and the living environment) and its degradation already represents considerable economic and social costs⁴.

Therefore, the Mediterranean faces a considerable challenge whose stakes for the partners, for the European Union and SEMCs alike, would not simply be the short-term gain of market shares but the **sustainable development of the South and East to provide the Euro-Mediterranean region overall with stability, solidarity and greater global competitiveness**.

The trend toward "sustainable" free trade presupposes an **evaluation of advantages but also of the possible negative impacts**, so as to identify the most appropriate preventive measures able to avoid or minimize the adverse effects. It also presupposes extensive mobilization of the stakeholders, in particular those of civil society (companies, local authorities) to take full advantage of the opportunities offered by free trade and ensure the success of the Partnership. Finally, it requires constant improvements in the complex process of cooperation in a context of very fast changes both in the Mediterranean and in the world.

II) Terms of the debate, developments at the international level and contribution of the MCS D

1 The terms of the debate and advances at the international level

The purpose of free trade is currently supported by most of the economists and decision makers. It is based on a strong economic theory whereby free trade allows better allocation of resources and boosts economic growth. In addition, according to some analysts, though in the short term economic growth may generate environmental degradation, in the longer run it allows to sort out environmental problems. According to the « Kuznets curves », growth leads to a reduction of environmental impacts.

However, although historical analysis demonstrates that inward-looking development strategies fail to achieve development objectives and highlights the advantage of setting up large markets between regions or countries of similar economic development levels, it also reveals:

- that the attempts to set up free trade between countries of unequal development have resulted in serious crises in some of the less advanced countries, to the sole benefit of the more advanced ones⁵.
- that even between countries having comparable development levels, more or less long transition periods and substantial technical and financial transfers (investments, assistance etc) were sometimes necessary for partner countries to take advantage of free trade;

⁴ Evaluated at 8% of the GNP in Morocco.

⁵ Historians of economic development like Paul Bairoch do not hesitate to conclude that imposed (or recommended) free trade to Southern countries in the 19th century was one of the most important reasons of disinvestments in the industry sector and missed development.

- that environmental problems related to free trade do not arise solely in terms of the marginal variations of impact, but also in terms of absolute variations. For instance, air pollution increases despite important gains in environmental efficiency of vehicles have been achieved. Indeed, the evidence shows that in some cases environmental impacts increase (and not decrease) with economic growth. This is the case, for example, of wastes and carbon dioxide per capita⁶. In addition, irreversible degradation of the environment has also been observed with economic growth, such as “coastalisation” of Mediterranean countries and loss of humid areas; that, within the framework of the current rules of the WTO, free trade leads to direct competition between products derived from production processes and methods (PMP) that are very different. Yet, because of a lack of integration into the prices of environmental and social positive or negative externalities of economic activities, competition may go to the advantage of PMP less compatible with sustainable development⁷. In a context where there is increased mobilization of NGOs and consumers, and rising protest in the street, further progress in the debate on free trade and possible convergence of viewpoints are of utmost importance.

Accordingly, the trade – environment debate, which was previously mainly focused on the contradictions to be overcome between the WTO rules and the multilateral environment agreements (MEA, some of which include trade restrictions such as the MEA on endangered species and MEA on hazardous wastes) and the evaluation of the impact of environmental standards on trade (cf. the Mediterranean METAP studies) has made a great deal of progress in recent years and **opened up towards the question of the possible impact of free trade on sustainable development**. In particular, the following can be observed:

- **a rapid change in perspectives and behavior concerning the space to be granted to environment in international investment and development strategies**. For instance, the World Investment Report, UNCTAD 1999, devotes a complete chapter to the theme of « protecting the environment » and transnational firms, faced by the threats of their brands or products being boycotted, are henceforward obliged to incorporate environmental consequences of their activities as a determining component of their strategies;
- the current efforts **to undertake assessments of environment and social impact of free trade** and the definition of suitable **methodologies**: just to mention some of them, the studies and the methodology developed by the North American Commission for Environmental Cooperation on the effects of NAFTA, the guidelines for the assessment of environmental and social impacts of free trade published recently by the UNEP, the methodologies developed by the OECD, the World Bank, and the European commission, the methodology developed as part of the free trade agreement between the United States and Jordan, and the studies prepared by some NGOs, such as those by the WWF or the Friends of the Earth in the Mediterranean;
- the **enhancement of coordination between the international institutions concerned**: the joined UNEP-UNCTAD capacity building program, the improved reciprocal communication between the WTO, the PNUE and the MEAs (including participation of UNEP and MEAs in forthcoming meetings of the WTO as observer);
- the awareness that the **absence of the introduction of environmental and social questions into the freeing up of trade would affect its acceptance and its credibility**. The question of “how” still stands, however. Some organizations like the IISD (International Institute for Sustainable Development) make all possible efforts to

⁶ World Development Report, 1992

⁷ This is particularly true for agricultural and forestry products.

formulate concrete proposals. At this stage of the discussion, several observers consider in particular that it is now indispensable to adopt international standards, not only for the products, but also for the **production processes and methods (PMP)**. However, little progress has been made in this direction as well as on another important issue, the principle of precaution, within the WTO.

2 The contribution of the MCSD

At the Mediterranean level, the Mediterranean commission for sustainable development (MCSD) has been appointed by the contracting parties (European Community and the 20 neighboring countries⁸) to contribute to the general debate and to undertake investigations on the theme of free trade and the environment in the Euro-Mediterranean context. To carry out the necessary activities, a working group⁹ has been set up with objectives as stipulated in the mandate received in 1998 (cf appendix 1).

The MCSD decided to focus the attention on **the possible impacts (positive and negative) of free trade on the environment**, underscoring the fact that the impact of environmental standards on trade had been extensively analyzed in the region (in particular by METAP). The activity of the MCSD therefore fits in fully within the debate now underway at the global scale.

However, this approach is still difficult because:

- the **area of analysis is changing fast** (change in the behavior of large international firms, effects of multilateral and regional changes underway);
- the impact of free trade on the environment is indirect : **the effects of free trade on the environment involve the economic system by modifying in the macro-economic balances** (trade balance, government budget) and the relative prices of products and services. This modification, which can be considerable for some products, means transforming volumes and composition both in terms of production and consumption, which have positive or negative impacts on society and environment (cf. appendix 2, analytical framework developed by the Blue Plan).
- **free trade and environment is a complex issue**, requiring a focus on some aspects that appear to have the highest priority;
- at present, there is **little work, data and even methods**, for evaluating the changes induced by free trade;
- for some of the Southern and Eastern Mediterranean countries, **these are changes “yet to come”** because the first Euro-Mediterranean agreements for association (Tunisia, Morocco) entered into effect only recently;
- the impacts yet to come also depend extensively on the **policies** that are and that will be implemented ; the stake here is indeed to provide information for the public decision (national and local) concerning the desirable developments of these policies;
- very often, it is **difficult to isolate the impacts of free trade from the other causes** of environmental and social changes in the analysis of observed and likely developments.

⁸ Albania, Algeria, Bosnia Herzegovina, Cyprus, Croatia, Egypt, Spain, friends, Greece, Israel, Italy, Lebanon, Lybia, Malta, Morocco, Monaco, Slovenia, Syria, Tunisia and Turkey.

⁹ The working group consisted of representatives of Lebanon and France (as task managers), of the European commission, Morocco, Algeria, Tunisia, Bosnia-Herzegovina and Israel. Several NGOs contributed to the works of the group as members, or by invitation, in particular: ASCAME, MedForum, APNEK, FIS, ENDA Maghreb, ICTSD, MEDCOAST, WWF, MIO-ECSDE. The meetings at Beirut and Montpellier-Mèze were also an opportunity to bring in other partners (companies, ESCWA and METAP in Beirut; UNEP, FAO and Egypt in Montpellier-Mèze). The Coordinating Unit of the PAM and Blue Plan supported the overall activity.

The **activity program adopted by the fifth meeting of the MCSD (Rome, July 1999)**, following the preparatory works (Box 2), has set itself the goal of drawing up an initial **report regarding some of the possible impacts** in the free trade zone on the environment with emphasis placed on industry, some consumption patterns, and agriculture. The working group set up for this purpose also aimed at analyzing environmental consideration in the association agreements, and draw up a first series of **propositions**.

The Blue Plan, as supporting center for the MCSD and the working group, therefore launched **19 studies** (cf. appendix 3) produced by experts from the North and South, which were then presented and discussed during the regional workshop at Montpellier-Mèze. The studies focused on the following topics:

- trends of trade flows between the Mediterranean countries and the rest of the world (particularly EU), and development of the multilateral trade/environment context;
- lessons drawn from other regional experiences: NAFTA, the integration of Spain, Greece and Portugal into the European Union and the expected consequences of Poland's integration in the EU. The South-East Asia experience was also referred to in the study on industry;
- prospective analyses at the regional level on industry and agriculture, with a particular focus on Southern and Eastern Mediterranean countries and on the possible impacts of free trade;
- national sectoral studies on consumption patterns (Morocco, Lebanon and Syria) and some industrial sub-sectors (Lebanon, Tunisia, Turkey, Syria, Bosnia-Herzegovina), notably textiles and agro- food industry;
- environmental aspects of the association agreements (Tunisia, Morocco, Palestinian Authority, Turkey, Egypt, Israel) set up with European Union.

3 Other reflections underway or undertaken at the regional scale in the Mediterranean

In addition to the studies by METAP and the Friends of the Earth already mentioned, particularly noteworthy is the decision of the European Commission to implement a sustainability impact assessment as part of the Euro-Mediterranean partnership agreement. Reflection is also underway as part of the Spatial Development Committee (SDC) that brings together the people in charge of the territorial development of the European Union countries and which, for the circumstances, has been extended to the South and East Mediterranean countries.

Box 2 Activities of the working group

October 1996	1st MCSD (Morocco) : Free trade and the environment chosen as the medium-term priority theme
May 1998	Geneva: First experts meeting.
August 1998	Marseilles: meeting of Mediterranean economist
September 1998	Beirut: first meeting of the working group extended to companies.
November 1998	4th MCSD (Monaco): the working group receives official mandate to prepare an activity program concerning "free trade and the environment in the Euro-Mediterranean context"
February 1999	Geneva : participation in ICTSD global dialogue concerning regional free trade experiences undertaken by the ICTSD. Group steering committee Definition of an activity program.
June 1999	Barcelona: adoption of the activity program by the working group.
July 1999	5th MCSD (Rome): adoption of the working program by the MCSD.
1999-2000	Mobilization of financing and implementation of the activity program (19 studies)
April 2000	Group steering committee
October 2000	Regional workshop at Montpellier-Mèze.
November 2000	6th MCSD (Tunis): presentation of the first results Synthesis Note by the Blue Plan.
July 2001	Sophia Antipolis: meeting of the working group on the report prepared by the task managers on findings, proposals, and monitoring activities.
October 2001	7th MCSD (Antalya): presentation, discussion and adoption of the final report by the MCSD.

III) A few perceptible elements

1 Observed and likely impacts.

The **possible impacts** for the SEMCs opening up to free trade can be assessed from the **impacts observed** in the case of other experiences, whether past or current¹⁰ and the **prospective studies** conducted by experts in the region.

These previous or recent experiences reveal **the scale of the possible impacts for the less developed countries involved in the creation of regional free trade zones.**

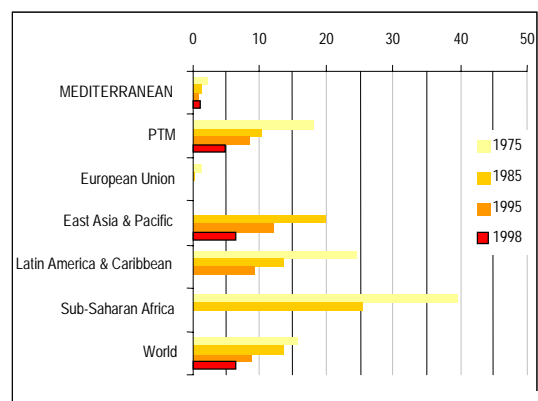
The SEMCs now opening up to Euro-Med free trade area generally have fewer resources, and their economy is relatively less dynamic and more protected than that of Mexico on entry into effect of NAFTA (cf. appendix 4). Therefore, they are liable to be less capable of dealing with an abrupt change in their economy, though they may attempt to benefit from their "late start" by avoiding the particularly costly and non-sustainable development path currently being made in the more advanced countries (e.g.: development of transport, agriculture, consumption patterns). The forthcoming impacts, whether positive or negative, will in any case depend extensively on the national and regional policies that will be implemented. As all the other experiences suggest, these policies are extremely necessary.

1.1 Macroeconomic impacts

The elimination of **customs duties** (Fig. 9) will, in the short term, lead to a considerable reduction in the financial resources of the governments (which may affect their social and environmental expenses) and a worsening of the budget deficit.

Fig. 9 Custom duties as % of government budget revenues

The necessary reworking of the system of public resources will have more or less positive or negative effects on the environment and on societies, depending on the **new tax systems** that will be developed.



Source: World

The other experiences analyzed and the trends observed reveal that in general imports grow faster than exports, thus leading to a **deterioration of the trade balance** (Fig. 10). The expected growth (but in no way guaranteed) of **foreign direct investments** (Fig. 11) that are currently very low and **changes in the**

composition of consumption trends and production, will have a **scale effect**, which will be followed by an increase of consumption and some production, and in particular trade flows. **Long distance transport**¹¹ will thus increase far faster than the GNP. The negative

¹⁰ Greece, integration into EEC in 1981; Spain, integration into EEC in 1986; Portugal, integration into EEC in 1986; Mexico, NAFTA free trade agreement in 1994; Poland, negotiations underway for its integration into EU; Turkey, association agreement in the 70's and customs union in 1996; Cyprus, association agreement in the 70's and customs union scheduled for 2000-2001

¹¹ It is expected that truck transport will be multiplied sevenfold between 1995 and 2005 in North America subsequent to the implementing of NAFTA whereas the transport of toxic materials and waste already seems to exceed the capabilities of the governments to supervise their traffic and use. Also noteworthy is an explosion in the trades of goods by road between the Iberian Peninsula and the remainder of the Union

effect on the environment and the territories will range in scope depending on the policies that are implemented (capacity of establishing a long-term vision of the desirable development of transport and the establishing of policies with economic incentives and planned objectives for coastal shipping¹², rail transport and road transport).

Fig. 10 Trade balance

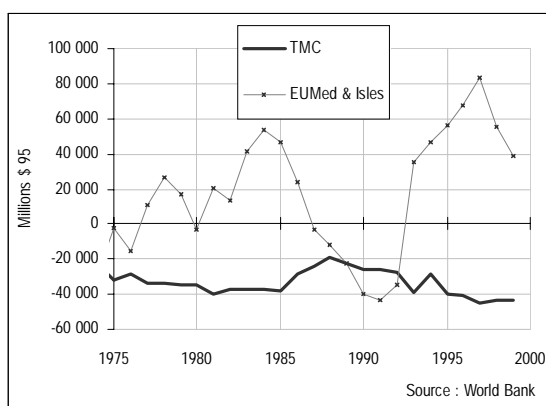
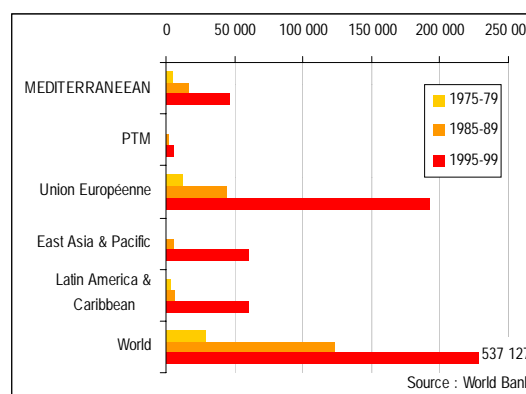


Fig. 11 Foreign direct investments (millions U\$ current dollars)



1.2 Positive impacts expected or possible resulting from free trade on the environment

The main positive effects, considered as expected or possible, resulting from free trade and affecting the environment are:

- **easier access and at lower prices to more efficient technologies and equipment** more environmentally friendly, which should contribute in particular to better use of water (a particularly scarce resource in the SEMCs), and of energy¹³ ;
- **introduction of environmental standards** and international phyto-sanitary standards for exported industrial and agricultural products¹⁴ ;
- **easier access to new markets** for products derived from less polluting processes and methods of production¹⁵ ;

subsequent to the integration of Portugal and Spain (average growth increasing from 4.5% to 13% per annum after 1986 compared to average growth of 2.2% in the European Union).

¹² It is worth underscoring the experience of two European shipping companies that wanted to ensure links between Biarritz and Southampton and between Livorno and Toulon, thus contributing to reduce road traffic, but could not operate due to some fiscal policies of the country, which do not allow to apply depreciation plans to non circulating vehicles.

¹³ The NAFTA Commission for Environmental Cooperation affirms that, after signature of the agreement, Mexico was able to benefit more from improved production technologies and processes in the natural gas sector, contributing to the development of a gas sector within the country as a replacement for more polluting fuels. Gas consumption in 1994 represented 37% of daily consumption against 51% of high sulfur content fuel oil. It is expected for this proportion to reverse between now and 2005.

¹⁴ In Egypt, exports of fruits and vegetables led to the improvement of standards concerning the quantity of cadmium contained in exported goods. In Lebanon, the organization in charge of establishing the standards and norms (LIBNOR) declared recently that it was currently updating standards and norms to bring them more closely into conformity with the levels of the United States and the EU so as to be able to boost Lebanese exports.

¹⁵ The European market for organic biological farm products from Turkey was boosted by the introduction of systems of certification and eco-labeling recognized by the EU. In Tunisia, the creation of an ecological labeling center (COTEX) is aimed at gaining a larger share of exports to the EU and the USA.

- **the advantage of the late development** of the SEMCs concerned which, according to international comparisons, could make it possible to skip the more polluting stages of development. Skipping the more polluting stages is one possible development. But it does mean considerable efforts involving **technology transfer** and awareness that, in a world of open competition, **the quality of the environment is an advantage which can be put to good use** (competitiveness factor)¹⁶: this is particularly important for this Mediterranean area, where there are few other comparative advantages for “classical” agricultural and industrial development.

1.3 Risks of negative social and environmental impacts

Regarding the **industrial sector**, important social impacts (loss of jobs) are expected in the short term for small and medium-sized companies (SEMC) that are barely capable of covering internally the extra costs resulting from environmental considerations and dealing with the competition, while they represent a major share of the economic activity. This will induce an **increase in social dualities** (intensifying the disparities between large and small firms for alignment with standards) **and territorial dualities** (transfer of capital and production toward the more "profitable" zones). The main environmental risks are the **multiplication of hot spots on the coastline and the increase of pressure on water and pollution**¹⁷. The risk of the unscheduled delocalizing of polluting industries that could result from environmental laxism, still evident in some countries, remains, but is considered relative. Conversely, the increasing demand of the SEMCs in terms of cement, paper, steel, cardboard, chemicals, ... to meet domestic demand will be particularly penalizing on the environment unless, within the framework of free trade, it is accompanied by transfer and implementation of the best available techniques.

These difficulties facing fragile economic sectors will also lead to even keener competition in the **development of tourism**, and therefore higher pressure and impact on the ecosystems, the coastal landscapes and some cultural sites.

All these negative impacts could be reduced by suitable anticipatory policies: establishing of minimum environmental standards, good conduct codes regarding investments, eco-certification and voluntary agreements with companies to ensure the transfer of the best available technologies, strategic action programs for the integration of tourism in sustainable development, protection of the coast, One major challenge facing the SEMCs is the upgrading of local enterprise to incorporate the environmental aspect by suitable arrangements (information, training, investment aid, development of activity areas with a high environmental quality, etc.).

Another risk of the negative impact of free trade on the environment relates to the fast change that will take place toward **consumption patterns** not suited to the situation of the country, energy consuming and not sustainable. Very fast growth in the number of **private cars** (Fig. 12). and **packaging wastes** (observed in several countries after a reduction of trade barriers¹⁸) and their impacts on the urban environment (**congestion** and **air pollution**

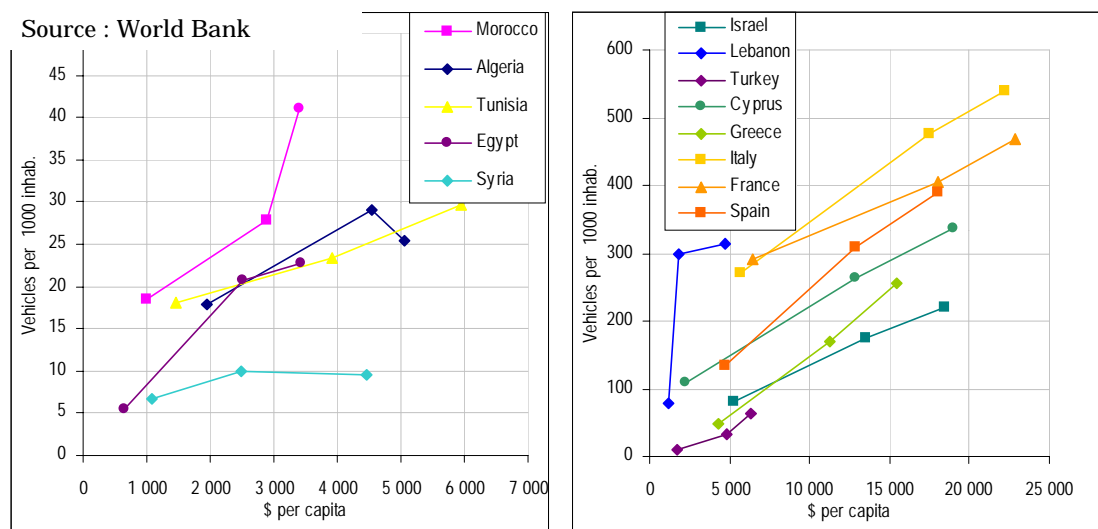
¹⁶ An OECD report (2000) highlights the increasing advantage of large firms to establish a good conduct code (ethical programs) aiming at compliance with certain environment and social principles.

¹⁷ In Lebanon, it has been estimated that if the export potential of the jam-producing industry is achieved, the production of BOD, the consumption of water and the production of waste water would increase by approximately 70%.

¹⁸ In Morocco, the imported cars have grown by 13.1% per year in the period 1990-1995, after the liberalization policies implemented in the 80s. With the association agreement, import duties, presently at 32.5%, will be eliminated by 2013. As a consequence it is estimated that the Moroccan car fleet will increase four-fold by 2020. In Syria, the car fleet has considerably increased (4.2 times) since the partial liberalization of 1994. The trend could continue if the liberalization process goes ahead and if one considers that the high number of second hand cars now circulating. Lebanon records a number of cars/1000

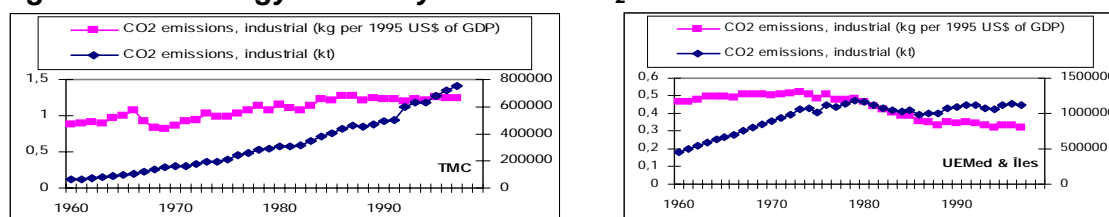
(Fig. 13). greatly increased in spite of the newer car fleet), problems related to waste, impacts on health.

Fig. 12 Consumption of private cars in the Mediterranean – 1975, 1990, 1998



The development of very **large shopping areas on the perimeter of cities**, underway in some of the SEMCs, means increased use of "all automobile" facilities with gas emissions and bad urban development. These impacts will increase all the more in that the countries and cities on the Mediterranean rim generally have little space and resources to cope with them. However, they could be greatly reduced by suitable policies (regulations, differentiated taxation, planned development of a supply of public transport, better efficiency of waste management policies, ecological labeling, consumer awareness campaigns).

Fig. 13 Energy efficiency and total CO₂ emissions



Agricultural products are not yet included in the Euro-Med free trade zone, but negotiations are already underway on a regional-bilateral and global scale. If Euro-Mediterranean free trade is extended to agriculture (Box 3), without precautions or efficient accompanying policies, the impacts on the SEMCs concerned could be considerable. This question deserves therefore a particular attention and should be looked at from the environmental, social, economic and territorial viewpoints.

inhabitants, almost ten times higher than Syria and of the same magnitude of industrialized countries such as France and Italy despite the income gap with these countries of the order of 1 to 5. The high number of circulating old cars, lack of infrastructures and public transport facilities, and bad quality of fuel, are the main causes of the serious problems of urban congestion, air pollution, and health in Lebanon.

Box 3 *The possible effects of the liberalization of agricultural trade in the SEMCs and on the environment*

All the other cases analyzed thus far (Mexico, Greece, Spain and Poland) reveal that the **traditional food crop farming sector** (cereals, animal husbandry) is most vulnerable to free trade.

Indeed, because of the considerable deviations in competitiveness and commercial and structural efficiency in the farming sector between European countries and those of the SEMCs, excessively abrupt free trade could engender price reductions and result in the **pauperization** of a large share of the farming population which, in many countries, still represents more than 20% to 40% of the total active population. The question here is whether the development path observed in the North of the basin (with a gradual reduction of the share of the agricultural population in the total active population), which has taken several generations to establish itself in a protected commercial context, through the absorption of rural manpower by other economic sectors, could apply to the SEMCs in just a few years, without creating a major social crisis and leading to **rural migrations** toward cities where jobs are short, and to **emigration abroad**. The SEMC economic and demographic context (with more coming in than going out with respect to the active population over the next 25 years) raises considerable doubts upon it.

Therefore, for instance, in **Mexico**, the traditional systems of **maize** production have been disrupted in just a few years after the implementation of NAFTA to the benefit of specialized and intensive systems leading to an irreversible loss of know-how (which takes decades to establish, and only a few years to destroy) with the disappearance of hundreds of thousands of farms and jobs. Environmental repercussions are also particularly strong, with increased **pressure on water** (irrigation), increased reliance on **chemical inputs**, increased pressure on marginal land and less sustainable production techniques to compensate for the lower income¹⁹ (strategy of survival in the absence of any alternative), with their impacts on erosion and **desertification**, but also a **loss of biodiversity** in terms of local varieties.

These negative impacts could be anticipated and limited by a change in rural agricultural and development policies (upgrading of rural areas, development of agricultural assistance allowing for the positive or negative external factors regarding agriculture, economic diversification, etc.) whose progress, as well as that of the economy in general, should control a gradual transition of the eventual opening up of the markets for these products. The challenge is to enable the rural populations concerned (and not only the enterprises) to adapt to the new global and regional deal.

Conversely we may consider as a suitable preliminary step, a unilateral increased liberalization of the European Union market to agricultural goods (notably fruits and vegetables) originating from SEMCs. This would partially offset the likely economic and job losses that these countries would incur in the short term due to trade liberalization. However, it is worth noting that a number of constraints should be taken into account that may weaken this opportunity for the SEMCs, such as high production and marketing costs, poor marketing organization and networks, lack of water and soil resources. Regarding the environment, trade liberalization is expected to generate adverse effects (overexploitation of water and soil pollution already observed). Moreover, compliance with the time schedule imposed to exports from SEMCs oblige these countries to "off-season" production (this is the case of Palestinian Authority), which is generally more energy intensive. Liberalization could benefit to SEMCs and to the whole basin if it helps to develop more environmentally friendly products and production processes (i.e., biological products) that would be more labour intensive and water saving.

¹⁹ The Mexican maize production price has dropped from around 1,000 pesos/ton at the beginning of the 1990's to around 600 pesos at the end of the decade.

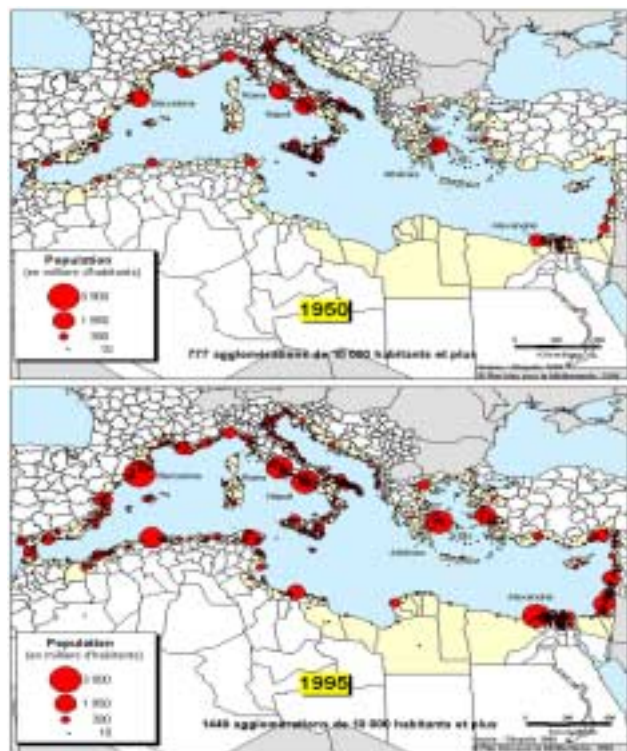
The various possible impacts mentioned above, whether they concern industry, transport, consumer or farming modes, converge on the **widening of social and territorial dualities** in the Mediterranean, underscored by a definite **concentration of population numbers and economic activities in the coastal regions**²⁰ (“coastalization” effect) and in urban areas (Fig.14) where the infrastructures are better developed, thus worsening the situation of **congestion** that is already high in these regions, and **pollution**.

This risk calls for strengthened **land use management policies** (development of the hinterland, protection of the coast, establishing of transport infrastructures and activity areas, taking environmental matters into consideration) and **pollution abatement policies**.

2 The current acknowledgment of the environment in negotiations

Fig. 14 “Coastalisation” effect

At the Euro-Mediterranean level, the studies performed so far indicate that, at the present stage of the Barcelona Process, **the integration of environmental concerns into the association agreements is far from sufficient and is barely operational** in spite of the spirit and the text of the Barcelona Declaration. For example, in the case of the Palestinian Authority, the Ministry of Trade and Economy affirms that the environment has not been given its due consideration in negotiations. The survey in Morocco indicates that integration of environmental concerns in the association agreement is less explicit than in the multilateral agreements of twenty months earlier (Marrakech agreements). The articles mentioning the environment in the association agreements aim at achieving alignment with EU in legislation, standards, certification and intellectual property, but no arrangement has been considered to define objectives and environmental performance calendars in the agreements, or in their budgetary translation (the National Indicative Programs –NIP-) on which the essential share of the allocation of MEDA funds is based.



The **lack of consultation** between environmental actors and those responsible for economy and trade has been observed not only in the association agreements, but also at Partnership level in general. In particular, **at the regional level, there is no system to monitoring the impacts** of free trade in terms of sustainability, to ensure that the liberalization process is compatible with the sustainable development goals as affirmed by the Barcelona Declaration. The setting up of MEDA funds is also posing problems (low rates of use, snail pace bureaucracy) and the mobilization of civil society, as a hinge point with the Mediterranean Action Plan (MAP) are insufficient.

²⁰ The French Riviera backward areas, for example, have witnessed a loss of up to 4/5 of their population, whereas the population of coastal areas went up seven-fold in one century. In Lebanon, urbanisation led to the loss of 15% of the best irrigated soils in 20 years.

In parallel, the political acknowledgment of sustainability is raising in the **European Union**, thus in 8 Mediterranean countries, 4 of which are members (France, Italy, Spain and Greece) and the other 4 have negotiations underway (Slovenia, Malta, Cyprus, Turkey). The orientation towards a sustainable approach to development, expressed at the highest level (Heads of State and government, in particular at the latest Göteborg summit), results from increasing awareness of the exorbitant cost of the non-sustainable paths now being observed more or less everywhere. It is leading to an obligation to take environment and some environmental principles such as the principle of precaution into consideration in every political decision. Furthermore, the European Community has a system of arbitration (the European Court of Justice) which is independent of trade authorities (unlike the Appellation Body for dispute settlement at the international level, which is a WTO body) and has resulted in some countries being able to set up, within the framework of the single market, environment protection policies with important trade effects (e.g. recoverable glass bottles in Denmark) but that are particularly beneficial from the standpoint of sustainable development.

A gap therefore exists between the efforts made at the EU level to integrate sustainability principles in development strategies and the insufficient integration of the same concern in the context of the Euro-Med process. The 6th European Community Program for the Environment, now being finalized, clearly refers to the need to set up **Euro-Mediterranean free trade that is respectful of the principle of sustainability**.

IV) Principles for evolution towards sustainable free trade

The stake is a Mediterranean partnership rather than a non-sustainable free trade zone.

The change toward "sustainable" free trade in the Mediterranean will call for considerable efforts in: i) **upgrading the national social-economic and environmental systems** concerned (to make them competitive and attractive in an increasingly open international context); ii) strengthening the capabilities of anticipating, so as to avoid methods that would be particularly costly for the environment and society as a whole; iii) integrating the sustainability principle in trade liberalization process and negotiations.

To deal with this challenge, a number of principles must be established and taken into consideration:

- **free trade should not be considered as an end itself** but as a tool to be handled with care and necessarily accompanied by other means so as to establish a regional area for solidarity and sustainable development;
- **civil society** (economic players, local authorities, associations, especially consumer associations, environmental associations, etc.), as essential contributors to this project, must be more generally mobilized and associated with the process;
- **the environment must be considered as a factor or progress** rather than an extra cost *in fine*. **The preventive approach** is to be preferred compared to *a posteriori* intervention. Greater advantage must be drawn from the late startup of development and the application of established principles, like the principle of users and polluters/payers or that of precaution to forestall in particular the risks of irreversibility that free trade can engender.
- **shared views of sustainable development**, including targets and performance objectives are required at various levels;
- **the integrated approach** must be privileged. It requires a commitment at the highest level and upstream consultation for orientation and harmonization. Consultation and communication between the authorities in charge of trade, transport, economy and

finance, and the one hand, and of environment and land use management and planning, on the other, must be strongly reinforced, and the civil society must be associated;

- **the diversities and specific aspects of the countries** (and fragile territories within the countries) must be taken into consideration in negotiations and programs. A development toward “sustainable” free trade must pay attention to “society time” to prevent any deviations between the speed of changes in international and regional trade arrangements and the adaptation time required by societies, which could result in non-sustainable development or even in rejection of trade liberalization, with the ensuing social and environmental crises.

V) Action orientations

Considering the challenges, observations and principles mentioned here, eight action orientations are proposed.

1 Monitoring of observed and possible impacts

Strengthening national observation systems on free trade impacts in terms of sustainability and organizing and enhancing synergy between the institutions concerned

The evolution toward “sustainable” free trade with the use of anticipation policies presupposes appropriate knowledge and accurate evaluation of observable and forthcoming impacts. The effort that has been made by the MCSD in this direction demonstrates the advantage of developing it at the national and regional scales.

- Countries could be requested, to this end, to strengthen their national systems of observation and prospective studies by bringing trade variables into their sustainable development analyses, mobilizing data and the expertise needed for the monitoring and analysis of impacts and by contributing to the regional cooperation efforts in this area.
- At the regional level, synergy and cooperation between MAPs (the Blue Plan in particular), the European Environment Agency and the Partnership means (especially the MEDSTAT program) will need to be organized and strengthened. The methodologies for monitoring impacts must be specified, drawing on the results of a variety of recent works (North American Commission for Environmental Cooperation, OECD, Lebanon assessment, works by UNEP, EC).

2 Objectives for attenuating the possible negative impacts of free trade in national strategies

Identifying the main economic and social sectors that pose problems, developing prospective works incorporating the environmental dimension, favoring the exchange of experience, evaluating political performance.

The national sectoral policies (commercial, agricultural, transports, etc.), environmental and land use policies should mitigate the possible negative impacts of free trade by anticipating them.

Prospective works incorporating this aspect are to be encouraged, as is the identification of more appropriate measures to take full advantage of the positive effects and avoid any adverse effect. On this point, each country should be able to identify the main areas that cause problems; the exchange of experience between neighboring countries should be developed (e.g.: re-organization of public finance, development of high quality environmental activity areas, setting up of appropriate transport systems, national funds for depollution, certification, training and awareness programs for small and medium-size firms).

With respect to their geographical action, the countries could focus their efforts on sectors or territories considered to be most vulnerable to trade liberalization in terms of social or environmental impacts.

Benchmarking (by setting clear, quantifiable objectives using indicators), and the evaluation of environmental performance of national policies is one method to be promoted in order to facilitate the integration of environment.

The countries that wish to adopt this approach may request MEDA (SMAP) assistance both for the formulation and monitoring of environmental performance of national policies.

3 Institutional consultation and mobilization of actors

Set up at regional (Euro-Med, MAP) and national level, a consultation and communication process between the authorities in charge of trade, environment, and land use management.

Consultation enhancement between the authorities in charge of trade, economy and finances, on the one hand, and of the environment and land use management, on the other, must be organized at the regional and national levels.

The consultation consists of better mutual information, joint analysis of the results of evaluations on the observed or possible impacts of free trade. It implies a joint analysis of the ways and means to better integrating sustainability into negotiations, monitoring them in the course of time and dealing with the accompanying action programs.

It will necessarily benefit from association of civil society, whose mobilization is of primary importance for the success of the Euro-Med Partnership. In addition to economic and environmental NGOs, it is also important to think about involving consumer associations and inviting their national federations to contribute to information and experience exchange, as well as to the development of the debate.

To strengthen regional cooperation, the next ministerial meetings on trade and environment could invite the MAP/MCSD to present the outcomes of their activities on free trade and environment. In addition, ad hoc meetings on this subject could be organized between the secretariat of Euro-Med and MAP. The MCSD on its part could invite the Euro-Med secretariat to illustrate the progress made to integrate sustainability principles in the creation of the Mediterranean free trade area.

4 Sustainable development objectives as part of association agreements and their monitoring

Strengthening the environmental "reading" of the association agreements already signed and intensifying upstream trade-environment consultation and sustainable development in the current negotiations.

In the countries that have already signed an association agreement, the environmental capacities of the association councils must be strengthened (participation of the Minister of the Environment), and environmental "reading" of these agreements could be enhanced at the ministerial level.

The countries that have not yet signed the agreements should be requested to ensure, through upstream consultation, the best possible integration of the environment/sustainability aspect in the negotiations, notably by: i) making clear reference to sustainable development principles; ii) including an impact monitoring clause and; iii) setting objectives for environment upgrading and for the attenuation of the foreseeable impacts.

5 Available financial resources to better conciliate the move toward free trade and sustainable development

Better mobilization of the allocated funds as part of the SMAP, the BEI the NIPs to strengthen actions aimed at integrating environmental and free trade concerns.

The main objective of the SMAP and BEI funds allocated to the Partnership should be both to pave the way for liberalization and anticipate and correct the resulting impacts. Better mobilization of the available funds must be ensured to this end by these countries as part of the national (NIP) and regional indicative programs.

Actions aimed at upgrading, developing and strengthening capacities of the SEMCs (mobilization of data, observation and monitoring of impacts, strengthening of legislations, economic tools and incentives for the environment, negotiation capabilities, national exchange of experience, awareness campaigns and training programs, etc.) that contribute to this goal require, in particular, strengthening and continuity.

National and regional thinking about the ways and means available to revise the systems of public financial resources (for instance, better allowance of sustainability in the fiscality of governments and local communities) is a valuable preliminary step for undertaking the reform of national public finances, particularly in the countries relying heavily on custom duties.

6 Mutual information

Strengthening the exchange of information and promote regional systems in the areas of sanitary and phytosanitary standards, ecological labeling, rules of good conduct.

The region is bound to benefit from better mutual information within the framework of the Partnership. This information should cover the following points:

- the sanitary and environmental standards in force in the various countries and the EC, and their development;
- ecological labeling and certification that represent a major challenge for the SEMC exports and for which a regional reference framework appears to be essential;
- the rules of good conduct that an increasing number of international investors have already imposed themselves, for instance by complying with the most stringent environmental and social codes of the countries in which they operate, or by the adoption of ethical programs.

7 MAP mobilization on this theme

The MAP secretariat is requested to continue its activities on this theme and strengthen cooperation and synergy with the Euro-Med secretariat

The Secretariat (MAP/Blue Plan) will be invited to continue its activity on this theme by: i) publishing the results in the form of illustrated syntheses; ii) further developing its WEB site and disseminating documents or participating in global or regional meetings; iii) contributing to reflection on methodologies of impact monitoring and, with partners like CIHEAM (ICAMAS), METAP and ESCWA, furthering studies into possible impact (in particular in the agricultural sector) or into the possible tools for response; iv) contributing to the call for proposals of the European Commission regarding the sustainability impact assessment.

The MAP Secretariat would benefit from ensuring close cooperation with the European Commission (coordinator of the Partnership), which would contribute to the development of useful synergy, notably on policies and financing, as well as on the elaboration and implementation of regional training programs, exchange of experience and participation (technical presentations) in forthcoming Euro-Mediterranean ministerial meetings on environment and trade.

8 Some of the major questions requiring deeper action in the short or medium term

Preparation of a regional agreement on a code of good conduct for investments in the region, and deeper strategic investigations on some fragile sectors such as agriculture, rural areas, wastes, and transport.

A number of questions require deeper action with a view to converging mobilization of countries, programs and international Mediterranean (MAP/MCSD) and CIHEAM), Euro-Mediterranean (FEMISE), European or other concerned institutions. In particular, these are:

a) investments

The current low foreign direct investment level in the region and the question of its strengthening while catering for environmental concerns associated with risks of uncontrolled delocation of polluting industries toward the South require that investigations be intensified on the possible ways and means to make SEMCs more attractive for FDI, while analyzing the risks of delocation of polluting industries.

This work could involve **a regional agreement of good conduct** making it possible, for instance, to give investors better guarantees about the safety of their activities against them agreeing to abide by precise rules of conduct (environmental and social responsibility, transparency in information about observed and expected impacts), as encouraged by the current works of organizations like the OECD and the International Institute for Sustainable Development (IISD). Setting up a regional agreement in this area would also be an opportunity to look at themes such as information about rules of origin, production methods and processes and product certification (the setting up a regional certification movement could be a suitable measure).

b) three study areas

- Consultation based on detailed sector analysis is particularly necessary for **agricultural and rural development**. The focus will be placed on some sub-sectors such as cereals and livestock and some areas (remote areas and rainfed areas), which appear to be more fragile with respect to liberalization. In particular, this should allow to identify: i) examples of possible rural sustainable development path in the region by taking advantage of the various Mediterranean experiences (North, South and East) and; ii) the conditions to be combined for the harmonious development of trade and agricultural policies capable of taking into consideration the negative and positive external aspects of agricultural on the environment and the land (multifunctional role) in the Mediterranean.
- **Waste** management also demands work, in particular with respect to medium and long-term transport, the evolution of policies and strategies for development and management, changing taxation and the development of recycling.
- Trade flows leading to long and medium distance development might reveal important bottlenecks in air and road networks development. The effects of road traffic, if we consider the lessons drawn from NAFTA, might be very sensitive in this area. The development of **sea transport** in the Mediterranean might be a possible response, particularly through the rebirth of coastal shipping. A short and medium

term vision on the various transportation modes, including roads, air, sea, and rail, should be developed together with the identification of appropriate policy tools (fiscal, land use management, etc.).

c) trade/environment disputes settlement

A dialogue should also be opened on the question of possible mechanisms for arbitration and the **dispute settlement** involving trade and environment in the Euro-Mediterranean context. The lessons drawn from other regional experiences (notably NAFTA) will be a useful starting point.

* * * * *

To conclude, it should be borne in mind that, as early as 1975, the Contracting Parties of the Barcelona-Coastal States and European Community Convention understood that the purpose bringing them together was the protection of their common assets and the natural tie between them, the Mediterranean Sea, which could only be ensured by sustainable social and economic development. This goal was put into better perspective with the modified Agreement of 1995.

The current development toward free trade may take place very quickly and arouse deep-reaching change. It will also kindle hopes (the construction of an economic area with greater impact on the global scale, the main purpose of the Partnership), but also arouses worries; in particular, it might have a profound effect on the environment of the Mediterranean coastal areas, the border area for international trades in the Mediterranean and the social vectors in countries that are far from enjoying full employment. Acknowledgment of sustainable development in the process of establishing free trade will be necessary. However, it will call for great attention and the converging actions of the States and decentralized communities together with positive mobilization of civil society.

Accordingly, we emphasize the need for renewed dialogue and, especially, better synergy between the Euro-Mediterranean Partnership and MAP/MCSD.

APPENDICES

1. Mandate granted to the MCSD working group by the Contracting Parties
2. Conceptual framework for the analysis of environmental and social-economic impact of free trade
3. List of studies conducted
4. North American Free Trade Agreement
5. Blue Plan synthesis note by the Montpellier-Mèze workshop (March 2001)

Appendix 1
Mandate of the MCSD working group

The question of the linkages between free trade and the environment in the Mediterranean arose recently and has not been investigated to any depth in other fields.

This free trade and environment relationship is complex and has a double edge.

It is important to look at the positive and negative impacts free trade will have on the environment and identify the policies and economic methods involved in sustainable development and the environment so that the Euro-Mediterranean area can be constructed under the best possible conditions.

It is equally important to take into consideration the short, medium and long-term milestones of this matter in the Mediterranean.

On the basis of these elements, MCSD has appointed the working group to intensify the gathering of information and analysis, whether overall or by sector, to prepare recommendations addressing the aforementioned objectives and intended for all the players concerned by the process of globalization and the Euro-Mediterranean Partnership.

This intensification work will be carried out gradually and on a long-term basis.

The short-term results will be aimed at obtaining more particularly:

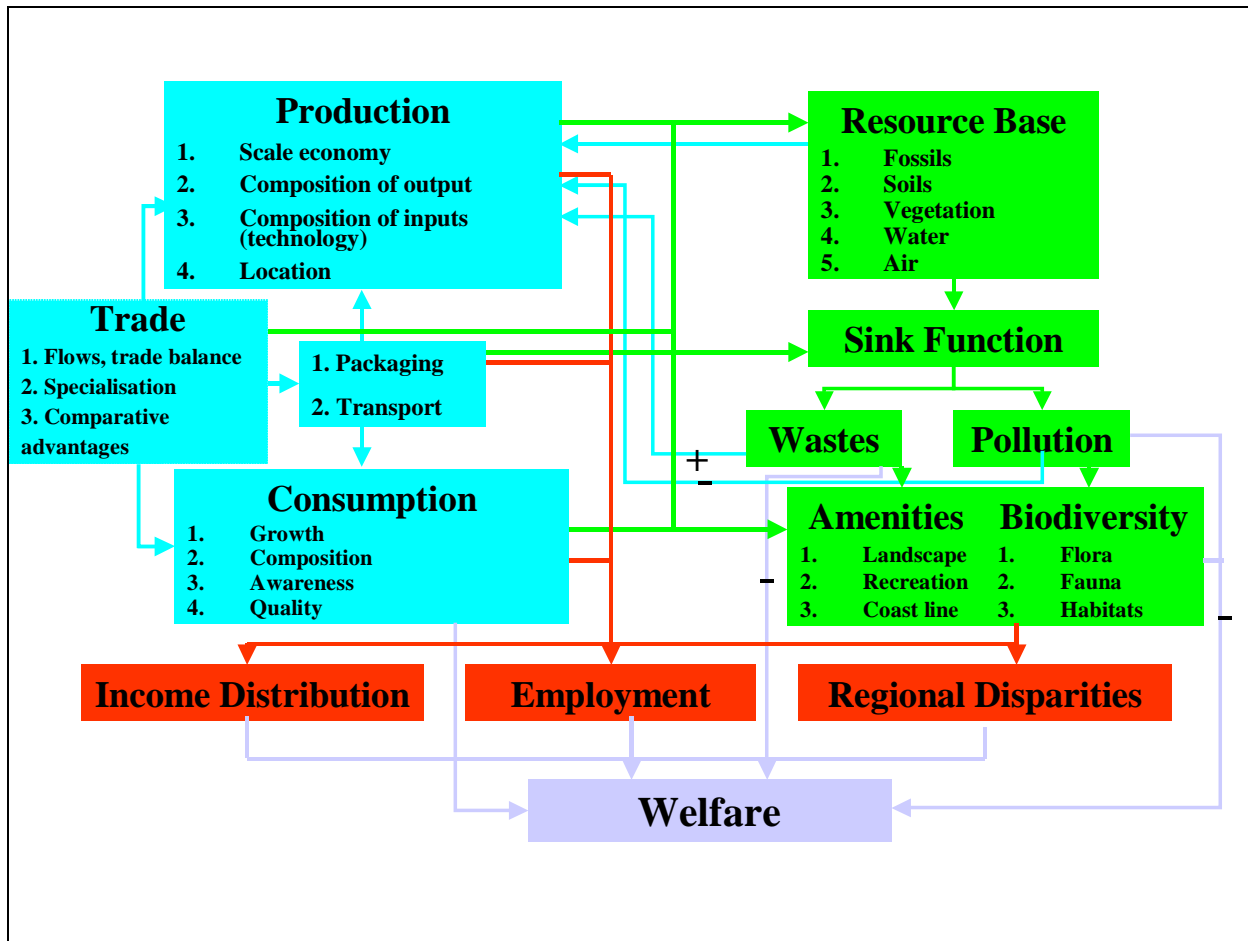
- a) information about the various regional and national experiences and what they tell us about better control of the free trade/environment relations in the process of globalization and Euro-Mediterranean Partnership, more especially as concerns the expected difficulties to be avoided and the steps to be taken.
- b) The dynamics of the various key sectors in the Mediterranean such as energy, industry, transport and agriculture because of their major role in the context of interaction between trade and environment.

Other areas for information gathering and analysis will be conducted in the medium term, more particularly regarding:

- a) the societies, their associations and other partners (NGOs, etc.) who have a fundamental role to play in contributing to the necessary free trade/environment synergy and therefore the success of the transition.
- b) The regional Euro-Mediterranean level which has to establish means of understanding, following up and acting (in particular in conflict resolving) as needed for the smooth management of free trade/environment relations.
- c) The trends of change in modes of production, consumption and transport due to free trade and their overall impact on the environment.
- d) The needs to strengthen the capacities (of different types) for better control of the free trade/environment relations by the various players (formulation of policies, technological proposals, information, training, etc.).
- e) The stakes, mechanisms and means of financing environmental policies and programs within the framework of free trade and more especially the Euro-Mediterranean Partnership in order to mobilize for the best and optimize the available international financing, especially that of the SMAP program, but also at the national, public and private levels (enterprises and local communities).

Appendix 2

Environmental and Socio-Economic Impacts of Trade Liberalisation: A Conceptual Framework



Appendix 3

List of studies carried out as part of the activities concerning "Free trade and the environment in the Euro-Mediterranean context"

INTERNATIONAL AND REGIONAL STUDIES

- Libre-échange et environnement: quel cadre multilatéral pour la région méditerranéenne ?, (Constance CORBIER).
- Les échanges commerciaux des pays méditerranéens, (Agnès CHEVALLIER).
- Les questions d'environnement dans la future zone de libre-échange méditerranéenne: qu'a-t-on appris de l'ALENA ?, (Tancredi VOITURIER, Tristan LE COTTY, Jean-Michel SALLES et Hélène ILBERT).
- Free Trade and the Environment in the Euro-Mediterranean context: Lessons learned from Spain, Portugal, Greece and Poland, (Onno KUIK and F.H. OOSTERHUIS).
- Libre-échange et environnement dans le contexte euro-méditerranéen, volet Agriculture, (Bernard ROUX).
- Libre-échange et environnement dans le contexte euro-méditerranéen, volet Industrie: industrialisation et environnement, (Michel CHATELUS).

NATIONAL STUDIES

Consumption modes:

- Le cas du Morocco, (Abdeljaouad JORIO).
- Le cas du Liban/Syrie, (Rudolph EL KAREH).

Industries:

- Case Study on the Chemicals and Agro-Food Industries, Lebanon, UNDP-CAPACITY 21 PROGRAM Ministry of the Environment, (ENVIROTECH).
- Textile Industry Sectoral Study, Country Turkey, (Zeynep YÖNTEM).
- Textile Industry Sectoral Study, Country Bosnia and Herzegovina, (Sanda MIDZIC).
- Industries Textile et Agroalimentaire, Etude sectorielle, Tunisia, (Hafedh ZAAFRANE).
- Fruits and Vegetables Sector Study, (Najih CHAMIEH).

Environmental aspects of the association agreements:

- Le cas du Morocco, (Najib AKESBI).
- Le cas de la Tunisia, (Azzam MAHJOUR).
- Environmental Aspects of the Co-operation Agreements signed by the European Union and non-member Mediterranean States, Country Turkey, (Zeynep YÖNTEM).
- Environmental Aspects of the Co-operation Agreements signed by the European Union and the Palestinian Authority, (Mohammad Said Al Hmaid).
- Lessons from the EU-Israel Agreement and related topics, (Raul DRACHMAN).
- Scoping of Environmental Effects, Egypt, (ENVIRONICS).

Appendix 4

The North America Free Trade Agreement (NAFTA) and the Environment

The North American Free Trade Agreement (NAFTA), established between Canada, Mexico and the United States, entered into effect on 1st January 1994. The Agreement, designed to boost trade and investments between the member countries, includes a program to eliminate customs duties and reduce non-tariff barriers and provisions concerning the rules about investment, services, intellectual property, competition and the temporary admission of business people.

In parallel to the economic agreement, two other agreements were negotiated and put into application: agreements for cooperation in the area of work and the environment. The Commission for Environmental Cooperation (CEC) was founded in 1994 by the North American Agreement on Environmental Cooperation (NAAEC) to improve regional cooperation in the field of the environment, to reduce commercial and environment conflict if any, and to promote the efficient application of environmental laws. The Commission also facilitates the cooperation and participation of the public in activities aimed at developing conservation, protection and improvement of the North American environment. It was signed by the three countries and put into application in parallel to NAFTA. NAAEC aims to conciliate and mutually reinforce the goals of sustainable development and free trade.

The CEC includes three main organs: the Council, the joint public consultative Committee and the Secretariat. The Council, the managing organ of the CEC, consists of ministerial representatives for each of the three countries. The joint public consultative Committee is made up of 15 members, i.e. five from each of the three countries, and feeds the Council with opinions on all matters entering the field of application of the NAAEC. The Secretariat provides the Council with administrative, technical and operational support and is in charge of implementing the annual working program under its management. The Secretariat is also established to examine any complaints made by private parties or non-government organizations that affirm that any party has not applied or has failed to comply with its own environmental laws. Thus far, the Secretariat has received 20 acceptable communications for examination as part of the process concerning communications on application matters. The Secretariat also produces reports about all environmental matters referring to the annual program.

Although conceived of and created as a commercial understanding, the NAFTA agreement therefore contains a major commitment to the environment and to sustainable development while granting to the chosen institutions explicit responsibility to this end. This commitment appears clearly in some of the clauses of the agreements, in particular:

- a) Article 104 recognizes that NAFTA is subordinate to some MEAs (Multilateral Environment Agreements)
- b) Chapter 9 maintains that the environment objectives are national, except for sanitary and phyto-sanitary (SPS) measures for which the States (Chapter 7) are required to define measures regarding the scientific principles and draw up a risk assessment.
- c) The acknowledgment of the principle of precaution is implicit at present in the wording of the NAFTA in that a party may impose certain environment, health and safety measures without having to provide any formal scientific proof of the risk associated with the product.

However, it is important to underscore the fact that NAFTA does not recognize processes and methods of production (PMP) as pertinent criteria for distinguishing between two products. Further, the separation of the agreements results in a certain subordination of social and environmental agreements on commercial objectives that does not appear to be particularly efficient in terms of sustainability.

The impacts of NAFTA are ambiguous. From the **macro-economic** point of view, there is no doubt that the North American Free Trade Agreement has borne tangible results in terms of large-scale effects. Exports have increased by 165% between 1993 and 1999 and imports went up by 117% over the same period of time. The country has also considerably diversified the export destination countries; in addition to the United States and Canada, there are also Southeast Asian countries like South Korea, Taiwan, Singapore and Hong Kong. Finally, there has been significant changes in the export structure with petroleum products which evolved from 67% of total exports in 1983 to 7% in 1998 to the benefit of manufactured products which, over the same period of time, increased from 25% to 90%. Furthermore, estimations suggest that approximately 50% of the GNP growth since 1994 is due to the growth of exports and that, as a spin-off and with the combined high increase of the FDI, approximately 3 million jobs have been created since 1995. These data are backed by the results of certain studies revealing that companies turned toward export are more dynamic, that the employees paid by these companies earn more and that liberalization has led to the creation of new companies, generally small and medium-sized.

This generally positive trend does not concern every sector in the same way. The economic indicators for the **agricultural sector**, in particular for maize, appear to suggest the contrary. Since the entry into effect of NAFTA, maize imports have increased more quickly than exports for several reasons, including: i) the drought of 1997; ii) the over-evaluation of the Mexican peso, whereby imported maize was cheaper than Mexican maize; iii) the difference in competitiveness between American and Mexican farmers. The price of Mexican corn to the producer has also dropped considerably with NAFTA, reduced from around 1,000 pesos/ton in real terms at the beginning of the 90's to some 600 pesos toward the end of the decade.

Private investments in the sector are still negligible, and no information is available about the FDIs. In spite of the slump in prices, combined with the elimination of subsidies on input prices, maize production has grown regularly from 1991 to 1996, and its relative share in total agricultural production is up (66% in 1994 against 57% in 1986-90). However, this growth does not result from improved yield which, to the contrary, is stable or has even lessened in some cases, but from the relative profitability concerning the alternate crops. Estimations suggest that in 13 States out of 32, yields have dropped and, in 8 States, yields have decreased although the land surface has increased. The conclusion is that pressure on marginal land has been accentuated. Maize culture has increased above all in irrigated areas (45% of the total production in 1994 against 23% in 1990), but also on rainfed areas. Over the last few years, there has been a degradation in the methods of production, increasingly dependent on the over-exploitation of the soil and reliance on manpower to deal with non-remunerative prices and financial difficulties. According to the surveys, the number of farmers living under such conditions represents 64% of all the maize producers.

In the **transport** sector, economic dynamism that followed up the implementation of NAFTA led to a substantial increase of traffic, which is expected to rise further in the future, with serious repercussions on pollution, particularly in the border areas.

What possible lessons are there from NAFTA to the Euro-Mediterranean Free Trade Area (MFTA)? The free trade agreement between Mexico, the United States and Canada has similarities to MFTA, but there are many differences that require some precautions in comparison.

The similarities of the two experiences come from the fact that the deviations and disparities in development between the member countries, unlike the other free trade areas experiences, are particularly large in the case of NAFTA and the MFTA. For instance, the differences in income per capita, expressed in purchasing power parity, between the average of the Southern Mediterranean Countries (SEMC) and the EU, is approximately the same as that, in 1994, (when NAFTA entered into effect) between the average Mexican income and that of its two Northern partners (1 to 3). There are other similarities in the human development indicators, especially the school enrollment factor of young generations where the SEMCs are in alignment, with few exceptions, with that of Mexico (100% in primary and 60-70% in secondary). The Human Development Index (HDI) suggests that asymmetrical development in the two groups of countries is relatively similar. Indeed, the EU is 15th in the world classification rankings and the SEMCs run 80th, whereas Canada and the USA are respectively in 1st and 4th position and Mexico in the 50th.

But apart from these similarities, the two experiences reveal significant differences due essentially to the high number of SEMCs that have subscribed to the Barcelona Declaration and the great dispersion in their economic and social development levels. Accordingly, although it is true that the income ratio between the average level of the SEMCs and the EU is on the same order as between Mexico and its partners, the difference between Egypt and Denmark is 1 to 10. Similarly, the HDI between SEMCs ranges from the 23rd position held by Israel to the 120th held by Egypt. The weakness of the SEMCs compared to Mexico is also due to the economic structure of the countries concerned. For instance, when the free trade agreement was signed, Mexico had a widely developed tertiary sector relatively close to that of its partners and the EU (64-69% of GNP in 1994-1997) whereas the SEMCs were still very dependent on the primary sector (between 15 and 18% of the GNP in 1997, except for Jordan which is relatively close to Mexico). The same imbalance between the North and South of the Mediterranean is also evident among active farmers (5% in the EU and approximately 40% in the SEMCs), in the flows and destinations of trade (the EU represents 70% of the SEMC external trade, whereas the SEMCs only represent 7% of the EU's external trade). Finally, there is considerable imbalance between the South and East Mediterranean countries.

There are equally large differences in terms of the availability of natural resources, especially water. An eloquent example is given by water consumption figures; they are around 21.7% of the renewable resources in Mexico for the 87-95 period whereas, in the SEMCs, for the same period, it ranges from 16.1% in Turkey to 1967.9% in Egypt.

Overall, the less dynamic and better protected economies of the SEMCs, as well as the social development level and lesser availability of resources compared to Mexico mean that the SEMCs are in a more difficult position than Mexico concerning free trade and less able to cope with an abrupt adjustment of their economies for the period envisioned for the breaking down of customs barriers. This is burdened by the fact that the association agreements for the FMEZ, for the time being, only provide for the unilateral dismantling of industrial product imports from the EU (restrictions on agriculture trades are being maintained for the time being).

Appendix 5

Synthesis note of the Blue Plan, following the Workshop of Montpellier- Mèze (March 2000)

This note will be distributed during the meeting

ANNEX IV

**ASSESSMENT OF IMPLEMENTATION AND
FOLLOW-UP OF MCSD RECOMMENDATIONS
AND PROPOSALS FOR ACTION**

DRAFT

ASSESSMENT OF IMPLEMENTATION AND FOLLOW-UP OF MCSD
RECOMMENDATIONS AND PROPOSALS FOR ACTION
DRAFT

SECTION 1:

Objectives and Guiding Principles

SECTION 2: ASSESSMENT

I. Thematic Recommendations and Proposals

- A. Management of water demand
- B. Integrated and sustainable management of coastal areas
- C. Tourism and sustainable development
- D. Information, public awareness, environmental education and participation
- E. Indicators of sustainable development

II. Shortcomings and Advantages of the Recommendations and Proposals

ANNEX : PROPOSED GENERAL GUIDELINES

- A. Justification and objectives
- B. Identification and evaluation of capabilities and options
- C. Anticipating potential obstacles and conflicts
- D. Identification, promotion and support of actions leading to successful implementation
- E. Defining priorities for action
- F. Definition of a time frame and deadlines
- G. Definition of follow-up for each key issue
- H. Design of the information and communication component
- I. Planning for action
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ANNEX IV

ASSESSMENT OF IMPLEMENTATION AND FOLLOW-UP OF MCSD RECOMMENDATIONS AND PROPOSALS FOR ACTION DRAFT

SECTION 1:

OBJECTIVES AND GUIDING PRINCIPLES

The rationale and need for these guidelines derive from the commission's mandate and from the decisions and recommendations adopted by MCSD and the Contracting Parties at their various meetings, and notably to:

- (a) evaluate the effectiveness of implementation and follow-up of decisions of the Contracting Parties;
- (b) contribute to rationalization of the intergovernmental decision-making capacity in the Mediterranean for integration of environmental and development issues;
- (c) facilitate an exchange of information among institutions implementing activities related to sustainable development in the Mediterranean basin;
- (d) contribute to the enhancement of regional cooperation in the Mediterranean;
- (e) provide elements for the establishment of a system of reports on implementation of recommendations and proposals;
- (f) improve communication and the exchange of information among the MCSD partners.

This assessment including draft proposed guidelines presented in this document are in line with the purposes and functions of MCSD as defined in its terms of reference. They also fulfil obligations concerning the evaluation of the effectiveness of follow-up to the decisions of the Contracting Parties and provide elements for rationalisation of intergovernmental decision-making capacity in the Mediterranean basin for integration of environment and development and provide insights about shortcomings.

At its first meeting in 1996, MCSD identified eight themes on which to focus attention: (a) management of water demand, (b) sustainable management of coastal areas, (c) tourism and sustainable development, (d) information, public awareness, environmental education and participation, (e) indicators of sustainable development, (f) free trade and the environment, (g) industry and sustainable development, and (h) management of urban development.

The Commission established thematic working groups with task managers and support centres for each theme. It was the responsibility of the task managers and support centres to obtain the required financial and human resources as well the expertise required for dealing with the themes. The thematic working groups were to submit draft recommendations to MCSD for consideration. The Contracting Parties were, in principle, solely responsible for implementation of recommendations adopted. Nevertheless, since some themes were appropriate for inclusion in action programmes, the Secretariat could propose ways for the Contracting Parties to implement recommendations, and achieve relevant parts through MAP Programme and Activities.

In 1997, MCSD prepared a set of recommendations and proposals for action concerning the management of water demand and the integrated and sustainable management of

coastal areas. These recommendations and proposals were later adopted by the Contracting Parties at their tenth meeting (Tunis, November 1997).

In 1999, MCSD agreed on a series of recommendations and proposals for action related to the themes of tourism and sustainable development, information, public awareness, environmental education and participation, and indicators of sustainable development. These three sets of recommendations prepared by MCSD at its fifth meeting were then adopted by the Contracting Parties at their eleventh meeting (Malta, October 1999).

Because the revised Barcelona Convention requires taking into full account MCSD recommendations adopted during their ordinary meetings, the Contracting Parties were invited to adopt concrete provisions to ensure that the proposals for action reach the ad-hoc institutional structures as well as the government and other institutions concerned by this issue (UNEP(DEC)/MED WG.170/3). The Contracting Parties were also requested to give priority to implementation of recommendations and proposals for action adopted or to be adopted within the MCSD framework, establishing clear objectives and providing adequate means. In turn, the Parties and partners to the Mediterranean Action Plan were invited to become more involved in MCSD activities, particularly in themes for which they could provide supporting activities or act as support centre.

In conformity with MCSD's remit and taking into account the discussions and recommendations of the meetings of the Contracting Parties, MCSD and the MCSD Steering Committee, the Secretariat launched a process for assessment of implementation of MCSD recommendations and proposals and for preparation of guidelines for their implementation and follow-up. This assessment and derived guidelines were based on a series of questionnaires sent to all MCSD members and the Secretariat. Simultaneously, the Secretariat commissioned the preparation of short pilot studies in the following areas: management of water demand, the integrated and sustainable management of coastal areas, and tourism and sustainable development. Assessment of activities related to implementation of recommendations in the themes of indicators of sustainable development and information, public awareness, environmental education and participation was based on relevant follow-up activities by the Blue Plan/Regional Activity Centre and MAP/MEDU mainly.

A methodological framework and guiding principles were adopted by the MCSD Steering Committee, which noted that the guidelines must spell out specific goals and objectives for each key issue. Although the guiding principles would be general in nature, they should be adapted to each specific issue dealt with by MCSD. This approach is essential for implementation of the guidelines because it would help focus understanding of the strategical implications, provide a yardstick with which to measure progress and help monitor and assess implementation of the guidelines. The objectives and principles should be well defined and, whenever possible, measurable so as to enable monitoring and evaluation. An effort should be made to identify key aspects (geographic scope, main issues, interrelations, etc.).

The identification of key aspects and their integration into the thematic guidelines would provide specific and practical steps and would also facilitate monitoring and evaluation. An effort should be made to identify ways and means for satisfactory implementation in light of possible constraints. Breaking down the guidelines for each specific thematic issue would help to make it more operational. The thematic guidelines should identify actions related to policy, legislative, institutional and organizational issues; decision-making instruments or measures, such as environmental assessment, cost-benefit analysis, EIA and risk analysis; specific ad-hoc programmes and pilot projects; economic

measures, subsidies and taxes incentives; and available means, including financial and technical resources.

The participation of interested parties is essential for all tasks identified by the guidelines, although participation could take on different forms in each case. Participation would be greatly facilitated by dissemination of information and effective communication. Several actions would need continuity through proper monitoring and evaluation, using indicators as appropriate. The guidelines should anticipate likely obstacles. However, not all constraints can be anticipated; therefore, the guidelines should be flexible to face these contingencies and find adequate solutions.

SECTION 2: ASSESSMENT

II. THEMATIC RECOMMENDATIONS AND PROPOSALS

A. Management of water demand

The MCSD recommendations and proposals adopted by the Contracting Parties refer to effective incorporation of water demand management in national water strategies and development and environmental policies. They seek to develop an awareness of the importance of loss and waste of water and to promote a sense of responsibility among users. They also seek to improve knowledge and awareness of the potential advantages of the economical management of water demand among managers, economic stakeholders, decision makers and the general public and to undertake practical demand-control activities by encouraging cooperation among groups of countries facing the same demand problems and future shortages.

1. Implementation

Eighteen countries replied to the questionnaire sent out by the Secretariat. Fifteen countries declared having implemented a national water guidelines or water plan, one country declared having partially implemented guidelines and two countries had not yet implemented a water strategy or water plan. In all cases, the water strategy or water plan included sectoral policies, and three quarters of the countries specifically promote investment in water economy and water-efficient use, primarily in agriculture and industry. An awareness and education campaign was included in national water strategies or plans in 15 countries. The Secretariat assisted Contracting Parties to implement recommendations and proposals on the management of water demand by providing guidelines for the incorporation of water demand management into national development and environmental policies. Another form of assistance provided by the Secretariat is assistance to local projects dealing with water resource management and the distribution of the results of these projects. The Secretariat, particularly the Blue Plan/Regional Activity Centre, participates in projects in five Mediterranean countries for integration of the management of water demand into national strategies and plans. It prepared a report on the water policies of 11 Mediterranean countries and has implemented the Polagwat project supported by the European Commission (DGXII) in cooperation with national partners.

The Blue Plan has prepared case studies on water-value, water-saving and water-scarcity issues. In this context, the Blue Plan produced the document "Mediterranean Water Vision" and other material for distribution. It has cooperated with intergovernmental organizations (FAO, IPTRID, MEDTAC, and CIHEAM) on the management of water demand. Irrigation has been the subject of several activities, including the Polagwat project and specific projects with several countries in the

Mediterranean basin for improving irrigation efficiency. The Blue Plan has also contributed to the gathering of water statistics and water indicators in 12 countries bordering the southern and eastern Mediterranean (project MEDSTAT) and has initiated training activities on this subject. Statistics on water in the Mediterranean have been published. The Blue Plan intends to continue and strengthen ongoing activities for enhancement of the knowledge and capabilities of the countries involved in MEDSTAT. It is planning to intensify the exchange of experiences and know-how among Mediterranean countries on water issues, notably on the management of water demand and preparation of indicators and environmental statistics.

2. Ways and means of implementation

Specific pilot projects for efficient use of water have been implemented in 13 countries, while all but one country have projects for improving the efficient use of water. The most frequent steps have been the adoption of new water management practises (one out of four countries), followed by new systems for controlling water distribution (slightly less than one out of four countries) and adoption of new irrigation systems (one out of five countries). A system of weighted prices and surcharges has been established in one fourth of the cases, and privatization of water distribution systems is a policy followed in two countries on the northern edge of the Mediterranean. The most frequent approach is to take into consideration simultaneously the specific characteristics of a country. For example, in arid and semiarid areas where extensive irrigation systems and agriculture are the most important users of water, measures to improve and manage irrigation systems have greater importance than in countries where agriculture consumes less water.

One important control measure adopted is auditing and controlling leakage through detection of leaks, their repair or replacement of galvanized iron distribution networks by new polyethylene pipes, controlling pressure and new practices for managing network infrastructure. Case studies reveal that leakage control has proven to be one of the main factors leading to significant reduction in water demand. Associated with leakage control measures is the increasing use and modernization of metering systems. Metering seems to have an important influence on customers. It has the disadvantage of requiring a large bureaucracy for registration, control and collection of consumption data. The use of automated meter reading attempts to reduce bureaucracy and increase flexibility and efficiency.

Control systems are frequently coupled with a water pricing policy. It has been proven that pricing can be an effective water-demand management tool. Implementation of a water-price system presents some difficulties, however, such as how to establish a tariff system that, on the one hand, guarantees equal access to water for all sectors of the population irrespective of a capacity to pay and, on the other hand, that covers operational costs, maintenance, depreciation, interest and other costs. It is a reality that water prices often barely cover operating expenses. Different tariffs are often used depending on the final user and type of water consumed. A distinction can be made between systems that provide drinking water and systems that supply water for agriculture or for use in the industrial and energy sectors. Distribution infrastructures are different, the quality of water is different and the tariff systems should be guided by different criteria. Prices and conditions should vary in accordance with the type of consumer. In the case of drinking water, the system can be relatively simple with a single tariff based on consumption. Yet in some cases, the tariff is based on a price per dwelling adjusted to take into account the number of rooms, family size and property value. This differentiating tariff system is often combined with a scheme that subsidizes the use of low-water-consumption devices.

In order to assist countries in their efforts to integrate water resource management and urban management and to advise on how to stabilize water supply for urban dwellers, PAP/RAC has prepared draft guidelines for the management of urban water resources.

In the productive sectors, there are charges for wastewater discharge, prices for water withdrawal for agriculture or for water withdrawal for energy purposes. More sophisticated and complex systems have been tried. For water use in agriculture, systems can charge various prices based on the crops cultivated, thus subsidizing water-intensive crops or less-water-intensive crops. Specific projects related to water use have been established as instruments to apply a package of measures in certain well-defined sectors or economic activities, such as irrigation projects. When successful, these projects have contributed to more rational use of water through a reduction of the time required for irrigation, the number of pumps used and the cost of operating pumps, promoting equity in water distribution as a mechanism to introduce new practices and technologies, increase water distribution efficiency and marginally reduce water consumption.

In the industrial sector, tariffs can be based on the amount of effluents. In this case, the tariff system is combined with the metering of water intake in order to ensure that extra water is not used to dilute the effluent. Another possibility is to charge a tariff based on the effluent load. This approach tends to encourage recycling to improve the quality of the effluent and to reduce overall water use. Still another alternative is the use of effluent permits that promote regulation of the effluent load or that are tradable as pollution certificates. In some cases, tariffs can be combined with regulation of supply through quotas for specific industries or types of farmers. Subsidies are frequently used as a tool in water-pricing systems.

Promotion of investment in industry and agriculture to stimulate rational use of water and to decrease water use has been adopted in some countries through financial assistance schemes. In the case of water for agriculture and industry, subsidies are sometimes provided for equipment and materials needed to line canals. This measure, together with the introduction of water-saving technologies and recycling technologies, has already contributed to a reduction in the use of water in the industrial sector of several countries despite an increase in industrial production. This has been facilitated in some cases by the adoption of new environmental management practices by individual firms (e.g. the European Eco Management Scheme, EMAS).

The water requirements of natural ecosystems, although essential for their existence, are rarely considered in current legislation and mechanisms. Nonetheless, some countries have established regulations on the minimum level of rivers and watercourses.

3. Implemented activities

The specific institutions responsible for implementation of these activities depend on the specific institutional structure of each government and the type of measure implemented. In general, the central government plays a crucial role through various ministries (agriculture, environment, industry). In some countries, a specific ministry for water resources exists, although more frequently water management is the responsibility of the ministry of agriculture or the ministry for the environment. In a few countries, it is the competence of the ministry of public works. In many countries, basin authorities or committees deal with all aspects of water management in each basin.

Involvement of all parties concerned in water management activities is explicitly provided for in the water strategy of some countries. This includes not only agencies of the central or regional governments, municipalities and basin authorities but also public and private water users, including farmers, and farmers associations, water users associations, irrigation associations, citizens and industries. The mechanism most frequently adopted for promoting broad participation is the creation of inter-ministerial advisory and technical committees. About three-quarters of the NGOs that replied to the Secretariat's questionnaire participate in formulating programmes and strategies related to water demand. In general, NGOs are relatively active in creating water regulation programmes.

Implementation of a metering and tariff system for drinking water is often entrusted to local authorities and municipalities. In some cases, public water management agencies have been created or enhanced.

As already mentioned, 15 countries among the respondents have implemented educational, awareness or information programmes. These activities include distribution of information to teachers and promotion of events, such as theatre performances, fairs and seminars, targeted to specific audiences. At the level of the general public, there are campaigns that distribute information on water-saving practices that benefit from the participation of municipalities. The publication and distribution of information has been stimulated by the Aarhus Convention and an increase in the participation of Mediterranean countries in the Euro-Mediterranean Water Information System.

4. Constraints

Integrated water resource management is an extremely sensitive issue involving several economic sectors, geographical areas and social groups. As a result, it is often the object of conflicting demands. Although price can be an effective tool for influencing demand, it is also true that water tariffs are politically sensitive and socially controversial. For example, a sudden increase in the price of water has frequently led to social and political unrest. Water tariffs and distribution policies are always subject to strong social and political pressure. A water-pricing system encounters difficulties in obtaining investment to adapt the system to measuring requirements. It is difficult to determine adequate but equitable tariffs, and there is a need for a large bureaucracy to administrate such a system. Moreover, water markets are often poorly developed in the Mediterranean region.

Water has traditionally been managed from the point of view of supply. Conventional water policy seeks to increase supply and correct any shortcomings in water supply through expansion of infrastructure. This approach is deeply rooted in policy makers, administrators and consumers. To change this attitude and implement a strategy based on decreasing demand is a slow and difficult process. As long as the established supply approach is able to maintain an acceptable supply of water and satisfy increasing demand, it is difficult to change attitudes and adopt management based on reducing demand. Efforts to improve water-demand management and save water will not be adopted unless water supply is restricted, is inadequate or there is a drastic increase in the price of water.

Many decisions concerning water supply involve other sectors of the economy that may make decisions that work against the water-demand approach. For example, a decision to cultivate certain crops depends on markets and fiscal incentives. The crops selected based on market decisions may be water intensive rather than water saving. Crops may be chosen primarily because of the European Union's common agriculture policy or

because of bilateral agreements on agricultural exchange with countries of the Eastern and Southern Mediterranean. In areas of expanding tourism, a greater volume of water is required not only for direct human consumption but also for recreational activities (e.g. golf courses).

In many countries, the management of water demand was begun before the creation of MCSD and before adoption of recommendations on the management of water demand. In some cases, management activities were initiated before the early 1990s, creating institutional, legal and administrative structures that do not facilitate implementation of the MCSD recommendations. Additional constraints on the introduction of new management strategies are the unequal technical and economic capabilities of countries.

B. Integrated and sustainable management of coastal areas

MCSD recommendations on integrated and sustainable management of coastal areas seek to:

- (a) improve institutional mechanisms for the integrated management of coastal areas;
- (b) use legislative and regulatory instruments;
- (c) ensure access to information in order to raise awareness and promote training;
- (d) establish subsystems of incentives for the integrated management of coastal areas;
- (e) develop practical pilot projects for the management of coastal areas;
- (f) increase opportunities and improve the effectiveness of active participation.

1. Implementation

Institutional, legislative and regulatory instruments and mechanisms for the integrated management of coastal areas have been adopted in two thirds of the countries, while two additional countries have established partial measures. Of the measures adopted, slightly less than half are legislative and about 15 per cent are related to land use, physical planning or policy provisions concerning urban development, tourism or industrial and agricultural development. The Secretariat, through the Priority Actions Programme/Regional Activity Centre, has conducted an extensive analysis of national legislation related to the management of coastal areas in MCSD member states in order to identify current situation and to propose recommendations on the introduction of framework legislation specific to coastal areas. On the basis of replies to a questionnaire from 16 countries and the European Union, a set of principles in support of an integrated coastal area strategy has been formulated. In addition, the Secretariat has provided guidelines for the design and implementation of regulatory instruments.

New institutions, committees or ad-hoc programmes have been created in 3 countries. The creation of new and additional instruments and mechanisms for the integrated and sustainable management of coastal areas is being considered by slightly fewer than two thirds of the countries. In two cases, the new mechanisms will be legislative. In some cases, there will be further development and improvement of existing legislative mechanisms, while in others completely new mechanisms will be created. Other instruments and mechanisms planned are physical planning, land-use master plans, delimitation of marine areas and specific projects.

2. Ways and means of implementation

The most frequent type of action is the design and implementation of integrated projects for the management of coastal areas. About two thirds of the Mediterranean countries use this approach. In some cases, these projects are integrated into or complement regional programmes. Practical pilot projects on integrated coastal management have received assistance from the Secretariat (Priority Actions Programme/Regional Activity Centre as coordinator of coastal area management programmes - CAMP), which has also assisted countries to identify and define critical coastal areas.

Regional programmes for the integrated and sustainable management of coastal areas have been planned or are being implemented by 1/3 of the countries. Furthermore, nearly 30 per cent of the countries declared having implemented incentives that range from the establishment of delimited areas, the provision of financial aid or technical assistance for the creation of protected areas. In two countries, there were no incentive programmes, projects or regional programmes for integrated coastal management. In many countries, there are projects dealing with specific issues affecting coastal areas. These projects cannot be considered part of a regional programme of integrated and sustainable management of coastal areas or to be projects for integrated management. They are projects on prevention and control of marine pollution, rehabilitation of the coastline, rehabilitation of coastal wetlands, the control of marine erosion and beach rehabilitation, the control of waste disposal in coastal areas or protection of habitats of special interest, such as that of the loggerhead turtle (*Caretta caretta*) or the Mediterranean monk seal (*Monachus monachus*).

An alternative that is increasingly used to provide municipalities with a framework for planning, coordination and consensus is the elaboration and implementation of a local Agenda 21 for municipalities or coastal cities. In the case of the municipalities consulted, they had received governmental support in the form of technical and economic assistance, training courses and information. However, the success of this alternative depends on the participation of all interested parties, the local community and their associative structures.

The most frequent support and assistance that NGOs received from governments for the implementation of activities for the integrated management of coastal areas was technical and economic assistance. Information represents the second type of the governmental support received by the NGOs followed by training courses. Governments encourage the use of assessment tools by providing information, subsidies, grants, technical assistance or training.

The main tools used in current national programmes for coastal management in the Mediterranean basin are traditional physical plans, coercive or mandatory measures (e.g. the regulation of construction in coastal areas), establishment of construction limits and the use of an environmental impact assessment (EIA) for projects to be implemented in coastal areas. These tools are combined with traditional economic tools of fees, surcharges, fines or subsidies as well conventional instruments for economic appraisal and assessment of projects, such as cost-benefit analysis. In some cases, municipalities have been encouraged by the central government to apply these tools through the provision of information, technical assistance and fiscal incentives.

The Secretariat considers that assistance to member states in the development of tools and techniques for the integrated management of coastal areas is of utmost importance. As a result, the applicability and practise of an environmental impact assessment (EIA) or a strategic environmental assessment (SEA) have been presented and discussed at workshops. After a recent discussion of the status and use of a strategic environmental

assessment (SEA) in the Mediterranean, a document on practical guidelines for its application was prepared by the Secretariat.

The Secretariat is planning to develop and distribute additional tools for integrated coastal management for the assessment of tourist carrying-capacity and rapid coastal assessment. In addition, it is considering improving coastal information systems and land and sea use planning systems. Assistance to Contracting Parties for the improvement of legal frameworks and for preparation of national strategies on integrated coastal management will continue. PAP/RAC, BP/RAC and ERS/RAC have submitted projects on management of coastal areas to the European Union in the framework of the Short and Medium-term Priority Environment Action Programme (SMAP). A special activity of the Secretariat has been the promotion through workshops and seminars of the Guidelines for Integrated Coastal Area and River Basin Management, which were tested on a specific project (the Cetina River Project).

In addition to the already-mentioned assistance (support for pilot projects, guidelines, training activities, legislative guidelines, etc.), the Secretariat has assisted the Contracting Parties in issues related to integrated coastal management. The ICARM became a major activity of PAP/RAC that is now the leading centre for the promotion of integrated coastal management in the Mediterranean. A number of strategic guidelines and an annotated good practices guideline for ICARM have been prepared. These guidelines will soon be published and distributed, and regional and national training will be organized. In addition, a white paper on coastal area management in the Mediterranean has been prepared in an attempt to raise awareness on the need for sustainable management of coastal areas in the Mediterranean basin.

3. Implemented activities

The main institutions involved in implementation of the recommendations have been governments, local authorities and the MAP/MCSD Secretariat. The MCSD Secretariat and the Priority Actions Programme/Regional Activities Centre have played a prominent role in implementation of the recommendations through its role as coordinator by providing assistance and by organizing training activities and the publication of information. NGO participation in implementation has been facilitated by government support.

4. Constraints

The integrated and sustainable management of coastal areas encounters several obstacles, of which slightly more than one fifth were reported to be institutional and one quarter legal. In most cases, there is no specific legislation for the management of coastal areas. Most legislation or regulations cover spatial and sectoral policies on urban development, sea front conservation, development of infrastructure for tourism, regulation of public access to beaches or protection of nature and environmentally sensitive areas. In some cases, specific legislation has been enacted for coastal areas, or specific agencies have been created. This use of legislation is often oriented toward the correction of specific problems. For example, there are laws, institutions or regulatory mechanisms for the development of infrastructure in coastal areas, the protection of a particular landscape or a fragile or threatened ecosystem, control of land speculation, the conservation of specific habitats of typical or unique species, such as the loggerhead turtle and the Mediterranean monk seal, or for the control of the dumping of solid and liquid waste into the sea.

Although there is neither specific legislation nor an institution for the integrated management of coastal areas, a broad assortment of laws, institutions and regulatory mechanisms are currently used to perform specific tasks for the management of coastal areas. In other cases, even though legislation or institutional mechanisms for the integrated and sustainable management of coastal areas exist, there are evident problems. One of the basic problems is that the concept of integrated management and sustainability is poorly understood. There is often an absence of coordination among the institutions involved, namely ministries, local authorities, municipalities, specific agencies and public utilities. A frequent overlapping of laws, regulations and responsibilities is often the origin of potential conflicts and mismanagement. In many cases, responsibilities are fragmented, and a wide spectrum of actors are involved: from governmental agencies to local authorities, from large industrial firms to tourist activities, from associations and conservation organisations to local individuals. There is sometimes a need to create new specific coordination mechanisms. To achieve a smoothly operating mechanism is a formidable task that may require significant changes to existing regulations and legislation affecting institutions and conflicting social, economic and political interests.

An additional problem is the scarcity of economic resources, which is reported as representing 15 per cent of the difficulties encountered in promoting the integrated and sustainable management of coastal areas. There is also a general lack of qualified personnel in many fields needed for the integrated and sustainable management of coastal areas. The lack of competent technical personnel represents 12.5 per cent of the difficulties reported by governments in relation to the integrated management of coastal areas. This lack of training is one of the priorities of the MCSD Secretariat. It is also reported that 12.5 per cent of the obstacles hindering wise coastal management are political issues, while lack of awareness represents one out of ten of the obstacles encountered.

Another problem encountered in implementation of integrated and sustainable management of coastal areas is poor cooperation in the private sector and an insufficient capability of local public agencies and associations. However, despite all these obstacles, governments are increasingly aware and committed to the integrated and sustainable management of coastal areas. This awareness is increasingly reflected in the actions planned or already implemented.

C. Tourism and sustainable development

The Contracting Parties adopted the MCSD recommendations and proposals for action on tourism and sustainable development at their eleventh meeting (October 1999). The proposals include 27 specific proposals for action in three main areas: management of the impact of tourism on the environment, promotion of tourism in harmony with sustainable development and development of Mediterranean cooperation.

1. Implementation

The MCSD proposals most fully implemented are those on the promotion of tourism in harmony with sustainable development, although promotion is more emphasised than harmonization. Measures are oriented to reducing the seasonal nature of tourism by attempting to spread the tourist season over a larger part of the year.

A second priority is to improve the quality of destinations and mitigate their effects on the environment, thus increasing tourist satisfaction and adjusting tourist products to trends. This implies, however, subordination of other objectives to those of tourism. There have been attempts to identify outstanding coastal sites and to develop appropriate tools for

their protection as biosphere reserves or nature areas. The resources for promoting the development of cultural, ecological and rural tourism are, however, scarce. Furthermore, resources for implementation of specific action programmes for the sustainable development of fragile areas, particularly islands and wetlands, are also very scarce.

The proposal for diversification and improvement of tourist destinations is frequently interpreted in rather narrow terms, resulting in measures for improving tourist information offices, museums, tourism based on activities such as golf or sailing and events as tourist destinations. Under this approach, the environmental and the sustainable dimensions of tourism are often ignored. Some countries attempt to steer demand to centres that are often environmentally insensitive. In these cases, tourism is considered to be a catalyst for urban renewal and the involvement of local communities. Under this approach, conservation of scenic landscapes, coasts and parks seeks to promote the well being of local inhabitants, relegating the satisfaction of tourist demand to a secondary consideration. Under this approach, large-scale and purely recreational tourism is discouraged. The concept of carrying capacity is not applied in almost half of the countries consulted. The need to control urbanisation and the building of infrastructure too close to coastlines is a matter of increasing concern, but is scarcely reflected in concrete action. Similarly, efforts to develop synergies between coastal and inland tourism and between tourism and other economic activities are infrequently pursued. Rehabilitation of mature destination sites has been undertaken by more than half of the countries consulted.

2. Ways and means of implementation

Measures to harmonise tourism with sustainable development are usually oriented to improving the infrastructure at tourist destinations, facilitating access, creating infrastructure such as parking lots, roads and highways, information signs, refurbishing façades and old neighbourhoods, creating green areas and improving beaches in order to reduce the negative impact of urbanisation and tourism on coasts. Reduction of the negative impact of tourism implies a corrective approach rather than prevention and is the focus of proposals to control expansion of urbanisation for tourism.

Pilot studies reveal that most of the indicators of sustainable development refer to the economic implications of tourism. There are no indicators based on maximum carrying-capacity for tourist activities. As a matter of fact, conventional regional planning is most frequently viewed as a practical and operational tool to mitigate the impact of tourism. Current management practises are oriented to respond to the expansion of tourism, to use environmental impact assessments, to attempt to internalise the cost of waste disposal and maintenance of a supply of water, and the protection of historical and natural sites of outstanding value.

The environmental and ecological dimensions of the concept of carrying capacity are often ignored. Too often, this concept is limited to the notion of the capacity of tourism accommodations, for example the number of beds available. The concept of carrying-capacity has only recently gained a place in tourism although it has been used for some time as a criterion to assess the sustainability of tourism. Scarce economic resources, institutional obstacles and the opposition of vested interests in the tourist sector are additional obstacles, representing 12 per cent, 8 per cent and 4 per cent respectively of the difficulties encountered in the use of carrying-capacity as an evaluation tool.

The legislative instruments most frequently used are not specifically oriented to promoting the sustainability of tourist activities, which tend to be regulated by national or local legislation, regulations or physical tools in force for specific tourist areas. Nonetheless,

consideration of the impact and needs of tourism is frequently included in coastal laws and national or regional plans for coastal development. In some cases, there are specific plans for developing tourism, but frequently these do not coincide with the sustainable development of tourism and overlap coastal rehabilitation and other sectoral plans. Regulations often prohibit construction within a previously determined distance from the coastline or require facilitation of access to coasts and beaches in cases where coasts are public property. Regulation of urbanisation is sometimes included in planning for infrastructure, for example promoting roads perpendicular to the coastline instead of parallel to it.

As for techniques and instruments to evaluate the environmental impact of tourism, environmental impact assessments (EIA) are normally required for new projects. Three quarters of the countries consulted regularly use this instrument. Few NGOs have developed techniques to evaluate the impact of tourism, mainly because of a lack of technical means and professional expertise or simply because it is too costly.

Although the replies to the questionnaire indicate that the concept of carrying capacity for evaluation of tourism activities is used in slightly less than half of the countries, the concept seems to be interpreted very loosely. It is used most when a tourist area coincides with a protected area, a national park or a nature reserve. However, even in these cases the concept is often used in a rather narrow and controversial way. For example, in some cases carrying capacity is measured in relation to the number of daily visitors in relation to paths and rest areas only. Without a previously established clear relationship between paths, rest areas and the ecological carrying capacity of a protected area, the result may be misleading. In other cases, carrying-capacity is determined by the relationship between the number of daily visitors and the area of the protected area without taking into consideration the ecological peculiarities of that ecosystem, its biodiversity, fragility or any pressure from other sources (e.g. pollution in the surrounding area). In other cases, carrying-capacity is determined by the relationship between the level and diversity of tourist services, the water supply and its quality or even by the number of available rooms and beds.

The Secretariat and the Priority Actions Programme/Regional Activities Centre have produced and tested the Guidelines for Carrying-Capacity Assessment for Tourism in Mediterranean Coastal Areas. This method is easily adapted to local conditions and offers a realistic framework for planning sustainable tourism in defined areas. Furthermore, the results of an assessment of carrying capacity constitute an important input for the preparation of programmes and plans for the integrated management of coastal areas. However, the concept of carrying capacity is not used in slightly less than half of the countries consulted.

The main reasons for this is a lack of methodology and technical expertise, slightly more than one out of five of the total reasons in each case. A lack of accurate data is the third obstacle and represents one fifth of all causes impeding the use of carrying capacity to evaluate tourist activities. Information provided by the municipalities that replied to the questionnaire confirms that efforts to promote this approach are not widespread because of a lack of a clear methodology and financial resources. Nonetheless, several municipalities reported having the means to evaluate the impact of tourism and for large-scale projects in the form of expertise and methodologies based on the use of indicators. In 1997, one municipality carried out an evaluation of the carrying capacity of tourist destination sites and implemented measures to ensure that accommodations offered are limited to a defined carrying-capacity.

NGOs consider that the concept of carrying capacity is poorly defined, its methodology is unclear, there is inadequate information available and that technical expertise is lacking. The last two shortcomings account for six out of ten problems associated with the use of carrying capacity and inadequate definition for 21 per cent. In spite of this, 42 per cent of the NGOs have carried out an evaluation of the carrying capacity of tourist destination sites, although the results of these assessments have been implemented in only one case.

Only two of the countries consulted reported having adopted environmental management practices for the tourist sector, while about one out of three recognize that this type of management is only partially practised in that country. One municipality has implemented environmental management practices at tourist destination sites through the introduction of clean, energy-and-water-saving technologies and the adoption of voluntary certification schemes. The same municipality participated in international initiatives and networks for sustainable tourism, such as the Tour Operators Sustainable Initiative, ECoNETT, Green Globe 21 and ICLEI.

Mechanisms to enable the tourist sector to participate in financing the protection of natural and cultural sites have been implemented in slightly more than one third of the countries, but in some countries appropriate mechanisms are considered to be scarce or inadequate. Although there is an evident growing sensitivity to the notion of sustainability, translation of this sensitivity into concrete action is inadequate and encounters several obstacles. This is reflected in recommendations and proposals to reconcile tourism, the environment and sustainable development in relation to the promotion of tourism and balanced regional development. Very little has been done to define and share responsibilities despite the fact that negotiations to deal with tourist activities have been undertaken by governments and local authorities in two thirds of the Mediterranean countries that answered the questionnaire.

As for Mediterranean cooperation, half of the countries participate in Mediterranean programmes, but little has been done to promote the sharing of experiences, implementation of Mediterranean networks of professionals and promotion of regional cooperation mechanisms. The MAP Secretariat has assisted countries on this issue through the production and distribution of documents and by providing methodological tools for the assessment of the environmental impact of tourism.

3. Implemented activities

The local authorities, the governments and the MAP Secretariat have played an important role in implementation of this set of recommendations. The tourist sector has, however, played only a marginal role in implementing these recommendations. NGO participation in implementation of the recommendations on tourism and sustainable development is relatively modest because of technical and financial considerations.

4. Constraints

Case studies reveal that major institutions are unaware of the MCSD recommendations and activities and that many actions adopted to promote environmentally sound and sustainable tourism do not necessarily take into account the MCSD recommendations and proposals. Moreover, many ongoing activities and programmes related to tourism had been initiated before the adoption of the MCSD recommendations and proposals.

A frequent obstacle to the management of sustainable tourism is the vested interest of institutions that promote tourism at all costs in order to maximise immediate economic

gain. Those interests are in direct conflict with interests attempting to ensure the sustainability of tourism. One of the pilot studies indicated that an important prerequisite for success is sustainable growth. Information provided by the municipalities that replied to the questionnaire reveals that efforts to promote this approach suffer from unclear methodology and a lack of financial resources.

The concept of carrying capacity is not used in slightly less than half of the countries consulted. The main reasons for this is a lack of a methodology and technical expertise, 23 per cent in each case. A lack of data is the third most frequent obstacle and represents 19 per cent of all causes impeding the use of the carrying-capacity approach to evaluate tourist activities. Scarce economic resources, institutional obstacles and opposition within the tourist sector are other obstacles representing 12 per cent; 8 per cent and 4 per cent respectively of the difficulties encountered in the use of carrying-capacity for evaluation of sustainability. Information provided by the municipalities that replied to the questionnaire reveals that efforts to promote this approach lack a clear methodology and financial resources. The difficulties encountered in practising environmental management are mainly the high cost of implementation, a lack of appropriate methodology for managing environmental systems and a lack of expertise. These difficulties represent 29 per cent, 29 per cent, and 24 per cent respectively of the mentioned difficulties.

The main obstacle preventing countries from using an environmental impact assessment is a lack of technical expertise. This obstacle represents 36 per cent of the obstacles mentioned, while economic constraints were stated to be the main obstacle in 24 per cent of the replies. Other impediments were a lack of regulations or a lack of a methodology.

D. Information, public awareness, environmental education and participation

Most, 15 out of 18, of the countries that replied to the Secretariat's questionnaire have a strategy or programme on information, public awareness, environment education and participation. NGOs are involved in two thirds of these strategies or programmes. Future NGO participation was not envisaged in four countries. Pilot participatory and mobilization projects had been implemented in two thirds of the countries that responded to the questionnaire. Exhibition or state-of-the-art events had been organized in slightly more than half of the responding countries.

Concerning environment education, 45 per cent of the replies revealed participation in Mediterranean networks of educators, but only 22 per cent had undertaken an assessment of the resources needed for training half of all primary school teachers. The municipalities that replied to the questionnaire participated actively in campaigns and government programmes for promoting awareness. One country was involved in a project to extend the notion of local Agenda 21s to the island where this municipality is located.

The Secretariat frequently assisted the Contracting Parties to implement this set of recommendations. The Secretariat has organised a regional workshop for Mediterranean Arabic-speaking countries on information awareness and participation in the field of the environment and sustainable development. The workshop benefited from the participation of regional institutions and NGOs and produced a strategy that is being adapted and extended to all the Mediterranean region. Together with MIO-ECSDE, the Secretariat produced a manual on the participatory approach and assisted countries in preparing and disseminating national brochures on the environment and sustainable development in national languages and in English and French.

Moreover, NGOs are generally very active in this field, and notably the main networks such as MIO-ECSDE, MEDFORUM, RAED, WWF, Friends of the Earth, etc. Their various publications and campaigns have a major impact on public awareness and environmental education.

The Secretariat intends to involve major Mediterranean NGO networks in the preparation and finalisation of a Mediterranean Strategy on Information, Awareness and Participation. Furthermore, the Secretariat has prepared and published a report on success stories on the environment and development in the Mediterranean.

E. Indicators of sustainable development

The MCSD recommendations and proposals for action on the theme of indicators of sustainable development invite the Contracting Parties to establish a voluntary system of indicators of sustainable development for use in Mediterranean countries. Five of the recommendations are addressed to the Contracting Parties and two to the MAP Secretariat. Those concerning the Contracting Parties refer to adoption of a common set of indicators, testing status and response indicators, contributing to a report on indicators and submission of national reports on this subject. The contracting Parties were also asked to build up a capacity to promote, harmonize and coordinate work on producing, monitoring and enhancing indicators. The proposals concerning the Secretariat referred to harmonization and dissemination of indicators to facilitate work at the national level and to follow up work on indicators through the regional activity centres.

1. Implementation

A common set of indicators had been prepared by 45 per cent of the countries while 28 per cent were in the process of doing so. A similar percentage had not yet implemented this recommendation. A preliminary set of indicators has, however, been prepared in 63 per cent of the countries. Of the countries that developed a preliminary set of indicators, three out of four countries had based their indicators on pressure, status and response. The other countries had prepared status indicators, and one country had prepared pressure and status indicators. The system of indicators adopted in various countries reflected differences in the importance of various problems in different countries. Countries that were relatively well endowed with water resources had not prepared indicators of water scarcity. Similarly, countries not affected by soil erosion and desertification did not attach importance to indicators for assessing and monitoring these problems.

The most frequently proposed indicators concerned urbanization, water and air pollution, industrial waste, marine pollution and tourism. Indicators related to biological diversity (e.g. biodiversity, introduction of exotic species or genetically modified organisms) were the least common. Only two countries that answered the questionnaires did not carry out some type of capacity building. Capacity building covers a wide range of activities, including development of a system of environmental statistics, development of indicators of sustainable development, new forms of monitoring, data collection and training of personnel. Some activities were undertaken within the framework of regional efforts such as MEDSTAT or Euromed.

Only 39 per cent of the countries that replied to the questionnaire had supplied MAP with national reports prepared for the United Nations Conference on Sustainable Development (UNCSD).

The Secretariat, specifically the Blue Plan, had proposed a methodological framework for the use of indicators of sustainable development compatible with other international initiatives on this matter, such as those of the European Environmental Agency, the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Sustainable Development (UNCSD). The Secretariat had established a common set of 130 indicators of sustainable development tailored to the specific conditions of the Mediterranean region. Following adoption of this set of indicators by MCSD and the Contracting Parties, a programme involving all Mediterranean countries had been initiated that included preparation of a detailed glossary, initial calculations using the first indicators, an exchange of information during a regional workshop and monitoring of the up-dating of the indicators. The main difficulties encountered by the Blue Plan were primarily methodological and conceptual.

The concept of sustainable development is very broad and covers too many issues of very different character. To cover such a broad area requires the involvement of a large number of experts. The difficulties created by the large number of issues are further complicated by the diversity of situations and priorities in the Mediterranean countries making it difficult to achieve agreement. This was a particularly relevant obstacle in the pursuit of homogeneity of definitions and methods. The broad and diverse character of the issues to be dealt with introduced an institutional hindrance because it was necessary to cooperate and involve many different institutions in each country. The solution was to work in networks and exploit synergies with other Mediterranean programmes (e.g. Metap, IPE, MEDSTAT).

2. Ways and means of implementation

The approach adopted for implementation of the recommendations had been a series of meetings, workshops and training activities at the national and regional levels. Communications between the MAP Secretariat and the Contracting Parties has been fundamental for implementation of these recommendations.

3. Implemented activities

The main institution for implementation of the recommendations had been the Secretariat through the methodological framework proposed by the Blue Plan. The Secretariat participated in the selection of 130 indicators and coordinated the participation of the countries of the Mediterranean basin. Governments, through their bureau of statistics or ministry for the environment, have been the main participants at the national level in the countries that adopted the common or partial set of indicators.

4. Constraints

The main difficulties encountered by the Contracting Parties in the establishment of a system of indicators of sustainable development was a lack of a conceptual or methodological approach and an inadequacy of the data-gathering that together made up 41 per cent of the difficulties (20.5 per cent each). A lack of resources, institutional barriers and inflexibility each represented 14 per cent of the difficulties, and a lack of technical expertise accounts for 11 per cent of the difficulties. Lack of adequate data and awareness represented 11 per cent and 9 per cent respectively.

The main difficulty in establishing a methodology was that sustainable development is a concept embracing many dimensions in many different areas of activity, some of them

very complex. This diversity of dimensions produces an amount of data and information that must be processed at considerable operational costs.

II. SHORTCOMINGS AND ADVANTAGES OF THE RECOMMENDATIONS AND PROPOSALS

The main shortcomings encountered by governments in implementation of the MCSD recommendations and proposals were poor dissemination of the recommendations, a lack of defined follow-up and poor communication between the MAP Secretariat, the Contracting Parties and other partners. Slightly less than half the replies reported poor dissemination of the recommendations to be a serious or very serious obstacle, yet a similar percentage did not see this as a serious problem. For NGOs, poor dissemination of the recommendations was a serious shortcoming in two thirds of the replies and very serious in 17 per cent.

A lack of defined follow-up was one of the most frequently mentioned obstacles, together with the poor dissemination of recommendations. About four out of five of governments that mentioned this obstacle considered it to be a serious or very serious obstacle (slightly more than one half of the cases). NGOs rated the seriousness of this failure slightly higher, 57 per cent. Other problems quite frequently mentioned were that the recommendations ignore the diversity of the Mediterranean countries, the technical capabilities of countries, the need for large amounts of data and information for implementation, the level of economic resources required for implementation and simply that the recommendations and proposals were unrealistic. These five problems accounted for a large part of the obstacles reported, although with different degrees of relevance. The absence of a taking into account of the diversity of Mediterranean countries was considered by governments to be a serious or very serious inconvenience in slightly more than one third of the cases. For NGOs, this shortcoming did not have the same relevance, not only because it was mentioned on fewer occasions but also because it was considered to be less serious.

Among governments, 86 per cent think that to overlook the unavailability of data was an important shortcoming, and 57 per cent found this a serious or very serious shortcoming. A similar view was expressed by NGOs that consider this failure an important and serious one in 84 per cent of the responses. The lack of an awareness of the inability to muster the required financial resources was considered by governments as a serious or very serious shortcoming of the recommendations in 43 per cent of the cases, while in 7 per cent of the cases this shortcoming was considered to be minor. NGOs considered this to be a serious or very serious shortcoming in 86 per cent of the cases.

Governments believed that a lack of due consideration of the limited technical capabilities of countries was one of the most frequently obstacles for implementation of the recommendations. Fourteen per cent saw it as a serious shortcoming and 21 per cent as a very serious one, while 43 per cent considered it to be an important defect of the recommendations. NGOs saw it as important in one third of the replies.

An unclear formulation of the objective of the recommendations was considered by governments as an important though not serious shortcoming of the recommendations in slightly more than half the cases that mentioned this aspect. This was the shortcoming least-mentioned by NGOs and was considered mainly as an unimportant failure of the recommendations. The lack of clarity concerning the expected outcomes and lack of defined follow-up were among the most frequently mentioned obstacles for implementation of the recommendations. The lack of clarity of the expected outcome was considered by governments to be an important defect in 43 per cent of the answers and a

serious or very serious implementation of the recommendations was among the most frequently mentioned obstacles. In 43 per cent of their answers, governments considered this aspect to be a serious oversight, compared with 57 per cent of the NGOs opinions.

The absence of guidelines or inadequate indications on how to implement the recommendations were the most frequently mentioned obstacles reported by governments: 63 per cent of the cases indicate that this was an important and serious failure of the recommendation, although only 14 per cent of the respondents qualified it as very serious. For NGOs, the percentages were higher: 86 per cent and 14 per cent respectively. The omission of considerations on the institutional aspects of the implementation of the recommendations was mentioned in two thirds of the replies of governments, and in 58.3 per cent of the replies it was considered an important and serious shortcoming of the recommendations and in 17 per cent as a very serious one. For 62 per cent of the NGOs, it was a serious and even very serious shortcoming.

It is interesting to note that the type of obstacles most frequently mentioned represent no more than one third of the replies and that when there was a convergence or tacit consensus it was always in shortcomings considered serious or very serious. It is also worth noting that two countries did not answer this part of the questionnaire and that one country considered almost all the obstacles to be unimportant. The main obstacle faced by the Secretariat in implementing the MCSD recommendations was a scarcity of human resources.

In general, the municipalities that replied to the questionnaire believed that the difficulties encountered in implementing the MCSD recommendations and proposals originated in the fact that they ignored the diversity of Mediterranean countries, lacked a clear objective, were confused, failed to address how to implement them and were poorly disseminated. Of lesser importance was the fact that they ignored the data necessary for implementation, failed to take into account the need for economic resources for their implementation and were unrealistic. A third category of difficulties was the scarce consideration of institutional aspects, the poor system of communication between partners and confusing ideas in relation to expected outcomes.

It is difficult to estimate the value added by implementation of the recommendations and proposals in relation to each theme for several reasons. Practically all themes covered by the recommendations and proposals are activities that were initiated before the creation of MCSD and not in response to its recommendations. It is extremely difficult to separate the result of previous activities from what could be a contribution resulting from implementation of the recommendations.

Moreover, it is plausible that what appears to be a response to an MCSD recommendation is but the logical evolution of a previously initiated activity. It should be kept in mind that the likelihood of implementation of a given MCSD recommendation is made possible because of activities carried out earlier, creating structures and conditions (institutional, administrative, legal or human) for implementation of MCSD recommendations later (e.g. the case of the management of water demand). In addition, it seems that this situation was not foreseen by MCSD, so there are no criteria, no systems and no methodology for this type of evaluation.

The MCSD proposals were prepared and approved rather recently. As a result, very little information is available on their implementation. Nonetheless, there are some concrete facts that reflect their positive contribution to sustainable development. Some of them are general, while others are inherent to implementation of specific recommendations or to

implementation of a component. The effective involvement of the civil society is certainly an added value. Another is the evident increase in the generation and flow of information among the Mediterranean countries.

The process of design, adoption and implementation has had an important educational effect on decision-makers, planners, politicians, managers, local authorities, members of civil society, the private sector and the media. The same process has had important positive political effects. One underlying principle of implementation of the recommendations is promotion of the participation of more parties. This involvement has apparently been most successful in some cases than in others, but it is important that a process of increasingly effective participation has been triggered. The process of implementation contributes to raise the visibility of the problems inherent to the ecological, economic, social and political dimensions of sustainable development.

ANNEX : PROPOSED GENERAL GUIDELINES

Hereunder are some general guidelines provided as a framework that includes a series of questions to be raised by concerned actors when preparing for implementation of the recommendations. Five series of thematic guidelines have also been prepared but as no comments were received from concerned Task Managers and Support Centres, except from one Task Manager, it was decided not to include them in this report. In any case Task Managers and Support Centres are expected to propose thematic guidelines for implementation and follow up of MCSD recommendations. These guidelines mainly intend to induce concerned actors identifying adequate ways and means for implementing the recommendations.

A. Justification and objectives

The main purpose of the guidelines is to mobilise and focus efforts to achieve agreed objectives. In the context of this broad objective, the guidelines are expected to:

- (a) Provide a forum and perspective for debate on implementation and follow-up of MCSD recommendations and proposals;
- (b) Provide a framework for focusing on a common set of priority issues;
- (c) Provide support for planning and carrying out measures and actions to enhance knowledge and to strengthen institutions with respect to priority issues;
- (d) Develop institutional capacities;
- (e) Provide a normative frame against which to assess achievements;
- (f) Contribute to the improvement, preparation, adoption and implementation of additional clear and practical proposals.

The key issues have already been defined by MCSD: (a) management of water demand, (b) integrated and sustainable management of coastal areas, (c) tourism and sustainable development, (d) information, public awareness, environmental education and participation, (e) indicators of sustainable development, (f) free-trade and the environment in the Euro-Mediterranean context, (g) industry and sustainable development, and (h) sustainable management of urban development. Other issues could be considered by MCSD in the next few years concerning agriculture, rural development, urban waste management, consumption patterns, international cooperation, mobilisation of resources and partnerships.

B. Identification and evaluation of capabilities and options

- Legal, economic and environmental instruments
- Institutional development
- Technological options
- Capacity-building

C. Anticipating potential obstacles and conflicts

- Lack of agreement on the severity or the existence of a problem, how to approach and solve it and responsibility for that task
- Lack of technical capability and financial and managerial resources
- Political opposition

D. Identification, promotion and support of actions leading to successful implementation

Each action should be defined in terms of purpose, inputs and outputs, roles and responsibilities of the implementing body, budgetary and financial implications and monitoring and evaluation processes.

- Institutional development including coordination mechanisms
- Capacity-building
- Improved decision-making through better information and analytical techniques
- Identification of practices for the rational use of new resources and improvement of the use of existing resources
- Development of methodological tools for assessment and evaluation
- Ad-hoc programmes, pilot projects and case studies
- Training programmes
- Dissemination of information and networking
- Development of legislative and regulatory mechanisms
- Development of decision-making instruments, such as environmental assessment, cost-benefit analysis, environmental impact assessment (EIA), technological assessment, risk analysis and carrying-capacity assessment
- Economic measures, subsidies, taxes and incentives
- Transfer of technology and know-how
- International cooperation
- Dissemination of information and effective communication
- Public awareness campaigns

E. Defining priorities for action

- Setting criteria for defining priorities (cost-benefit, cost-efficiency, cost-effectiveness)
- Social, economic, environmental and political priorities
- Identifying and carrying out trade-offs

F. Definition of a time frame and deadlines

A guidelines must allow for two time frames: a functional time frame within which each strategic activity is implemented and monitored and meets its objectives, and a long-term time frame of completion of the overall goals as a result of synergetic interaction of all strategic activities. The use of two time frames makes it possible to use indicators for assessing performance in each phase of implementation. The functional time frame covers the period required for a strategic activity to produce desired results. This is the period during which a starting point is selected for each activity, the time lag between initiation and full-scale development of an activity and the time for implementation of each task.

G. Definition of follow-up for each key issue

Strategic activities are not isolated actions. Each strategic activity produces changes during its implementation and affects other activities. The guidelines must take into account the effects of new situations in order to ensure that all positive effects are long lasting. These guidelines must also take into account the activities required to continue the dynamic process triggered by the original strategic activity. Allowance must be made for new financial, technical and human resources, as well as resulting needs for changes in institutions and regulations. There will be social, economic and environmental impacts of the strategic activity, and monitoring and corrective planning should be provided for.

H. Design of the information and communication component

Information and communications are essential components of any strategy and are essential for visibility and for achieving effective cooperation at all levels. An effective information and communications system conveys MCSD's intentions and helps to insure coherence across activities and the use of resources. Provision of information about these guidelines is the first step towards coordination with partners on the task, the ends and general objectives, policy objectives and implementation. A dynamic information and communications strategy is essential for implementation and follow-up. These guidelines should identify target groups, means and tools for use in an information and communication component and establish the necessary infrastructure and institutional mechanisms. Among target groups are actors responsible for implementation of recommendations and proposals, the media, decision makers, donors, influential groups, NGOs and local authorities. Tools include newsletters, educational publications, audiovisual presentations, field trips, public debates, workshops, public hearings and forums. Actors also include the MCSD Secretariat, the MAP regional activity centres and the Contracting Parties.

I. Planning for action

- Determining resources needed for implementation of key actions
- Budgeting and financing
- Allocation of financial, technical and human resources to key issues and corresponding actions
- Defining an organisational structure and coordination mechanisms

J. Monitoring and evaluation

- Determination of types of indicators
- Indicators of status, pressure (processes) and responses
- Indicators of input, output and performance
- Normative and descriptive indicators
- Reporting on implementation
- Review, revision and adaptation process

ANNEX V

CONCLUSIONS AND DECISIONS FROM THE MCSD

ANNEX V
Appendix I

**Conclusions of the Fifth Meeting of the Steering Committee of the Mediterranean
Commission on Sustainable Development,
Monaco, 18-19 May 2001**

1. Follow-up of the “Strategic Review”

- a) The Steering Committee approved the new presentation and the change of the document’s title to “Strategic Review for Sustainable Development in the Mediterranean Region”.
- b) In order to ensure its timely distribution to all the actors and organisations concerned, the Committee decided to keep the final deadline of end June 2001 for the new version and asked the Secretariat to use this time interval for an updating of the document with the new information which would be available until then, at the Blue Plan in particular, with special emphasis on socio-economic indicators and, if possible, on environmental indicators; the insularity theme will be highlighted by means of a box and the aspect of natural risks added, also in the form of a box;
- c) Subject to the above additions, the report’s substance and structure will not be modified, in accordance with the decision of the 6th MCSD Meeting.
- d) The preparation and distribution of the Review’s summary will be an opportunity to underscore the importance of both the thematic and sub-regional integration within the context of sustainable development.

2. “Strategic Orientations”

- a) The Steering Committee approved the preparatory process of the “Strategic Orientations” which should continue, through further consideration and a participative approach, without focusing on the need to go to the Johannesburg Summit with a finalized document.

- b) Therefore, only a short framework document, together with draft terms of reference, will therefore be presented to the next meetings of the MCSD and the Contracting Parties.
- c) Thanks to the support given by Spain to this activity, a meeting of experts representing the MCSD members and the other partners involved will be held in this country during the first half of 2002, in order to contribute to the formulation of the “orientations”.
- d) The results of the Johannesburg Summit, as well as the rapid evolution of the Mediterranean regional context, will be taken into account for the preparation of the draft “orientations” which will be presented at the 8th MCSD Meeting in 2002, while a final draft will be submitted for adoption at the 13th Meeting of the Contracting Parties in 2003.
- e) The “Strategic Orientations” will be prepared on the basis of the following three thematic documents which will provide their essential contents: “Environment and natural resources”, “Economic development and social equity”, “Sustainable development policies, integration and participation”.

3. Implementation and follow-up of the MCSD’s proposals

- a) The Steering Committee took note with satisfaction of the Secretariat’s work with the sending of the questionnaires and approved its suggestion to develop “guidelines” rather than a strategy for the follow-up.
- b) To ensure wider participation, it recommended that task managers, former and new MCSD members, should be consulted during the formulation for both thematic and general “guidelines”.

- c) In a similar spirit, it invited the Secretariat to call upon the representatives of concerned groups to contribute to the preparation of pilot studies.
- d) The Secretariat will submit to the meeting in Antalya preliminary draft terms of reference for programmes on the follow-up and implementation of thematic recommendations, including the old recommendations adopted by the Parties.

4. Preparatory process for the Johannesburg Summit, funding problems.

- a) The Steering Committee took note of the main activities and meetings of the preparatory process and relevant timetables; it encouraged the Secretariat and MCSD members to be part of this process in order to promote the achievements of the Mediterranean region through it, as well as through national reports.
- b) The importance of funding for development was emphasized; in this respect, it was agreed that the Secretariat should be invited to follow the preparation process of the UN Conference on Financing for Development and adapt it, as appropriate, to the regional level.

5. Ongoing work of thematic groups

- a) The Steering Committee took note of the progress of the three groups "Industry", "Free-trade" and "Urban Management".
- b) Efforts to disseminate information and increase public awareness will continue, in particular by promoting publications in the countries which reflect their individual situation.
- c) The Steering Committee expressed the wish that, in a general way, the aspect of "funding" should be included in the thematic proposals.

6. Participation and involvement of the major groups of Society.

- a) To initiate the process of renewing the members of the three MCSD categories, the Secretariat was invited to write to the MAP national focal points asking them to name candidates for the representatives of socio-economic actors and local authorities. A candidates "profile" will be proposed to them, emphasizing the importance of networks, the candidates' motivation, the need for a broad vision and a Mediterranean focus.
- b) In order to diversify the Commission's composition, the Steering Committee invites the Secretariat to ask MCSD members to propose potential candidates and also contact, for that purpose, other partners and networks.
- c) The workshops planned for the "Industry" and "Urban Management" groups could be used to identify potential partners.
- d) The candidature proposals should be submitted by 15 October 2001 at the latest.

7. Seventh Meeting of the MCSD.

In reviewing the provisional agenda for the meeting of Antlaya, the Steering Committee has discussed the point concerning the new issues and has proposed:

- a) To retain "International cooperation, financing and partnership", among the new issues that are under preparation.
- b) To reflect on the eventual follow up of the themes already dealt with, in order to make recommendations more operational and complete them, if necessary, to best meet the region's requirements (in particular, financial requirements, deadlines, partners).

8. Evolution prospects of the MCSD.

- a) The Steering Committee invited the Secretariat to prepare for the Antalya meeting on informal document summarizing the main points of its discussions in Monaco on the MCSD's evolution prospect and ways of improving its effectiveness; this document will serve as an introduction to the further discussion of this question at the Commission's plenary session.
- b) Since the examined themes extend well beyond the environmental basis on which MAP was established, the MCSD's Steering Committee proposed that for future work it would be advisable to promote a participatory approach by any means, develop partnership and cooperation, diversify skills, work with all ministries and organizations concerned, depending on the themes and examine, in a systematic way, possibilities of financing concrete actions for the follow-up of recommendations.
- d) The MCSD could present to the next meeting of the Contracting Parties a proposal for revising the Commission's terms of reference as regards the follow-up and implementation of recommendations and any other matter which could make future work more effective.
- e) The Secretariat is invited to convene, just before the Antalya meeting, a meeting of the members of the Commission's three categories on which a report will be submitted to the Commission; the object of this meeting will be to improve cooperation between the three groups, as well as their participation in the work of the Commission and to examine ways of obtaining representative and motivated candidatures for renewing the members of these groups.

ANNEX V
Appendix II

Summary of conclusions of the Sixth Meeting of the MCSD

1. Election of the new Steering Committee

After the usual consultations among the members of the Commission, the Meeting elected a new Steering Committee, including the President of the Bureau of the Contracting Parties (Malta) as an ex officio member. The new Steering Committee is composed as follows:

President:	H.E. Mr. Bernard Fautrier	(Monaco)
Vice-Presidents:	H.E. Mrs. Falza Kefi	(Tunisia)
	H.E. Mr. Francis Zammit Dimech	(Malta)
	Mr. Alex Lascaratatos	(Greece)
	Mr. Georges Giourgias	(EOAN)
	Mr. Magdi Ibrahim	(ENDA)
Rapporteur:	Mr. Armando Mauro	(City of Naples)

2. Consideration of the Strategic Review

- (a) The members of the Commission expressed their satisfaction with the contents of the Strategic Review stressing the relevance of its analyses, the wealth of information it contained and the significant improvements made to the first version distributed;
- (b) The Secretariat is invited to enhance the present version, without changing its substance, on the basis of the comments to be sent in writing by the countries and other members of the Commission not later than 31 December 2000;
- (c) In preparing this final version, the following points will, as far as possible, be taken into account:
 - the environmental dimension of sustainable development should not be overly emphasized to the detriment of the economic dimension which, for many countries, was still a vital stake;
 - the concept of shared but differentiated responsibilities;
 - more reference to the importance of indicators and to the work carried out in the region by organizations other than those already mentioned in the Review;
 - the question of climate change and its possible repercussions in the Mediterranean; and
 - updated data communicated by members to complete the tables in the annexes.
- (d) All the participants agreed on the need to make optimum use of the important work carried out during the preparation of the Review; every opportunity should be taken to give it the widest possible circulation in order to reach all sectors in civil society;

To that end:

- The Secretariat will prepare a synthesis of the Review and will publish it in the form of a pamphlet;
- The Review and its synthesis will serve as a basis for the contribution of MAP and of the MCSD to the forthcoming important events: the Governing Council of UNEP; the meetings of the United Nations Commission on Sustainable Development; Earth Summit II and other international conferences;
- The Meeting welcomed the proposal that the Strategic Review should serve to prepare a strategy for sustainable development in the Mediterranean; a draft strategic framework document would be submitted to the forthcoming meetings of the MCSD and of the Contracting Parties in 2001, and the text would be finalized and submitted for approval at a meeting of experts from the Contracting Parties to be held in 2002 and presented for approval to the Bureau, before Rio + 10. Spain had generously proposed to host this meeting;
- The Secretariat of the MCSD will draw up a detailed work programme with a view to contributing to the preparations for Earth Summit II (2002). This programme will be circulated for comments to all members before its finalization and implementation;
- Moreover, in view of the quality and wealth of information contained in the regional reports and of many national reports, better use should be made of them, particularly through the preparation of country profiles and a series of success stories to promote exchanges of information and experience;
- The dynamism created through the preparation of this Review by the excellent cooperation and interaction between the consultants, experts, members of the MCSD and Secretariat should also use the valuable information gathered to strengthen the MAP strategy.

3. Recommendations and proposals for action

After a thorough discussion in the ad hoc and plenary meetings, the Meeting adopted, as amended, the set of recommendations taken from the Strategic Review for submission to the next meeting of the Contracting Parties in Monaco.

4. The Tunis Declaration

After a fruitful discussion in the ad hoc and plenary meetings, the MCSD, at its high-level segment, adopted the Tunis Declaration for consideration by the Contracting Parties.

The Meeting further requested that that, following its adoption by the Contracting Parties, the Tunis Declaration would be submitted, together with the Strategic Review, to all the major international forums, and particularly to Earth Summit II.

5. Role and Mode of Operation of the MCSD

Considerable time was devoted to an open, frank and critical discussion of the role and mode of operation of the MCSD. It was agreed that this discussion would be fully reflected in the detailed final report of the Meeting.

The MCSD requested the Secretariat to include an item on the Agenda of the next Meeting on tangible ways to harness synergies and cooperation within other groups in the region.

6. Participation of the groups

The Meeting urged NGOs, local authorities and socio-economic actors to participate actively and effectively in the work of the MCSD and to establish networks with former members in order to benefit from their experience.

The proposal to organize a forum of civil society partners within the framework of the MCSD was endorsed.

7. Consideration of ongoing activities

Industry and sustainable development

The Meeting took note with interest of the progress report of the thematic group "Industry and sustainable development" and of the announcement by the group that a large workshop would be organized by CP/RAC in March/April 2002 to introduce and discuss the tools prepared and the studies carried out by MED POL, ICS/UNIDO and CP/RAC in cooperation with the other members prior to their formal presentation to the meeting of the MCSD. It was decided that other institutions such as CITET should be associated with the exercise.

Free trade and environment in the Euro-Mediterranean context

The Meeting took note with interest of the report on the activities and outcome of the workshop held in September 2000. It emphasized that the work on this theme should be continued, not only in relation to the past experience of other free-trade areas but also with due regard for a specific Mediterranean character which was evolving rapidly in view of the fact that four riparian countries were already involved in association agreements. While focusing on the impact of free trade on the environment, it was necessary to take into account the overall context of sustainable development and the impact of environmental measures on free trade. Moreover, it would be useful to consider policy measures capable of mitigating potential negative effects. The ongoing work in that area by other organizations including METAP should be taken into account for the sake of complementarity and synergy. The assistance of the socio-economic actors should be actively sought.

Urban management and sustainable development

Having taken note with interest of the report on the group's work, the Meeting invited it to continue the regional studies and analysis that had been initiated on the

basis of the replies to questionnaires, whose addressees would have to be approached again, but also with the more active assistance of the MAP Focal Points and the MCSD. Other available work and sources of information must also be taken into account. The participants noted that a workshop was to be held in April 2001 and expressed the view that, in dealing with the theme, the importance should be borne in mind of urban development established in consultation with the local population whose quality of life must remain the basic objective.

8. Consideration of possible new issues:

The Commission went through an exchange of views on the questions that have been the subject of feasibility case studies, bearing in mind the further preparation of the Mediterranean Strategy for Sustainable Development as well as the need for practical action, an integrated approach and the mobilization of concerned partners.

At the present stage, particular attention was focused on the following issues:

- agriculture and rural development,
- urban waste management and consumption patterns, and
- international cooperation: mobilization of resources and partnerships.

on which the Secretariat would prepare an additional report covering in particular the work programme and an assessment of expected value added in the context of the MCSD for consideration and approval at the Seventh Meeting (Antalya), taking due account of other ongoing work.

However, work on other issues will progress through the impetus given by the Secretariat, backed by available expertise.

ANNEX V
Appendix III

STRATEGIC REVIEW FOR THE YEAR 2000
RECOMMENDATIONS AND PROPOSALS FOR ACTION

The regional review clearly shows the progress which has been made towards sustainable development and environmental protection as well as the flaws, which continue to exist, since the Mediterranean Action Plan and Barcelona Convention and its Protocols were revised in 1995.

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.

At national level, the difficulty of giving concrete expression to measures towards sustainable development decided upon by the Mediterranean community shows, on the one hand, that the new concept has not as yet managed to mobilize all spheres of Society and, on the other, that States have been slow in implementing some of the decisions taken.

Although it is highly active, co-operation in the Mediterranean is, on the one hand, affected 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. This is exacerbated by the fact that the short-term effects of the Uruguay Round's decisions have not produced the expected results for the developing Mediterranean countries, judging by the worsening foreign trade deficit faced by most countries.

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.

To this end the MCSD proposes the following steps:

A common vision and a regional strategy

1. The Contracting Parties to the Barcelona Convention are invited to define a common vision of the region's future along with all of the partners concerned. For this purpose, they are invited within the framework of MAP and with all the partners concerned, to prepare a Mediterranean Strategy for Sustainable Development, if possible for adoption at their Thirteenth Ordinary Meeting (2003). This Strategy should reflect a responsible acceptance of the medium and long-term stakes and clear commitment and solidarity at all levels (regional, national, local) and in all sectors (economic, social, environmental); this strategy should:
 - Take account of the diversity of existing political, social, economic, cultural and environmental systems;

- Allow States and Local Authorities to play their full role
 - Respect the multiple values of Mediterranean societies;
 - Draw on all elements of Society;
 - Promote social equity;
 - Ensure respect for the integrity of eco-systems;
 - Apply a participatory approach;
 - Identify and promote adequate methodologies and tools;
 - Promote the transfer and mastery of cleaner technologies;
 - Promote bilateral and regional cooperation;
 - Take due account of the principle of common but differentiated responsibility;
 - Encourage complementarity and synergies with other relevant programmes;
 - Express at the Mediterranean level the aims and proposals for action laid down by major global conventions, particularly on climate change, biodiversity, desertification etc., as well as the UN-CSD's recommendations;
 - Facilitate implementation of the Barcelona Convention, its protocols and MAP recommendations;
 - Build the required capacities to meet the above-mentioned objectives effectively.
2. The Regional Strategy should pay particular attention to the implementation of recommendations and proposals for action adopted or to be adopted within the MCSD framework, establishing clear objectives and adequate means, inter alia in the following areas: water demand management, tourism, industry, agriculture, energy, transport, waste, free trade and the environment, information and awareness raising, indicators for sustainable development, land use planning, coastal management and urban development.

National Strategies towards impetus and implementation

The Contracting Parties are invited to draw up or revise as soon as possible depending on their circumstances national sustainable development strategies.

3. National sustainable development strategies should be drawn up or revised in accordance with national specificities and priorities depending on the circumstances, in order to take account of evolutions towards globalization in the Mediterranean region. The preparation/revision of national strategies and their implementation should be conducted according to a participatory approach, involving all actors and at all levels of responsibility concerned and should be coherent with other similar exercises.
4. National sustainable development strategies should be elaborated within the framework of their respective national Agenda 21 and should define ambitious objectives regarding the uncoupling of production on the one hand from energy consumption and the use of resources and natural areas on the other. International commitments on cleaner production as well as the internationally accepted aims for limiting polluting emissions should find their expression in national strategies. National objectives should be established for sustainable consumption aimed at controlling the impact of structural changes on consumption patterns (private transport, renewable energy, solid waste and packaging, etc.).
5. National strategies should endeavour to translate the recommendations and proposals for action adopted or to be adopted within the MCSD context into concrete

objectives and means. In this respect, the MCSD could prepare guidelines for drawing up national strategies.

6. The Contracting Parties are invited to set up as soon as possible National Commissions on Sustainable Development or other types of participation structures which should be representative of the forces active within the country, in order to strengthen coherence and convergence in action.
7. The Contracting Parties are invited to carry out any necessary legislative, fiscal, financial, trade or economic reforms likely to assist in implementing national sustainable development strategies including the following elements:
 - Rationalization of economic activity by integrating the environmental dimension;
 - Ensuring social equity;
 - Preserving and managing natural resources on a sustainable basis.
8. As regards the legal framework for sustainable development, the Contracting Parties are invited to:
 - Update and implement their national legal framework in line with environment-related international agreements they have ratified;
 - Complete the organization of the national and local institutional structures concerned;
 - Ensure and render the rules on governance as flexible as possible by promoting the principle of subsidiarity, transparency and the participatory approach;
 - Facilitate access to justice at a national level in order to ensure that environmental law is respected.
9. Since the rapid urbanization of the coastal areas in particular, as well as regional imbalances, are both crucial sustainable development issues, the Contracting Parties are invited to entrust to the extent possible the Local Authorities with greater responsibility for decentralized environmental management as well as for urban and rural development, particularly within the framework of local Agendas 21, guaranteeing good governance and the involvement of the main groups in Society.
10. Given the strategic importance of the coasts, and the necessary implementation of the principles of integrated coastal management, regional policy guidance and methodological tools for the integration and continuous observation of coastal areas should be further studied and promoted within MAP, in order to facilitate implementation, including guidance for the development of national legislation.

Effective Regional Coordination

11. In appointing/selecting their representatives to MCSD, the Contracting Parties, local authorities, NGOs and socio-economic actors should take full account of the necessity to maintain the open, autonomous, advisory, and representative nature of this body. Through appropriate networking, they should draw on the experience of past members and ensure input from the wider groups they represent. Members from local authorities, NGOs and socio-economic actors should represent as wide a

spectrum as possible of major groups of the society and should participate more actively in the work of the MCSD.

12. In order to strengthen the exemplary nature of State mobilization, and to support the unique character of the Mediterranean eco-region, the Contracting Parties and the other members of the MCSD are invited to improve their communications in order to guarantee an effective circulation of information between the MAP structures and national focal structures in particular, making MAP activities and output more visible to Mediterranean public opinion and to the interested international community.

Monitoring and Assessment Tools

13. Since the preparation of prospective analyses at the Mediterranean level as well as the production of useful information for public decision-taking and sectoral policies require updated data on all areas of human activity, it is proposed that the Contracting Parties develop and network the national environment and development observing systems or other similar appropriate functions.
14. Since sustainable development and environmental protection are medium to long-term processes, it is proposed that the Contracting Parties:
 - Utilize appropriate measurement tools, as well as performance and response indicators which can assess progress;
 - Adopt measures to enable the regular follow-up and assessment of the state of the Mediterranean environment (inter alia, land, marine and coastal).

Follow-up of Proposals for Action

15. Since the revised Barcelona Convention lays down the requirement to take full account of MCSD/MAP recommendations and to take the necessary measures to adopt them during their ordinary meetings, it is proposed that the Contracting Parties:
 - Make concrete provisions to ensure that proposals are disseminated to concerned institutional structures, authorities and other actors;
 - To report on them in the national reports for submission to MAP.
16. In order to give concrete expression to the MCSD's and MAP's proposals for action through effective implementing activities, within the MAP context and in interaction with the countries, the Contracting Parties are invited to agree on the preparation of projects for submission to financing institutions. In this respect, the MAP components should strengthen their capacity for preparing and managing projects related to MAP priorities.
17. The Contracting Parties are invited to promote the emergence of regional strategic action programmes or projects within the framework of the Euro-Mediterranean Partnership on priority issues dealt with by MAP/MCSD in application of decisions taken by the Contracting Parties, and to assist fully in their implementation at the national level with the participation of all the actors concerned.

Broader Regional Cooperation.

18. Given that the Mediterranean eco-region is the appropriate framework for dialogue and interdependence, the Euro-Mediterranean partners and other cooperation programmes in the region are invited to set the aim of Sustainable Development at the very heart of the implementation of their activities at regional and national level based on equity, shared responsibility and solidarity.
19. With the aim of rationalizing means and increasing synergy the Contracting Parties are invited to:
 - Promote greater cooperation between MAP, the United Nations agencies, the World Bank and other concerned institutions in the region and encourage them to take account of the priorities defined by the Contracting Parties;
 - Encourage official collaboration between MAP and their respective regional programmes;
 - Take account of, exchange information on and promote cohesion and complementarity of the objectives of their respective programmes of activities;
 - Better involve or even entrust competent, ad hoc, intergovernmental actors with the management of certain thematic activities;
 - Strengthen, or even institutionalize cooperation with the UN-CSD.
20. The Contracting Parties are invited to promote a closer North-South partnership by strengthening the voluntary contributions made by countries at the regional and bilateral level in order to better support MAP activities to promote sustainable development, particularly pilot projects and capacity building at the country and regional levels.
21. The Contracting Parties, regional networks of NGOs, local authorities and socio-economic actors as well as the MAP Secretariat are invited to contribute actively to preparations for Earth Summit II. For this purpose, at its next meeting the MCSD Steering Committee should adopt a work programme for the period 2001-2002.