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Antalya, Turkey, 7-10 December 2021

Agenda Item 3: Thematic Decisions

Draft Decision IG.25/18: Set of Regional Measures to Support the Development of Green and Circular Businesses and to Strengthen the Demand for more Sustainable Products

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Note by the Secretariat

The Fourth UN Environment Assembly (UNEA-4) held in March 2019 gathered more than 170 United Nations Member States under the overall theme “*Innovative Solutions for Environmental Challenges and Sustainable Consumption and Production*”.

UNEA-4 highlighted the key role of sustainable businesses in the process of adopting Sustainable Consumption and Production (SCP) patterns to save our planet:

- It recognized “*global, regional and national initiatives promoting sustainable business*” and invited Member States to “*develop enabling macroeconomic and sectoral policies that contribute to sustainable development including environmental policies and the use of lifecycle approaches, considering the administrative burden for micro, small and medium sized enterprises in order to stimulate investments in sustainable business practices*”.¹
- It requested “*the Executive Director of the UNEP, in collaboration with other UN bodies and UN partners, to continue to support the development of skills, especially for micro, small and medium sized enterprises, to promote sustainable production patterns*”.
- It invited “*Member States to create enabling conditions for policy reforms, as appropriate, innovative practices and technologies, economic instruments, investments and regional cooperation to encourage efficiency, reduce the carbon footprint and enhance sustainable manufacturing*”.
- It further requested “*to develop and implement programmes that catalyse replication, upscale existing innovative solutions and technologies, and promote the uptake of sustainable business approaches*”.
- It invited the “*international community, regional bodies, the private sector and civil society to develop, adopt and implement effective measures to stimulate demand for sustainable products*”.
- It decided to “*promote sustainable and innovative financing opportunities and mechanisms to unlock new capital for sustainable investments and upscaling of sustainable business models, with a special focus on small and medium-sized enterprises*”.²

Through the Mediterranean Strategy for Sustainable Development (Hereinafter MSSD) and the Regional Action Plan on Sustainable Consumption and Production in the Mediterranean (Hereinafter SCP Regional Action Plan), the Contracting Parties have identified businesses, especially green businesses and entrepreneurs, as key drivers in the transition towards green and blue economies in the Mediterranean region and countries.

The MSSD includes several Strategic Directions (5.1 to 5.6) on the support to green businesses, SCP and green economy.

In the SCP Regional Action Plan, businesses are identified as major stakeholders for its implementation, including local small, medium and big enterprises, multinationals, entrepreneurs, manufacturers, producers, retailers and sellers, because they are responsible of the production processes, bringing to market products and services, and hence are in a unique position to advance sustainable consumption and production in the region³. Accordingly, many actions included in the SCP Regional Action Plan call for the creation of business models integrating a SCP, for green businesses and jobs as well as for innovation on SCP. Many actions also refer to the need to strengthen consumer awareness, educate for sustainable lifestyles and to improve information and products labelling in order to increase the demand for sustainable products.

Following the policy guidance from the MSSD and the SCP Regional Action Plan, the support to green business, entrepreneurs and innovation for SCP is identified as a strategic outcome under the SCP cross-cutting theme of the United Nations Environment Programme/Mediterranean Action Plan (UNEP/MAP) Mid-Term Strategy (MTS) 2016–2021. Indicative Key Output 6.3.1 of the MTS calls for training and support of green entrepreneurs. Furthermore, the MTS Strategic Objectives on SCP call for strengthened capacities of entrepreneurs and others to implement SCP solutions that in turn will reduce toxic chemicals and marine litter and contribute to the conservation of biodiversity and ecosystems. Green entrepreneurs and their implementation of eco-innovation and circular economy approaches are important sources of these SCP solutions.

The MSSD and the SCP Regional Action Plan do not provide for common criteria for the definition of green and circular businesses in the Mediterranean, nor for a specific set of measures supporting them, in this draft decision. The identification of such common criteria and set of measures would promote policy coherence among the Contracting Parties and synergies among national stakeholders, and would provide a better understanding of the need to support Mediterranean countries in promoting the creation and development of green businesses through capacity building and technology transfer.

Based on the policy directions and on the work and achievements described above, the 21st Meeting of the Contracting Parties, (COP 21, Naples, Italy, 2-5 December 2019) adopted Decision IG.24/13 in which they requested the Secretariat to prepare a set of regional measures to support the development of green and circular businesses and strengthen the demand for more sustainable products, as a way to support the shift to green and circular economy from traditional linear business models to innovative green and circular business models.

According to the mandate provided by the Contracting Parties, the Secretariat has prepared a proposal for that set of measures which include, as requested by the mentioned Decision, specific criteria for the definition of green and circular businesses in the Mediterranean, based on existing initiatives at global, regional and national levels. The set of measures was submitted through document UNEP/MED WG.507/6 to the SCP/RAC Focal Points Meeting (Teleconference, 1-3 June 2021), who approved. The preparation of the set of measures included a broad process of regional and national consultation which is described in document UNEP/MED WG.507/6, submitted to the 13th SCP/RAC Focal Points Meeting (Teleconference, 1-3 June 2021). The proposed draft set of measures has been reviewed and endorsed by the Meeting of the SCP/RAC Focal Points and is presented in Annex I of this Draft Decision. The SCP/RAC Focal Points Meeting also reviewed the brief and comprehensive definitions of sustainable businesses (including green and circular businesses) which were agreed during the Online Consultation Meeting with National Experts nominated by the Contracting Parties of the Barcelona Convention for the Development of a Set of Regional Measures to Support Green and Circular Businesses in the Mediterranean (Teleconference, 23-24 February 2021). These definitions are set out in Annex II to this draft Decision.

The implementation of this Decision is linked to Outcomes 1.3, 3.4, 4.2 and 7.1 of the proposed MTS 2022-2023.

The draft Decision and its Annexes were submitted to and reviewed by the Meeting of the Mediterranean Action Plan (MAP) Focal Points 2021 (Teleconference, 10-17 September 2021) that decided on its transmission as contained in this document, to the 22nd Meeting of the Contracting Parties (COP 22) (Antalya, Turkey, 7-10 December 2021).

Draft Decision IG.25/18

Set of Regional Measures to Support the Development of Green and Circular Businesses and to Strengthen the Demand for more Sustainable Products

The Contracting Parties to the Convention for the Protection of the Marine Environment and the Coastal Region of the Mediterranean (Barcelona Convention) and its Protocols at their 22nd Meeting,

Recalling the outcome document of the United Nations Conference on Sustainable Development, entitled “The future we want”,

Recalling also General Assembly resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”,

Recalling further the Environment Assembly resolutions of 15 March 2019, UNEP/EA.4/Res.1, entitled “Innovative pathways to achieve sustainable consumption and production” and UNEP/EA.4/Res.4, entitled “Addressing environmental challenges through sustainable business practices”,

Having regard to the Protocol for the Protection of the Mediterranean Sea against Pollution from Land-based Sources and Activities, in particular article 5 thereof on general obligations and Article 9 thereof on scientific and technical cooperation, to the Protocol on the Prevention of Pollution of the Mediterranean Sea by Transboundary Movements of Hazardous Wastes and their Disposal, in particular Article 5 thereof on general obligations, and to the Protocol on Integrated Coastal Zone Management in the Mediterranean, in particular Article 9 thereof on economic activities,

Recalling Decisions IG.22/2 and IG.22/5, on the Mediterranean Strategy for Sustainable Development 2016–2025, and the Regional Action Plan on Sustainable Consumption and Production in the Mediterranean respectively, adopted by the Contracting Parties at their 19th Meeting (COP 19) (Athens, Greece, 9-12 February 2016),

Recalling also Decision IG.24/13 on the *Development of a Set of Regional Measures to Support the Development of Green and Circular Businesses and to Strengthen the Demand for more Sustainable Products*, adopted by the Contracting Parties at their 21st Meeting (COP21) (Naples, Italy, 2-5 December 2019),

Bearing in mind that in view of building back better, Sustainable Consumption and Production (SCP) should be placed at the core of the post-COVID recovery and that the Mediterranean Action Plan (MAP)-Barcelona Convention system response to COVID-19 includes the need to catalyse actions towards the promotion of sustainable consumption and production and circular economy, green jobs, marine renewable energy, sustainable tourism, nature-based solutions and transition to sustainable blue economy,

Recalling the mandate of the Sustainable Consumption and Production/Regional Activity Centre (SCP/RAC) as laid down in Decision IG.19/5 on the Mandates of the Components of MAP, adopted by the Contracting Parties at their 16th Meeting (COP16) (Marrakesh, Morocco, 3-5 November 2009), and its relevance to the implementation of this Decision,

Acknowledging also the need to continue working in order to shift from traditional linear business models to innovative green and circular business models, and that in order to achieve this shift, a proper enabling policy environment should be in place together with strengthened business support organisations and appropriated financial instruments at the regional and national level,

Noting with appreciation work undertaken in that direction under the Green Businesses Programme which has contributed to the creation of green companies and national partnerships with Business Support Organisations in the southern Mediterranean countries,

Having considered the report of the meeting of the Focal Points of the Regional Activity Centre for Sustainable Consumption and Production, (Teleconference, 1-3 June 2021),

1. *Adopt* the set of regional measures to support the development of green and circular businesses and to strengthen the demand for more sustainable products hereinafter referred to as “the Regional Measures”, set out in Annex I to this Decision;

2. *Call upon* Contracting Parties to strengthen the support to and promote green and circular businesses, in line with of the Regional Measures, with support from the Secretariat (SCP/RAC) in coordination with relevant regional and national stakeholders;

3. *Approve* the brief and comprehensive definitions of sustainable businesses (including green and circular businesses), set out in Annex II to this Decision;

4. *Invite* Contracting Parties to provide information on a biannual basis on the implementation of the Regional Measures at national level.

Annex I

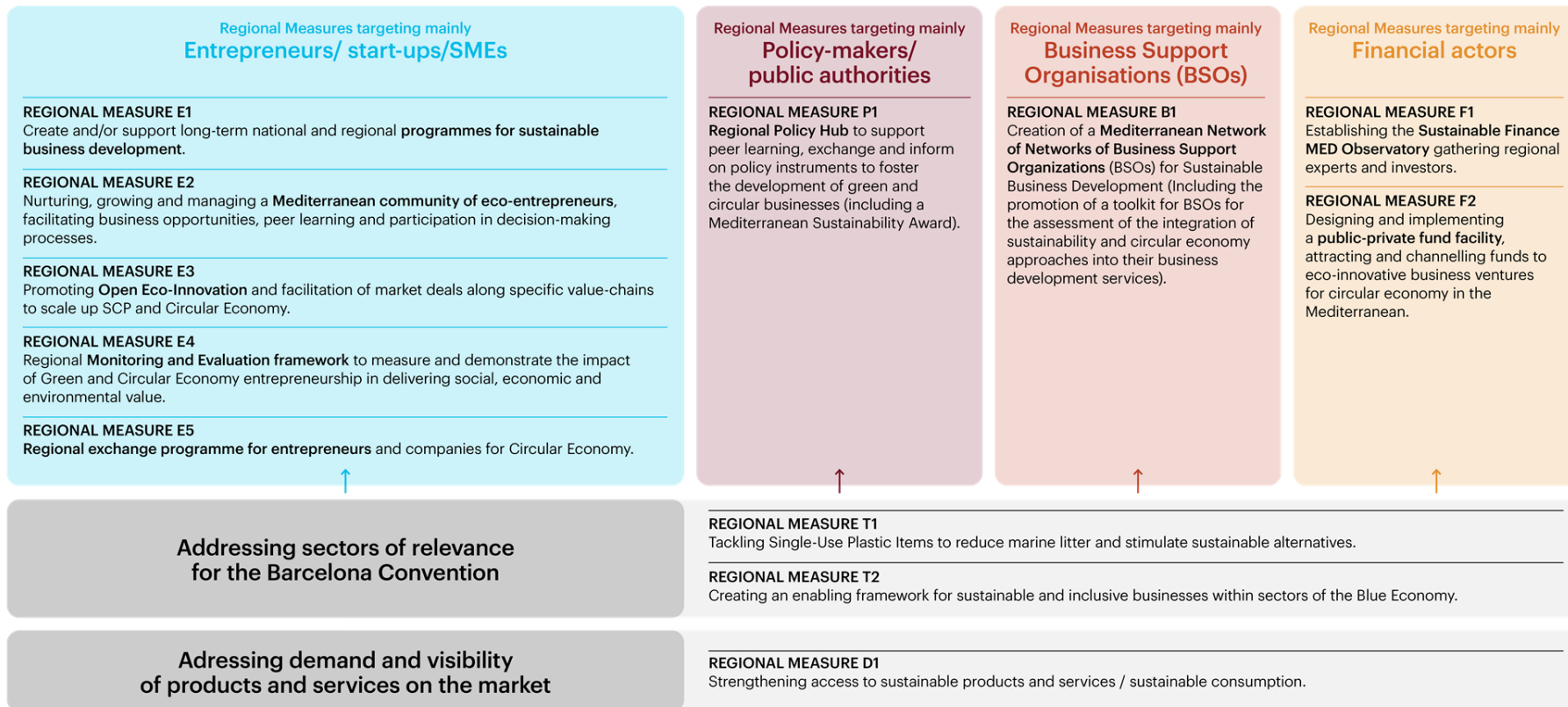
**SET OF REGIONAL MEASURES TO SUPPORT THE DEVELOPMENT OF GREEN AND
CIRCULAR BUSINESSES AND TO STRENGTHEN THE DEMAND FOR MORE SUSTAINABLE
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**SET OF REGIONAL MEASURES TO SUPPORT THE DEVELOPMENT OF
GREEN AND CIRCULAR BUSINESSES AND TO STRENGTHEN THE DEMAND
FOR MORE SUSTAINABLE PRODUCTS**

1. Structure of the Set of Regional Measures

1. The proposed regional measures will target directly green and circular businesses, including **entrepreneurs, start-ups and SMEs**, but measures will also aim at strengthening the ecosystem of stakeholders that will provide an enabling framework for the creation, growth and survival of those businesses. In particular, **Policy-makers** will have to create the right conditions for those businesses and develop a regulatory framework for circular economy, **Business Support Organisations** will have to boost their service offers targeting green and circular entrepreneurs and finally **financial actors** will have to increase their financial support towards green and circular start-ups and businesses during their different stages of development, from ideation towards sustainability.

2. The table next page shows how the 12 proposed regional measures could be articulated, they have been organised around the main target groups that will benefit or contribute to their implementation. Finally, 3 measures have a more transversal nature, as focusing on specific sectors of high relevance for the marine and coastal environment and therefore for the Barcelona Convention and its protocols, as well as on the demand side. A special attention will be given to those transversal measures in order to identify how they can be specifically addressed each of the different “vertical blocks” of measures.



2. Regional measures targeting mainly entrepreneurs, start-ups and SMEs

REGIONAL MEASURE E1: Create and/or support long- term national and regional programmes for sustainable business development.

3. The transition from a linear “take-make-waste” economic model towards a circular economy model entails the emergence of innovative enterprises, based on sustainable business models, which can materialize the required transformative and structural changes to achieve SCP and sustainable development. Insufficient support services for green business development are one of the major threats for the rise of such circular start-ups. National governments should therefore support the creation of innovative sustainable businesses and help the green entrepreneurs and businesses to overcome the huge challenges and structural obstacles they have to face to develop their circular companies. As highlighted in the Sub-Regional Baseline Assessments, green entrepreneurship programmes are existing but often in the form of pilot initiatives, mainly in the framework of international cooperation, but there are no permanent programmes to promote sustainable business development in the region offering continuity and long-term prospects.

4. Capacity building and knowledge and skills transfer are key aspects to support entrepreneurs and companies to develop their sustainable business projects. Supporting programmes for sustainable business development should be made extensive in the Mediterranean countries, targeting entrepreneurs at different levels of business development (ideation, early-stage and growth) and with a focus on youth and women. Delivered by public, private and/or non-profit organisations, the programmes should help entrepreneurs in adopting eco-innovation, life cycle thinking, life-cycle cost analysis and system- thinking perspectives into business development, offering for example methodologies and tools for sustainable business model and business plan development. In line with digitalisation trends, which have been intensified by the COVID-19 pandemic, support services should also be digitalised, offering online tools for sustainable business development and facilitating interaction between the different stakeholders within the ecosystem (entrepreneurs, business support organizations, mentors, financial actors, etc.). Finally, support programmes should adopt a regional approach, in order to enhance exchange of experiences and spread the most innovative and successful approaches.

Regional measure E1 would support the following Policy Recommendations:

Create or support incubation and acceleration programs (Capacity-building and knowledge dissemination)

Provide targeted information, skills, networking and training on circular entrepreneurship to youth and women (Capacity-building and knowledge dissemination)

Promote the development of training and capacity programs targeting refugees and immigrants (Capacity-building and knowledge dissemination)

REGIONAL MEASURE E2: Nurturing, growing and managing a Mediterranean community of eco-entrepreneurs, facilitating business opportunities, peer learning and participation in decision-making processes.

5. Raising visibility of sustainable products and services requires an effective strategy to prove their impact on environmental and social challenges together with an effort to organise the sector with a bottom-up and participatory perspective, including the development of effective internal and external communication tools.

6. The Switchers Community is a pioneer initiative developed by UNEP/MAP through SCP/RAC gathering more than 400 eco-innovative entrepreneurs and Civil Society Organisations (CSOs).

7. Members of The Switchers Community have access to like-minded change-makers and are supported to establish cross-border contacts, looking for business and peer learning opportunities.

8. Promoting the engagement of a regional community of eco-innovators and their integration in the governance processes at all levels will greatly leverage the upholding of principles and practices of sustainable development at policy and public awareness level. Encouraging and supporting this regional community requires raising visibility of its members which are key players in the emerging green and circular economy.

9. To operationalise such strategies, public and private stakeholders need to facilitate exchanges and participation of green entrepreneurs, fostering their presence at national and regional events and fairs. Developing awareness-raising campaigns and platforms to foster marketing opportunities for sustainable products and services is also key to increase the economic viability of green entrepreneurs.

10. Sector-related and geographic scopes need to be considered, via benchmarking and tailored analysis of circular business initiatives, designing ad-hoc strategies needs-based and context-oriented.

11. National authorities and multilateral mechanisms can play an important role in catalysing the community's supporting and monitoring of the Barcelona Convention's acquis and facilitating the uptake of important tasks related to awareness, sensitization and social innovation.

Regional measure 4 would support the following Policy Recommendations:

- Stimulate Consumer Demand: Support awareness-raising campaigns on sustainable/circular practices among consumers (Stimulate Consumer Demand) Promote national partnerships aimed at supporting green and circular business development (General policy recommendations)
- Develop a national Circular Economy Strategy (General policy recommendations)
- Enhance data collection and knowledge production on gender aspects of circular businesses and the demand for sustainable products (R&D and innovation)
- Promote upcycling businesses (Specific sectors or waste streams)
- Promote circular practices in the construction sector (Specific sectors or waste streams)
- Promote sustainable principles and practices in the tourism industry (Specific sectors or waste streams)
- Support circular businesses cases in the bio-based economy (Specific sectors or waste streams)
- Promote regenerative agriculture and agroforestry (Specific sectors or waste streams)

REGIONAL MEASURE E3: Promoting open eco-innovation and facilitation of market deals along specific value-chains to scale up SCP and Circular Economy.

12. To facilitate the creation and easy access to solutions in response to the circular economy challenges faced by the private and public sector entities, hence stimulating demand for green and circular products and services, open eco-innovation processes might be envisaged and triggered along specific value chains.

13. Putting focus on the use and disposal phases of the value chains, with the aim of creating a pull effect on the design, manufacturing and distribution phases, can trigger important collaborative processes catering to the needs of local and national public and private stakeholders.

14. Open Innovation processes can:

- (1) stimulate established companies/municipalities to initiate shifts to circular economy business/city models through eco-innovation and
- (2) create awareness and demand among corporate buyers, retailers, procurers and municipalities for eco-innovative and circular economy solutions.

15. Operationalising open eco-innovation at regional level requires mapping circular economy business opportunities along key value chains, in line with the SCP Regional Action Plan, and establish engagement models, virtually (via the development of a digital collaborative platform) and physically, growing a user-base, acquiring clients and defining challenges to stimulate the innovation process.

Regional measure E3 would support the following Policy Recommendations:

- Launch Circular Challenges (R&D and Innovation)
- Define a national Research & innovation Agenda for a Circular Economy (R&D and Innovation)
- Incentivize programs in the area of sharing/collaborative economy (Regional/city programs)
- Develop sustainable products policies and stimulate the application of circular design (general policy recommendations)

REGIONAL MEASURE E4: Regional Monitoring and Evaluation framework to measure and demonstrate the impact of Green and Circular Economy entrepreneurship in delivering social, economic and environmental value.

16. Evidence-based policy-making requires mainstreaming a robust Monitoring and Evaluation framework within business development support programmes. Demonstrating the impact of Green and Circular Economy to mitigate pressing environmental challenges, related to climate and biodiversity, is seminal to remove market barriers, promote incentives and improve access to sustainable finance.

17. SCP/RAC has been working since 2018 to design a conceptual framework linking business development programme's objectives and SCP impacts, upholding the importance of entrepreneurialism in achieving global targets (SDGs). This initial work should be further addressed through the implementation of a Regional Monitoring, Evaluation, Accountability and Learning System (MEAL) for sustainable business development, to be based on on-going efforts and existing initiatives at the international and European levels. This measure is aiming at providing an accessible methodology to circular start-up and MSMEs to measure their impact and will not address directly national monitoring framework.

18. MEAL Systems could support green start-ups and businesses to collect, analyse and use data to increase their environmental, social and economic performance. Similarly, through MEAL tools, BSOs adopting eco-innovation approaches could assess the impacts of the support services provided to the entrepreneurs. Finally, a regional MEAL framework would nurture further evidence-based policy development for green and circular business development.

Regional measure E4 would support the following Policy Recommendations:

- Create or support incubation and acceleration programs (capacity building & knowledge dissemination)
- Enhance data collection and knowledge production on gender aspects of circular businesses and the demand for sustainable products (R&D and innovation)

REGIONAL MEASURE E5: Regional exchange programme for entrepreneurs and companies for Circular Economy.

19. This regional measure would aim at facilitating the direct connections among entrepreneurs in order to support the market expansion of green businesses and products both in the region and to foreign markets, especially among young people and women who are the most affected in the current panorama due to the financial, environmental and social crisis. This cross-border exchange program will provide new entrepreneurs for green and circular economy with the opportunity to gain experience in the field of work they pursue which is provided by experienced green entrepreneurs and newly created businesses from another Mediterranean country.

20. There is a lack of connection among entrepreneurs and businesses for circular economy in the Mediterranean region. Most new green entrepreneurs, or students with green business ideas, lack of sufficient experience to start a business properly. Likewise, many experienced green entrepreneurs lack of contacts and opportunities to work abroad. The exchange programme will address those challenges. In order to exchange experience and knowledge, new entrepreneurs would stay and work together for a limited time with existing entrepreneurs, which would help the new entrepreneur acquire the necessary skills to manage a small-medium firm. On the other side, existing entrepreneurs will benefit from new ideas and perspectives on the business, get the opportunity to cooperate with foreign partners, and explore new markets and commercial relations.

21. This regional measure could catalyse the expansion of businesses, services and products for green and circular economy, and stimulate the development of innovative solutions impacting the way goods and services are produced and consumed in the Mediterranean. For the implementation of such measure, synergies with well established EU-funded programmes, such as Erasmus + will be considered.

Regional measure E5 would support the following Policy Recommendations:

- Support green and circular businesses with reaching international markets (Stimulate Consumer Demand)
- Provide targeted information, skills, networking and training on circular entrepreneurship to girls and women (Capacity building and knowledge dissemination)

3. Regional measures targeting mainly Policy Makers

REGIONAL MEASURE P1: Regional Policy hub to support peer learning, exchange and inform on policy instruments to foster the development of green and circular businesses.

22. The baseline assessment concluded that in most countries, the concept of circular economy is relatively new. Much still needs to be done to accelerate the transition from a linear to a circular economy and to develop long term strategies with an enabling policy framework. Likewise, the assessment also highlighted that there is an important lack of enforcement of environmental regulations in some countries, thus conducting to inefficiency of current environmental regulatory frameworks.

23. In this context, this regional measure will focus on the development of a regional policy hub that would foster peer-learning, exchange of successful experiences and challenges, provide up-to-date information on relevant initiatives, policy instruments, good practices from the Mediterranean and outside, and deliver technical support to policy-makers.

24. In doing so, the policy hub will integrate a network of national experts and practitioners that will be provided the space for sharing their experience, exchange with peers and will be invited to express their needs in order to adapt the content and activities of the policy hub (on an on-demand basis).

In particular, the Policy Hub activities will support in the development and implementation of national CE strategies, extended Producer Responsibility schemes, Green/circular public procurement practices, regulatory framework for sustainable enterprises (including tax benefits, VAT reductions), support frameworks for the certification of sustainable products and services, awareness raising campaigns on sustainable circular/practices, national knowledge centres or networks, reuse centres, etc.

The peer-to-peer activities to be organised will also look at synergies with on-going mechanisms, like the Twining international partnership or TAIEX, etc.

25. As part of the Policy Hub activities, this Regional Measure will also include a Mediterranean Sustainability Award that would constitute a policy tool to encourage environmental-friendly and social innovation by Mediterranean businesses. As highlighted in the baseline assessment, entrepreneurs and existing companies are insufficiently aware of the possibilities presented by new circular businesses. There is a need to put the light on outstanding change makers, disseminate their stories and further support them in their efforts toward sustainability. Likewise, it is necessary to emphasize on the role of the stakeholders that have an essential role in the development of green and circular businesses, eg. public authorities, BSOs, academia, CSOs and financial actors.

26. The organisation, on a regular basis, of a Mediterranean Sustainability Award would constitute a regional measure to encourage environmental-friendly and social innovation by Mediterranean businesses. The award would;

- (i) recognize outstanding achievements of green and circular economy businesses (and the organizations that support them);
- (ii) inspire other entrepreneurs to adopt eco-and social innovations in their business models, thereby scaling up these approaches in the region;
- (iii) highlight the need to promote an enabling policy environment to foster the growth of green and circular economy businesses.

In addition, the award will provide visibility for the contributions of green and circular economy businesses to the region's sustainable development goals, and raise consumer awareness about sustainable products and services. The award's basic criteria for businesses will include requirement to demonstrate the effective consideration of the 3 pillars of sustainability (economic, environmental and social aspects).

Regional measure P1 would support the following Policy Recommendations:

- Develop a national Circular Economy Strategy and a National Commission to ensure its implementation (General Policy Recommendations)
- Establish and improve Extended Producer Responsibility schemes (General Policy recommendations)
- Make Green Public Procurement (and monitoring) mandatory practice across all government bodies (Public procurement)
- Provide circular procurement training, and support for local authorities (Public Procurement)
- Promote the development of municipal reuse centres (Regional/city programs)
- Stimulate circular cities programs ((Regional/city programs)
- Create a supporting regulatory framework for sustainable enterprises (General policy recommendations)
- Tax benefits for green and circular businesses (General Policy recommendations)
- Establish clear end-of-waste and by-product criteria (General Policy recommendations)
- Support awareness-raising campaign on sustainable/circular practices among consumers (Stimulate Consumer Demand)
- VAT reduction or exemption for second-hand goods and repair services (Stimulate consumer demand)
- Create a national knowledge centre or network specialised in Circular Economy (Capacity-building & knowledge dissemination)
- Foster the development of funding to green and circular businesses (Access to financing and funding)
- Promote the development of alternative models of financing (Access to financing and funding)
- Encourage educational institutions to integrate circular economy modules in their curriculum (capacity building and knowledge dissemination)

4. Regional Measures targeting mainly Business Support Organisations (BSO)**REGIONAL MEASURE B1: Creation of a Mediterranean Network of Networks of Business Support Organisations (BSOs) for Sustainable Business Development.**

27. As pointed out in the Regional Baseline Assessment, in the Mediterranean region Business Support Organisations (BSOs) adopting eco-innovation and life cycle thinking approaches are practically non-existent. The view on innovation is generally limited to technology and environmental, circular and social innovation are only being scarcely adopted by BSOs. Very few examples of green business development centres and incubators can be found in the Mediterranean. Therefore, there is a general absence of knowledge and methodologies for sustainable business development among the supporting structures. On the other hand, the Regional Baseline Assessment also highlight the lack of coordination and collaboration between the different actors of the green entrepreneurship ecosystem around the support services offered to green entrepreneurs. In short, knowledge transfer and collaboration among the BSOs are needed in order to increase circular business development.

28. National Government should encourage networking among BSOs committed with sustainable business development through the establishment of national partnerships to support the creation and development of businesses for green and circular economy. The National Partnerships are non-institutionalised voluntary associations of public, private and non-profit BSOs that cooperate on sustainable and circular

29. business development services. The National Partnerships offer a promising starting point to create a Mediterranean Network of BSOs for circular business development. The goal of the Mediterranean network is to create a space for regional collaboration for sustainable business development. It could also foster the creation of business support organisations with a focus on sustainability at national level. The key potential outcomes of the regional network are the following ones:

- Technical support and transfer of methodologies and tools for sustainable business development are provided to the network. For example, simplified life cycle assessment (LCA) methodologies are required for businesses to be able to assess their long term impacts, but these are usually difficult to access by small companies;
- By facilitating appropriated communication channels, National Partnerships and BSOs from different Mediterranean countries are aware of similar activities and exchange knowledge and experiences at regional level;
- A Mediterranean community of practices for sustainable/circular business development is created;
- BSOs share network connections at regional level;
- National Partnerships from different Mediterranean countries coordinate activities and define an integrated approach;
- National Partnerships from different Mediterranean countries undertake joint fund-raising, activities and projects;
- The BSOs share common resources;
- Open-innovation programs are disseminated and coordinated across countries.

30. This Regional Measure will also include the development of a Toolkit¹⁰ for Business Support Organizations (BSOs) that will allow BSOS to assess the degree of integration of sustainability and circular economy approaches into the business development services they provided to entrepreneurs and companies. There is a need to improve the quality of the services provided to green entrepreneurs as well as encourage traditional BSOs to adopt eco-innovation and life cycle thinking approaches.

The proposed Toolkit will be integrated into the set of tools provided within The Switchers Toolbox and will reinforce the BSOs members of the National Partnerships. The assessment carried out through the Toolkit will be able to be done through a self-diagnosis and/or through peer-reviewing between BSOs members of the Partnerships. This would tackle the lack of BSOs adopting eco-innovation approaches and the need to increase their number and capacities, toolkits and guidelines as well as common quality marks and standards for sustainable business development.

31. The Mediterranean Network of BSOs will contribute to strengthen the enabling environment for sustainable and circular business development.

¹⁰ Following the recommendations of the National Experts, SCP/RAC has discarded the wording “Standard” for the activity described on ex-Regional Measure 10 and integrated in Regional Measure B1. The wording “Standard” was not in line with the content of the measure proposed.

Regional measure B1 would support the following Policy Recommendations:

- Promote national partnerships aimed at supporting green and circular business development (General Policy recommendations)
- Create a national knowledge centre of network specialized in circular economy (Capacity-building and knowledge dissemination)
- Create or support incubation and acceleration programmes (Capacity-building and knowledge dissemination)
- Legally define green and circular economy activities eligible for green financing (Access to financing and funding)
- Create a supporting regulatory framework for sustainable enterprises (General policy Recommendations)

5. Regional Measures targeting mainly Financial Actors

REGIONAL MEASURE F1: Establishing the Sustainable Finance MED Observatory gathering regional experts and investors.

32. The Regional Sustainable Finance Observatory has the objective to provide knowledge and opportunities to financial institutions and investors and thus strengthening their capacity to invest in circular economy business models in the Mediterranean.

33. With the final aim of attracting more-sustainable finance solutions on the benefit of the social and green economy, the Observatory will conduct annual researches on trending and evolution of the main finance opportunities from blending finance, impact investing actors, ESG (Environment, Social and Governance) investment funds, micro-credit and Venture Philanthropy.

34. The Observatory has the ambition of becoming a network where European Investors and local financiers can work together. Local financiers can provide extremely valuable feedback on the market and business model of Green Entrepreneurs and potentially additional funding as well. Sustainable finance is key to lever long term environmental and social impacts, catalysing the development of new business models and supporting the transition to a Circular Economy.

35. The Observatory will foster exchanges and networking at national and regional level, facilitating the establishment of consultation and exchange mechanisms which will lead to the development of a common and shared agenda on sustainable finance. The Observatory will attract more stakeholders to fine-tune and further develop existing financial markets requirements and existing sustainable financial frameworks.

36. The results shared and awareness raised by the Observatory will play an active role in shaping the future of sustainable finance opportunities in the Region, prepare the business cases for innovative investments and increase information on green and circular businesses solutions.

Regional measure F1 would support the following Policy Recommendations:

- Information on the analysis of trends regarding the progress of green and circular businesses (Access to financing and funding)
- Foster the development of funding to green and circular businesses (Access to financing and funding)

REGIONAL MEASURE F2: Designing and implementing a public-private fund facility, attracting and channeling funds to eco-innovative business ventures for the ecological transition in the Mediterranean.

37. Access to finance represents one of the key barriers for Green Entrepreneurs in the region to grow and scale their business ventures and related eco-innovation potential. Green Start-ups need financing for different purposes, depending on their field of activity, business model and maturity. Their most common needs relate to financing working capital, purchasing equipment or building capital reserves to finance their growth.

38. Matching financing needs with the available financing instruments is a challenge in Mediterranean countries. The risk and return expectations of investors and investees do not often align. Moreover, there is a lack of patient capital or flexible finance that fits the needs of Green Entrepreneurs. In certain cases, Green Entrepreneurs who do find finance, do so under conditions that they cannot easily accept.

39. A public-private fund facility to support Green and Circular Economy entrepreneurship, in an inclusive manner, is needed to ensure a mix of financing tools and blended finance, engaging investors who can effectively match eco-entrepreneurs' funding needs. In particular, there is a clear need of support and capacity for the start-up and SMEs, having difficulties to access to traditional financing mechanisms.

40. The establishment of an ad-hoc fund facility will have to rely on solid metrics and a robust measurement framework to ensure impacts are effectively achieved and to secure the return on the investment, enhancing the fund sustainability.

41. The Mediterranean Green Impact Investing Network is a pioneer initiative developed under UNEP/MAP and led by SCP/RAC through which a Fund nurtured through different funding sources provides and facilitates direct funding and business support services to existing and future green, circular and social entrepreneurs in the Mediterranean Region.

42. Likewise, besides providing funding, the Fund provides technical assistance to its beneficiaries. Technical assistance is a key tool for fund managers and investors in emerging countries. In such markets, entrepreneurs and the businesses that they manage - no matter their size, maturity and sector - are constrained by deficits in business training and operational expertise. Such gaps often translate into missed opportunities and can prevent businesses from getting vital access to finance. Likewise, monitoring and evaluation mechanisms will be established to follow-up the beneficiaries of the fund. The MEAL system will support beneficiaries to monitor their impacts and be accountable during both the due diligence and investment process.

43. Establishing a dedicated regional fund facility, including a tailored financial infrastructure impact oriented, is key to develop the next generation of Entrepreneurs and businesses for Circular Economy in the Mediterranean, removing obstacles and harnessing important policy paradigm shifts across the region.

Regional measure F2 would support the following Policy Recommendations:

- Foster the development of funding to green and circular businesses (Access to financing and funding)
- Promote the development of alternative models of financing (Access to financing and funding)
- Commitment and capacity-building in the financial sector (Access to financing and funding)

6. Transversal regional measures targeting economic sectors having a particular impact on the marine and coastal environment

REGIONAL MEASURE T1: Tackling Single-Use Plastic Items to reduce marine litter and stimulate sustainable alternatives.

44. The Mediterranean is the sea with the world's highest plastic density and most of marine litter is originated from land-based sources and made of plastic items. Tackling plastic pollution at source, through prevention approaches, is a regional priority and urgent decisions should be taken by Mediterranean governments to tackle single-use plastic products most often found polluting the Mediterranean.

45. The adoption of such measures by national public authorities implies important changes in the productive sector, and associated sectors, and should be accompanied by the identification and development of suitable sustainable alternatives that could be put on the market by green and circular businesses. The identification of those sound alternatives to single-use plastics products needs to take into account the full life cycle implications of those alternatives within specific national contexts.

46. "The Business Case for tackling Plastic Packaging" report recently published by SCP/RAC already features a number of relevant approaches to food and beverage plastic packaging prevention, that should be further supported in the region ([available here](#)).

47. Given the priority plastics and marine litter deserve in this region, this regional measure will focus on:

- supporting and coordinating countries in their efforts to develop a legislative framework to tackle single use plastics products,
- Supporting the eco-design of sound alternatives,
- supporting the marketing of sustainable alternative and innovative businesses providing alternatives to single-use plastic products, or allowing for their prevention and reduction,
- Addressing the demand side to shift to sustainable consumption patterns,

48. Fishing-for-litter related businesses, even if not providing direct alternatives to SUPs Products, will be also considered in order to reduce the current amount of Marine Litter in the Mediterranean Sea and to raise awareness on marine litter.

49. The Regional Measure will also have a particular look at the alternatives for the single-use plastic products related to the tourism sector, as tourism activities mainly take place in the coastal area and contribute significantly to the generation of Marine Litter. Tackling effectively this issue also involves the generation of solutions from green and circular businesses. Greater attention will be put on identifying solutions adapted to local contexts, and in particular to Islands, given their sensitivity to marine litter.

50. This Regional Measure will support the implementation of the Barcelona Convention Regional Plan on Marine Litter Management and the associated series of guidelines produced by SCP/RAC would constitute a guidance for policy support (on phasing-out plastic bag, on addressing plastic pollution through public procurement and on tackling single-use plastic products (under elaboration). In addition, at regional level businesses are already joining forces to tackle this issue, such as the BeMed Business Club, and therefore the regional measure would maximise synergies with such initiatives.

Regional measure T1 would support the following Policy Recommendations:

- Introduce a ban on certain single-use plastic products contributing to Marine Litter (Specific Sectors or Waste Streams)
- Promote sustainable principles and practices in the tourism (Specific Sectors or WasteStreams)
- Provide circular procurement training and support for local authorities (Public Procurement)
- Support awareness-raising campaigns on sustainable/circular practices among consumers (Stimulate Consumer Demand)
- Establish and improve Extended Producer Responsibility Schemes (General Policy recommendations)

REGIONAL MEASURE T2: Creating an enabling framework for sustainable and inclusive businesses within sectors of the Blue Economy.

51. This Regional Measure will focus on the creation of an enabling environment within sectors of activity that are marine-based or marine-related in view of increasing the development of green and circular business of the Blue Economy. Those sectors are of high relevance for the Barcelona Convention and its Protocols as they are directly linked with the marine and coastal environment.

The Regional Measure will support a sustainable Blue Economy that allows society to obtain value from the oceans and coastal regions, whilst respecting the long-term capacity of the oceans to regenerate and endure such activities through the implementation of sustainable practices. This implies that human activities must be managed in a way that ensures the health of the oceans and where economic productivity is safeguarded, so that the potential they offer can be realised and sustained over time.

In order to reach a sustainable Blue Economy, it is therefore necessary to promote sustainable production and consumption patterns (*management of human activities*) and circular economy principles (sustained over the time).

52. Regarding the economic activity covered, the Blue Economy established sectors include:

- Marine living resources (including fisheries and aquaculture),
- Marine non-living resources,
- Marine Renewable energy,
- Port activities,
- Shipbuilding and repair,
- Maritime transport and
- Coastal tourism.

53. The Blue Economy emerging and innovative sectors include:

- Marine renewable energy (i.e. Ocean energy, floating solar energy and offshore hydrogen generation), Blue bioeconomy and biotechnology,
- Marine minerals,
- Desalination,
- Maritime defence, and
- Submarine cables.

54. The Blue Economy sectors represent a significant part of the Mediterranean Economy. In 2017, the Blue Economy generated €60 billion Gross Value Added (GVA) and 1.78 million jobs. The key sector for the region is clearly Coastal tourism (€34 billion GVA and 1.26 million jobs) followed by Maritime transport, Living resources and Port activities (with €7 billion of GVA each). With small variations, this general structure is also observed across the different Mediterranean sub-basins.

55. However, Maritime and land-based activities in the Mediterranean region, along with the progressively more artificialized coastline, are at the origin of a wide spectrum of pressures affecting marine and coastal ecosystems. Current patterns of economic development in the region are characterized by resource-intensive production processes, as well as consumption intensive lifestyles, both of which contribute to resource scarcity, pollution, waste generation and greenhouse gas emissions.

Among the main challenges for the achievement of a true sustainable Blue Economy in the Mediterranean are:

- Sustainable use of natural resources and the conservation of marine biodiversity, linked to food and livelihood provision;
- Food security, focusing on development of sustainable fisheries or exploitation of wild fish stocks, and sustainable and efficient aquaculture industries;
- Climate change and carbon budgets, facilitating the transition towards a low carbon economy and a renewable “blue” energy generation to address the acidification of oceans and pH decrease (CO₂ cycle); and enhance blue carbon cycles or carbon sequestration cycles, linked to the damage of coastal habitats such as mangroves, seagrass meadows or salt marshes;
- Marine and coastal tourism, which have consistently shown growing patterns over the past few years (however may be severely impacted due to the COVID-19 crisis). Increases of greenhouse gas emissions, water demand, sewage, waste generation, loss and degradation of coastal habitat, biodiversity and ecosystem services need to be addressed;
- Pollution and marine debris: a growing human population, the intensification of agriculture and urbanization of coastal areas are at the land-origin of increasing marine pollution, while shipping and marine resource exploitation (hydrocarbon or mining) are sea-based pollution sources.

56. This Regional Measures will contribute to tackle these challenges and to preserve healthy marine and coastal ecosystems in the Mediterranean, while enabling the development of green and circular business opportunities in key socioeconomic activities of the Blue Economy.

57. Challenges and opportunities to further integrate the sustainability pillars within Blue Economic sectors will be analysed, in order to identify the most relevant actions for the further development of green and circular businesses, in particular SMEs within sectors of the Blue Economy. In doing so, the actions will be structured around the key stakeholders’ groups that are structuring this set of regional measures (Entrepreneurs/start-ups/SMEs, policy-makers, BSOs and financial actors). This could lead to the development of a specific training programme for entrepreneurs, the provision of technical support to strengthen the enabling policy framework, the development of specific tools for Business Support Organisations to effectively support Blue Economy Entrepreneurs, the launch of specific open co-innovation challenges and the increase of sustainable finance geared towards those entrepreneurs of the sustainable Blue Economy.

Regional measure T2 would support the following Policy Recommendations:

- Promote sustainable principles and practices in the tourism industry (Specific Sectors or Waste Streams)
- Support circular businesses cases in the bio-based economy (Specific Sectors or Waste Streams)
- Develop cluster infrastructure for SMEs (regional/city programs)
- Launch Circular Challenges (R&D and innovation)
- Funding for research & innovation for the circular economy (R&D and innovation)

7. Regional measure addressing the demand for sustainable products and services and their visibility on the market

REGIONAL MEASURE D1: Strengthening access to sustainable products and services / sustainable consumption.

58. The regional assessment highlighted that the lack of appropriate market structures and the associated demand for green and circular products and services is one of the main obstacles for the development of green and circular businesses.

59. One of the main reasons is that green and circular businesses have difficulties to compete with “linear” businesses whose prices do not reflect social and environmental externalities. Likewise, most consumers, companies and organisations have little to no awareness about the benefits of a circular economy, or even SCP practices. They are very much price (and brand) driven and focus on lowering costs as much as possible. Consumer's behaviours are locked in unsustainable consumption patterns based on new generated needs, while green public procurement and market infrastructure development are weakly used.

60. Therefore, in order to support the development of green and circular businesses, it is of utmost importance to better manage and increase the demand for sustainable products and services so that those businesses will be economically viable (by having a critical mass of clients) and thus will be able to survive on the market.

61. Increasing awareness raising of consumers on the necessity to shift to sustainable lifestyles and consumption patterns is also essential to increase the share of sustainable products and services on the market.

62. In order to address those needs, policy-makers will have an important role to play. They will have to understand which are the critical environmental hotspots created by unsustainable consumption patterns, so as to define an appropriated policy response. Thus, they will have:

- to design relevant policies and strategies to incentive sustainable consumptions via new market structures,
- to ensure that sustainable businesses are playing with fair conditions on the market, when competing with more traditional products
- to ensure the adequate visibility of products the markets (eco-labelling and standard) and
- to ensure that new form of business models emanating from the implementation of circular economy principles are recognised and can operate in the countries.

63. Finally, Governments will also have a key role to play in increasing significantly sustainable/circular public procurement practices and in taking active part in shaping the role of consumers' preferences and attitudes in the transition towards a Circular Economy. In doing so, Governments could rely on/support Civil Society Organisations working on Education for Sustainable development.

64. At the business level, it will be particularly important to ensure that retailers and firms adopt sustainable sourcing strategies. By increasing their sourcing of sustainable products and implementing circular economy principle within the value chain, retailers and companies can positively influence the market and offer intermediate and final consumers a wider supply of sustainable products and services.

65. Improving demand-side management for sustainable consumption also requires to improve marketing of sustainable products and services, avoiding green washing and favouring the use of appropriated international standards and eco-labels. It will be necessary to also actively engage with buyers or directly with customers (depending on the type of business), as transparency in relations with suppliers and consumers is a key factor in maintaining long-term supplier-buyer relationship.

66. This transversal Regional Measure will address the above mentioned needs through specific actions with policy-makers, along the above described needs.

67. Sustainable business models will also be equipped with novel marketing strategies, based on co-creation, transparency and traceability and, where possible, on the use of appropriate standards and certification schemes. This action should be coupled with the facilitation of market deals to foster sustainable sourcing upstream selected value-chains, improving access for clusters and companies and business opportunities for entrepreneurs.

68. Finally, sustainable lifestyles should be promoted, exploiting the nexus between transition policies and behaviour changes and identifying unsustainable hotspots in consumption patterns at local and national level. Consumption-based accounting systems should be favoured and coupled with mitigation actions to reduce the consumers' footprint, targeting unsustainable consumption domains and providing suitable alternatives.

69. It has to be noted that the COVID-19 Pandemic had a huge impact on the consumption patterns and trends in all Mediterranean countries. Some trends might be just linked to the current sanitary crisis (and associated socio-economic and environmental crisis) but other might stay over the time. Those changes need to be well understood and the disruption of consumption patterns could be seen as an opportunity for moving towards more sustainable consumption patterns, in the spirit of a green recovery.

Regional measure D1 would support the following Policy Recommendations:

- Develop sustainable product policies (General policy recommendations)
- Tax benefits for green and circular businesses (General policy recommendations)
- Information on the analysis of trends regarding the progress on green and circular businesses (Access to financing and funding)
- Support awareness-raising campaigns on sustainable/circular practices among consumers (Stimulate consumer demand)
- VAT reduction or exemption for second-hand goods and repair services (Stimulate consumer demand)
- Support for green and circular businesses with reaching international markets (Stimulate consumer demand)
- Stimulate circular cities programs (Regional/city programs)
- Make green public procurement (and monitoring) mandatory practice across all government bodies (Public procurement)
- Provide circular procurement training and support for local authorities (Public procurement)
- Launch circular challenges (R&D and innovation)

Annex II

Short and Long Definitions of Sustainable Businesses

Brief definition of a Sustainable Business

1. A sustainable business provides commercial solutions which create ecological value and/or safeguard the environment (addressing environmental challenges and/or reducing environmental impacts) and are economically viable and socially empowering.

Comprehensive definition of a Sustainable Business

2. Based on the interdependency between the environment, society and economy, a sustainable business provides innovative viable products and services contributing to green, circular, socially inclusive, carbon-neutral and toxic-free economies by:

- (i) creating ecological value and/or safeguarding biodiversity and natural regeneration cycles (addressing environmental challenges, including climate change and/or reducing environmental impacts), as well as social value (addressing social needs), and
- (ii) by applying eco-innovation, life cycle thinking (including eco-design) and system thinking approaches.