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Seventh Meeting of the MCSD Steering Committee
Monaco, 1-2 October 2003

**REPORT BY THE SECRETARIAT FOR THE SEVENTH MEETING
OF THE MCSD STEERING COMMITTEE**

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**Report by the Secretariat for the 7th meeting of the MCSD Steering Committee,
Monaco, 1-2 October 2003**

I. Introduction

At its 8th meeting held in Cavtat, Croatia from 14 to 16 May 2003, the MCSD has considered various items on its agenda, in particular two key issues related to "MCSD Assessment and Prospects", and a proposed draft document on "Vision for sustainable development in the Mediterranean" together with a "Framework Orientations for a Mediterranean Strategy for Sustainable Development".

Considering their potentially determinant impact on MCSD's future, the discussions on both issues have been rather tense, and in both cases it was requested to further consider these issues before a final decision be taken.

Regarding the "MCSD Assessment and Prospects", a set of proposals was agreed upon, to be forwarded to the next meeting of the Contracting Parties, including a request to better assess appropriate means to promote sustainable development at the regional level, in particular through MAP structure and the MCSD. This issue has been considered by the Bureau of the Contracting Parties (19-20 May 2003, Sarajevo) and by the MAP National Focal Points (15-18 September 2003 in Athens); it will be an important item on the agenda of the meeting of the Contracting Parties (11-14 November 2003, Catania) with MCSD relevant proposals and the "MCSD Assessment and Prospects" report as an information document.

For what concerns the second item, it constitutes the main issue on the agenda of this 7th meeting of the MCSD Steering Committee, in view of preparing and forwarding more adequate documents and proposals for action to the attention of the next meeting of the Contracting Parties.

The members of the Steering Committee are expected to mainly consider the following three issues during this meeting:

- A slightly edited version of the "Vision for Sustainable Development in the Mediterranean";
- A new report on the "Framework Orientations for a MSSD";
- A proposed road map for the preparation of the MSSD.

Considering that relevant documents should be finalized a few days after this meeting and sent to the attention of the Contracting Parties by mid-October 2003 the latest, the members of the Steering Committee and other participants to the meeting are requested to provide clear and realistic amendments during the meeting so as to reach out satisfactory conclusions and acceptable proposals.

II. Preparatory Process for Framework Orientations for a MSSD

Following the conclusions of the Strategic Review for Sustainable Development in the Mediterranean and in conformity with the decision of the Contracting Parties at their twelfth meeting (Monaco, 14-17 November 2001), the Secretariat has launched the preparatory process starting with the elaboration of terms of reference that were endorsed by the 7th meeting of the MCSD (Antalya, March 2002), followed a few months later by a consultation working session between MEDU, concerned RACs and selected experts.

Consequently, three major studies were prepared concerning “Environment and Natural Resources”, “Economic Development and Social Equity” and “Governance, Political and Institutional Issues”. Taking into account the regional concerns, as well as the WSSD guiding principles and recommendations, these three studies constituted a sound and coherent basis for the Workshop on Orientations for a MSSD, that was held in Barcelona in March 2003. Benefiting from a large expert attendance and a very dynamic participation, this workshop paved the way for the framework Orientations, as well as for the common Vision for the Region.

As a follow up to the interesting findings and proposals of this Workshop, including the elaboration of methodological approach/guidelines for the preparation of these Orientations and then the Strategy, four of the most eminent and outstanding experts were requested to prepare “Orientations” papers in view of their merging/synthesis in an overall coherent framework Orientations for a MSSD, together with a draft Vision for sustainable development in the Region.

Draft “Orientations” and “Vision” reports were presented and discussed at the 8th meeting of the MCSD. The “Vision” report was well received and endorsed, whereas the paper on proposed “Orientations” raised criticism, mostly related to its style and structure, its core substance being generally accepted.

In view of the 13th meeting of the Contracting Parties to whom the MCSD proposals are to be submitted for their consideration, a set of conclusions were agreed upon, providing advices and guidance for the preparation of the Orientations, as well as for the Strategy. Soon after the 8th MCSD meeting, the Secretariat has began preparing a new draft “Orientations” report, with the assistance of one of the previous experts, giving due consideration to Barcelona’s conclusions and Cavtat’s proposals.

III. Vision and Orientations for a MSSD

Considering that the draft “Vision” report has been endorsed by the 8th MCSD meeting, it has been mostly edited, while preserving its substance and structure, so as to improve its presentation in view of its endorsement by the Contracting Parties and concerned Partners.

Translating to the Mediterranean context the Global concerns as identified throughout the preparatory process for the WSSD and its Johannesburg Plan of Implementation, and bearing in mind the objectives and priorities as identified in the Mediterranean Declaration for the Johannesburg Summit, six challenges are proposed as the key pillars on which to structure the foundations of the common Vision for the Mediterranean; moreover, these challenges should lead to the establishment of relevant “Pacts” that would provide the political and moral conditions to face up satisfactorily related stakes. These challenges and related “Pacts” are:

- Peace and Security, towards a Regulatory Pact;
- Poverty and Inequality, towards a Social Pact;
- Development and its impact on the Environment, towards an Environmental Pact;
- Innovation and Economic Entrepreneurship to face successfully the globalization, towards an “Entrepreneurial Pact”;
- Preservation of Cultural Diversity, towards a “Cultural Pact”;
- Governance, towards an “Ethical Pact”.

These challenges are in coherence with the global driving forces and stakes identified in the UNEP's Future of the World Environment, GEO-3, as the structured background for the 2002-2003 prospective exercise.

The members of the MCSD Steering Committee are expected to express their views about this new edition of the "Vision" note, keeping in mind that its substance was already endorsed by the 8th MCSD meeting.

Regarding the "Framework Orientations for a MSSD", a new report has been prepared, however using as background information the various documents previously prepared, the Barcelona analysis and conclusions as well as its methodological framework and the 8th MCSD's proposals.

Applying a systemic approach, a Sustainable Development Strategy requires new ways of thinking and working through a consensual and iterative process, involving different categories of Mediterranean actors that should commit themselves to the implementation and follow up of this shared strategy. Consistent with the Johannesburg Plan of Implementation, the MSSD needs a genuinely shared political will for the establishment of adequate and efficient governance.

Two key features distinguish the Mediterranean as a Region in the global context: the wide asymmetry between its various parts, and the lack of the economic dynamism and innovation. Closely linked, these two challenges constitute a vicious circle that maintains an overall economic sluggishness in the Mediterranean Region.

The political consciousness and answer to this vicious circle would much determine the way in which the other challenges would be faced up: globalization, peace and security, illiteracy and poverty, reforming of education sector, competitiveness in the private sector, improving management of natural resources and reducing sources of pollution, and the challenge of integrating sustainable development in Official Development Assistance and of up-grading Mediterranean cooperation.

It could ensue from this a long list of priority actions on which to structure the Regional Strategy, but considering the Mediterranean context, the few areas for priority actions for a MSSD could concern (using as much as possible background and analytical information from within MAP, in particular the Environment and Development Report to be finalized soon, together with information that could be made available by Partners): sustainable management of water, energy and air pollution, tourism, transport, management of marine and coastal zones, management of urban development. Obviously related activities would require awareness, capacity building, participatory approach and adequate financial means.

The members of the MCSD Steering Committee are expected to carefully read the report on "Framework Orientations" and provide their comments together with proposed amendments as this draft report should be finalized a few days after the meeting in view of its translation and submission to the attention of the next Conference of the Contracting Parties in Catania. Without looking for converting the meeting of the Steering Committee into a drafting group, it is important that the participants arrive to the meeting with already written proposals for improving the text of the "Framework Orientations", as necessary..

IV. Road map for the preparation of the MSSD

1. Next steps until the 13th CP meeting

Soon after the Steering Committee of the MCSD, the “Vision”, the “Orientations” and proposed road map for the preparation of the MSSD together with Secretariat note on MCSD activities, will be finalized, translated in four languages and transmitted, as part of the overall Secretariat report, to the Conference of the Contracting Parties for their consideration. As appropriate, the Parties and their Partners could approve or take note of the MCSD proposals.

Meanwhile, the Secretariat would undertake a consultation process with concerned partners from the Major Groups (Regional organizations, business sector and NGOs mainly) through email and if possible through limited working sessions to assess their interest and to a certain extent to secure their commitment to the Vision, the Orientations and the ensuing preparatory process for the MSSD. This will include a call for support (technical, in-cash and kind support in general or for specific activities).

2. Organization of the preparatory process

Responsible for policy and strategic issues together with general cooperation, partnerships and participatory approach, the MEDU-MCSD Secretariat will coordinate the overall preparation of the Strategy whereas the other MAP components (Regional Activity Centres and MED POL) will elaborate the thematic chapters that would fall under their areas of concern. However, other partners from Major Groups should also be closely associated to this preparatory process, either as an active member of a working group or as a task manager (or a co-task manager) for a given priority action.

Considering their experience in information and communication, partners from NGOs could be entrusted the promotion of the MSSD visibility, while IGOs and the Business partners could look in the financial matters for the future implementation of the MSSD.

The preparation of the MSSD could be structured as follows:

- Assuming that the proposed Informal Inter Agency Platform would be established, it could constitute the Advisory Committee for its preparation; otherwise, an Advisory Committee to be composed from few MCSD members and most relevant partners would be established, with the objective of advising on policy, governance, cooperation and other crosscutting issues.
- If necessary, a Scientific Committee could be established, with the objective of advising on and supervising the thematic papers and their integration in the MSSD.
- Each priority action and crosscutting issue will have a task manager (from MCSD members and/or other relevant regional partners) and a 5 to 8 working group members with appropriate expertise.
- The Advisory Committee, the Scientific Committee and the “thematic” working groups are expected to meet every six months to organize the activity, review progress, advice on next steps and finalize respective tasks.

Expected to be a pan-Mediterranean Strategy for Sustainable Development, not just a Strategy for MAP, the following agencies and organizations should be associated more or less directly and actively in the preparation of the MSSD:

- UN-CSD, UNEP and UNDP for the relevant interpretation and application of the Johannesburg Plan of Implementation (JPOI) at the Mediterranean level, together with, if possible, their involvement in the preparation of some MSSD components;
- UN Regional Offices (ECE, ESCWA, ECA) and UNEP Regional Offices (ROE, ROWA, ROA), together with METAP Programme;
- League of Arab States and CEDARE, EU (EC, EEA, EIB), Adriatic Programme;
- ICC/Med and ASCAME, Medcities, MIO-ECSDE, MEDFORUM, RAED, FOE, WWF, IUCN, etc.

For the sake of efficient cooperation, partnership and shared ownership of this MSSD, working sessions with these groups of partners would be organized in the short term.

3. Agenda and means

The preparatory process of the MSSD should be launched immediately after the meeting of the Contracting Parties, with a final draft to be ready for the end of June 2005, as it should be presented to the 14th meeting of the Contracting Parties in November/December 2005.

Considering the human (one professional) and financial (Euros 200,000) resources to be made available by the Contracting Parties through the MTF for the next biennium, period during which the MSSD should be prepared and finalized, more resources would be necessary for a satisfactory preparation and an acceptable output. These additional resources could be provided in various forms:

- Voluntary financial support to MAP components for undertaking MSSD related tasks;
- Secondment of young professionals to MAP components (MEDU or concerned RACs);
- Direct responsibility for leading and undertaking the tasks related to a priority area of actions or crosscutting issues;
- The organization of coordination and/or thematic working sessions and major workshops.

This additional and necessary support is not only expected from the Contracting Parties; other MCSDD members and Regional Partners are also expected to contribute actively to the preparation of the MSSD; this could be an indicator for commitment, joint responsibility and shared ownership.

A rough estimate of overall cost over two years for the preparation of the MSSD would be as follows, keeping in mind that several of the tasks hereunder are expected to be covered by voluntary in-cash or in-kind contributions:

MCSD Professional P3/P4	Euros 160,000
Working Sessions 10 working groups (6 thematic and 4 crosscutting issues) to meet at least 2-3 times, with some 10 persons each, including technical assistance: 20,000 Euros per working session	Euros 500,000
Technical Assistance (overall coordination)	Euros 50,000
Information, Communication, publications	Euros 50,000
Translation (English-French)	Euros 40,000
Total	Euros 800,000

This overall amount includes related budget already allocated in the 2004-2005 budget (still to be approved).

Preparation of the MSSD would be much improved through adequate and strengthened synergy together with direct commitment of Regional Partners.

The members of the MCSD Steering Committee are expected to discuss this road map and advise the Secretariat on its feasibility and application, focusing on ways and means for securing a quick and efficient launching of the MSSD preparatory process.

ANNEX I

PROPOSED METHODOLOGICAL FRAMEWORK AND OUTLINE FOR A MSSD (just for information)

1. DIAGNOSIS

- * Deficits
 - production
 - governance
- * Strengths and weaknesses of the Mediterranean
- * Level of involvement of actors
- * Little or no convergence (income per capita)
- * Asymmetry in trade vs. financial flows
- * Inefficiency in the use of natural resources, and pressures:
 - water
 - energy
 - space

2. CHALLENGES

- * Stability vs. conflict
- * Free trade
 - regional (EMFTA, etc)
 - global
- * Poverty
 - precarity → informality → unemployment → exclusion
- * New technological revolution (information technology)
- * Sustainability
 - production patterns
 - consumption patterns

3. VISION - common values and global objectives

- * Peace - justice
- * Equity - social solidarity
- * Participation - democracy
- * Ethics - sustainability

4. PRIORITY FIELDS

- * Production and consumption patterns
 - water
 - energy
 - transport (road and maritime)
- * Economic development, etc

- * Coast - tourism
- * Urbanization - localities
- * Social equity, etc

5. MEANS

- * Governance
- * Decentralization
- * Networking
- * Information and communication strategies
- * Strategic planning
- * Training-Education
- * Reinforcing Institutional Capacity building
- * Flexibility of institutional mechanisms
- * Follow-up – evaluation-indicators
- * Debt conversion → sustainable development

6. ACTORS

- * Map of actors (local, national and regional levels), public, private, civil society; (regional cooperation and by priority fields)

7. AGENDA- Steps- Road map.

ANNEX II

Guidelines of the MCSD on the preparation of a Mediterranean Strategy for Sustainable Development (MSSD), submitted for attention to the Contracting Parties*

The MCSD considered the revised Synthesis Report (attached), based on six experts' reports and the contributions made at the Barcelona workshop in March 2003.

A. The Commission decided that the preparatory process for the MSSD would be pursued with the aim of presenting the Strategy for adoption at the 2005 meeting of the Contracting Parties. It proposed that work should be carried out in four stages, addressing:

- a shared vision,
- the strategic orientations,
- cooperation with major stakeholders, and
- the elaboration of the regional strategy for sustainable development (with action plans and governance provisions).

B. Stakeholders should be identified and involved in the process before the strategic orientations are finalized.

C. The future work for the preparation of the Strategy should be undertaken along the following lines:

- the four stages of the preparatory process described above;
- the paper proposing a shared vision (submitted for information) with a view to meeting effectively the sustainable development challenges concerning the region. To this end, due consideration should be given to the following common values:
 - Justice and peace
 - Equity and solidarity
 - Rights of future generations
 - Mediterranean identities
 - Innovation and creativity
 - Governance, participation and responsibility.
- a constructive approach should be followed when preparing the strategy, bringing to the fore positive elements such as MAP implementation and the SAPs, as well as regional challenges, and employing balanced language on sensitive issues. The definition of sustainable development provided in the Bruntland Report (as approved by all countries) should be used as a basis in this process.

D. The following general orientations for the preparation of the MSSD were endorsed by the MCSD:

- The Strategy should be based on effective interlinkages among and integration of the three components of sustainable development, that is economic, social and environmental, giving due consideration to the issue of governance;
- Links should be established between the long-term vision, the medium-term objectives and the short-term actions;
- Proposals should be based on an analysis of realities in the region using input from all available sources and, in particular, the report being prepared by Blue

- Plan on “Environment and Development in the Mediterranean”, including the main trends, regional strengths and weaknesses, and geopolitical challenges;
- The Strategy should fit into the regional political context, establish links with the evolving Euro-Mediterranean Free Trade Area (EMFTA), propose ways to face the challenge of convergence and provide alternative scenarios in order to face the multiple uncertainties related to this regional political context.

E. Priority fields of action should be set out on the basis of the on-going analysis and in cooperation with the stakeholders who will be involved in the preparatory process; these priority fields of action, to be further specified, could include water, energy, industry, tourism, transport, land use, urban development and improvement of the quality of life. Work to be undertaken would promote sustainable production and consumption patterns, and identify appropriate economic development and social models taking into consideration the specific characteristics of the Mediterranean.

**When reviewing the Orientations or the MSSD and related recommendations to the attention of the next Contracting Parties meeting, attached report from the Chair of the break-out session need to be given due consideration*

ANNEX III

MEDITERRANEAN VISION FOR SUSTAINABLE DEVELOPMENT¹

Together with China, India and Africa, the Mediterranean region is at the core of Human history. Both Eastern and Western prestigious civilizations were built around this famous sea, in spite of many conflicts that have divided this highly political sensitive area. The Greeks, the Phoenicians, the Hittites, the Sumerians and Assyrians, the Romans, the Byzantines, the Arabs, the Spanish, Italian and French, the Ottoman and the Hapsburg Empires had all contributed in making the Mediterranean region one of the richest in terms of cultural patrimony and intercultural relations. The beauties of its lands and its nice climate have added additional attraction to the region.

Situated at the strategic crossroad of three continents, the control of the Mediterranean sea has always been a high stake in international relations. This is why this region could never acquire an internationally recognized status. Its riparian States belongs to different regions as defined by the UN and large international agencies. They are split between Europe, Africa, the Middle East or Western Asia, Islamic countries, the Balkans and Central Europe.

However, in recent years the feeling has grown amongst the people of the region that the Mediterranean needs to develop a common vision of the future of the region to face the many challenges that are confronting them. This feeling is on the increase as the region has to cope with more conflict resolution, more economic and social disequilibria between its various shores, more threats to the environment, more demographic and migration problems, more sluggish growth and unemployment among the youth, the spreading of more ethnic and religious prejudice.

This is why it is time to build a larger shared vision of the future of the Mediterranean region based on what exists already in the field of cooperation between its various States and entities. Such a vision would become the basis for developing a comprehensive and efficient strategy for sustainable development.

In fact, during the last thirty years cooperation has substantially developed in the region in spite of all conflicts and divergent geopolitical situations. This cooperation has targeted two main objectives: fighting pollution and degradation of natural and archaeological and cultural resources; promoting peace and security. Both the European Union and the United States have been actively involved in the region to contain conflicts. The Barcelona process initiated successfully in 1995 by the European Union and the Madrid process initiated in 1991 by the United States have been devoted to stabilizing the region and creating favourable conditions for peace and stability.

But now time has come for the Mediterraneans themselves to take a more direct and active role in designing their vision for the future and identifying the real challenges and obstacles to face within a coherent framework for a strategy to reach SD. All economic and social indicators available are showing that the Mediterranean

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

region is enduring more unsustainable policies, creating more splits inside its countries and between them. If strong corrective actions are not taken, scenarios for the future remain bleak in terms of more regional ecological imbalances and aggravated inequalities.

This is why there is a need for a broader view overcoming national borders and short-term focus on traditional narrow “national” interests. Only by designing a more long-term view could we make the right choices today to arrive at a sustainable balance in the future.

Our vision of the future should be an ecoregion that is developing while at the same time becoming more diversified, a region whose environment is healthy, whose natural diversity is protected, a region where there is greater prosperity and more democracy and where the common cultural heritage is cherished. Today, we are a long way from being able to describe development in the region as sustainable.

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

The growing importance of globalization implies more economic, political and cultural interdependence. Globalization has many advantages but which are unequally shared. It can only be extended harmoniously if it is associated with a process of sustainable development. Such a process should secure an adequate and fair cost sharing for the protection of the Mediterranean environment and its natural resources. In such a context, the elaboration and implementation of a Mediterranean sustainable development strategy constitute a big challenge and would be the culmination of a lengthy process of consultation and regional cooperation that succeeds in overcoming the various social and political differences existing between Mediterranean countries.

Such a process should lead to integrating sustainable development and governance principles in all decision-making structures so as to suppress the various serious threats on the well-being of the Mediterranean population.

In this respect, sustainable development goes against the traditional rule of “all, at once”, but rather focuses on combating pollution, developing cleaner technology, promoting renewable energy, recycling waste, fighting poverty and securing more participation of all citizens in the process of economic and social development.

The initiatives taken at the regional level to make the new concept better known include the elaboration of Agenda MED 21 in 1994, the revision of the Barcelona Convention in 1995, and the creation of the MCSD within the MAP in 1996.

The strategic review of sustainable development in the Mediterranean region, prepared in 2000, shows that the transition to sustainable development depends on the capacity of States to formulate policies involving public and local authorities, business entities, media and education institutions, as well as non-governmental organizations.

In the light of the demographic, economic, technological and socio-cultural differences between the Northern and Southern shores of the Mediterranean and the difficulty of overcoming present constraints, progress achieved has not been up to the challenges facing the region. A common vision of progress and sustainable development should identify these challenges to focus on the best collective way to face them successfully.

There are six major challenges that originate from the region's geographical, political and cultural features.

The first challenge is peace and security: towards a Regulatory Pact

The Mediterranean region has been characterized all through its long history by both antagonisms and peaceful coexistence. This is why everlasting cooperation and collective security have never been concretised. During the last half-century, many conflicts have badly affected the lives of millions of people in the Mediterranean. Different forms of violence, oppression and extremist ideologies are continuing today to make many victims preventing the emergence of a stable and peaceful environment. This is why there could be no sustainable development without making determined efforts to establish significant levels of collective action to suppress the causes of conflict.

Since 1995, the Barcelona process has been endeavouring to preserve a zone of peace and stability, to create a common area of prosperity, by establishing a free-trade area and promoting dialogue built around different culturally defined and politically organized entities. For the moment, however, the Euro-Mediterranean Partnership represents a platform to express the various interests and positions of countries, rather than the genuine common interest of the Mediterranean. If the Cold war ended, many conflicts persist and the collapse of the Middle East peace process in 2000 has shattered development prospects. The situation in the Balkans, although having stabilized and improved since 1994, remains highly volatile.

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

The future of the region calls for mutually guaranteed security between countries that would constitute an efficient and well-accepted balance backed up by a **Regulatory Pact** banning violence and aggression, but not confining itself to military and security aspects as threats can also originate from economic and social destitution.

Demographic imbalance between the two shores is adding another dimension to the tensions and fears that prevails in the Mediterranean, while intense migrations from the South to the North has created more complex human bonds between the various national and religious groups. Although criticized by some ideologies for their cultural values, the countries on the western shores continue to attract poor people from the southern and eastern shores. Many put their lives at risk to migrate. This clearly shows how deeply all the shores of our Sea are linked, in spite of conflicts and differences.

This is why the feeling that we share a common destiny has to be fostered in our diverse societies because we all need a stable and balanced relationship with our partners.

The second challenge is poverty and inequality: towards a Social Pact

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

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

Human poverty is two to three times more spread in the South than in countries of the North. This means the existence of problems in obtaining access to health services, drinking water and sanitation and an increase in maternal and infant mortality as well as significant inequalities between men and women.

Regular schooling for girls and enlarging women access to the labour market are two factors that help to lower fertility rates. Reducing men's unemployment should, under no circumstances, prejudice women's rights.

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

This is why the emergence of a "**Social Pact**" should become a priority in order to rebuild a sharing society by reducing poverty and the disparities that lead to despair and exclusion. This was the aim of the commitment made at the Copenhagen Summit on Social Development, organized by the United Nations in 1995.

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

The third challenge is development and its impact on the environment: towards an Environmental Pact

The fear of uncontrolled flows of migrants to countries of the North has incited the European Union to act so that some of the induced outcome of its growth would help the development of countries of the South and East within the framework of the Euro-Mediterranean Partnership.

These countries must however know how to benefit from this narrow margin of competitiveness given to them in comparison with their competitors both within and outside the European Union.

The EU economic area cannot without risk exclude countries of the South from joint development. If that would occur the insecurity on the Southern shores would become worse and, moreover, would deprive Europe of privileged outlets in an area with a high rate of demographic growth that favours other economic areas.

The Barcelona Declaration deals with the relationship between economic growth and environmental protection. It also calls for the integration of environmental and economic policies and mitigation of the effects of growth that harm the environment. The creation of the Euro-Mediterranean Partnership constituted a major step that could promote broader multilateral cooperation and environmental integration with a view to sustainable development.

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

History teaches us that civilizations also fall because of their excesses if nothing is done on time.

Measures taken to protect the environment at the national level become meaningless if they are not backed up at least at the regional level because this problem ignore borders.

An “**Environmental Pact**” based on an alliance between development and environmental protection should give priority to sustainability and take into account the right of future generations to quality of life without harmful effects.

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

The fourth challenge is innovation and economic entrepreneurship to face successfully the globalization: towards an “Entrepreneurial Pact”.

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

Globalization is a process whereby economic patterns are decisively influenced by market mechanisms in the context of open economies. Economic regulation in global markets is no more exclusively in the hands of States and Government bureaucracies. Globalization offers many opportunities by facilitating the free flow of information, goods, services and technologies. But it constitutes also a big challenge for slow performing economies or for social groups excluded from the benefits of globalization and, thus, feeling threatened in their ethnic or religious identities. The danger is that globalization may ignore countries and social groups with few resources, lack of innovation and poor markets to develop.

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

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

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

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

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

The fifth challenge is the preservation of cultural diversity: towards a Cultural Pact

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

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

This why a **"Cultural Pact"** based on education for all, throughout their lives, could be a powerful source of identity in order to move from the information (often misinformation) society to the knowledge and know-how society. In-depth reform of education for young people is needed, with the emphasis on creation and innovation and not the blind endorsement of a dominant culture. Generalizing access to knowledge through distance learning will be a considerable challenge.

The sixth challenge is governance: towards an Ethical Pact.

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

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

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

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

Associations could help to bring about a new culture of democracy that would involve the Mediterranean as a whole, in view of the pitfalls of assimilation or falling back on identity.

An “**Ethical Pact**” would give meaning and perspective to a Mediterranean sustainable development process that would respect a shared ethical view of sustainability that responds to a moral imperative and transcends any utilitarian considerations.

The active participation of organizations in civil society, which are the repository of the wide variety of cultural values and traditions in the region, would be useful in this regard.

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

The principles of the Rio Declaration, which underlined the environmental dimension of sustainability, should be an integral part of the process.

They include:

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

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

The ethical Pact would not, however, be complete without sharing and solidarity, so that development should benefit all.

The objective of the sustainable development process in the Mediterranean would be, therefore, to protect society's physical and human capital in the long term.

It should mobilize not only States but also actors in civil society and the private sector at all levels and strengthen regional cooperation.

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

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

- the enlargement of Europe towards the East;
- the instability of borders, still a source of conflict;
- the relative effectiveness of the Euro-Mediterranean Partnership;
- the absence of a dynamic and organized private sector;
- the emergence of the social dimension and the need for governance as emphasized by the Johannesburg Summit on sustainable development;
- the progress of globalization institutionalized through the World Trade Organization, and the Commission on Sustainable Development,
- the lack of adequate implementation of major environmental conventions.

ANNEX IV

**FRAMEWORK ORIENTATIONS FOR A MEDITERRANEAN STRATEGY FOR
SUSTAINABLE DEVELOPMENT**

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ANNEX IV

FRAMEWORK ORIENTATIONS FOR A MEDITERRANEAN STRATEGY FOR SUSTAINABLE DEVELOPMENT¹

Introduction

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

The emergence of the concept of sustainable development

In fact from the Brundtland Report in 1987 published under the title of “Our Common Future” to the Earth Summit in Rio de Janeiro in 1992, there has been an increasing awareness of the need to change the traditional view about the determinants of economic growth. Growth and progresses in economic well being achieved today should not impact negatively the opportunities of future generations. In consequence, the preservation of natural resources as a common heritage of Humanity has emerged as a main target of economic policies. This aim, however, cannot be successfully achieved without major economic and social changes both in the industrialized world and in the developing countries.

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

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

- Eradication of poverty by enlarging the access of the poor to production assets and facilities (land, credit, technical training, efficient technologies)
- Participation of stakeholders in decision-making (local bodies, NGOs, private sector and professional organizations)
- Changing consuming and producing patterns to avoid wastage of resources and depletion of non renewable resources

¹ Report prepared by the Secretariat, with the assistance of Dr. G. Corm

- Careful management of scarce resources (energy, water, forests, fisheries)
- Efficiency in industrial production to prevent major pollution impact and environmental catastrophes
- Safeguarding cultural identities

Actions taken in the Mediterranean region

The Mediterranean region has begun to take action to enter into a sustainable development process since the middle seventies of last century. This region is a fragile eco-region that has become aware of the pollution threat that mass tourism and the intensity of maritime traffic are creating. Several inter-State agreements were signed to deal with the various sources of sea pollution. The creation of the MCSD in 1996 was another important step towards developing a full-fledged strategy for sustainable development in the region. In addition, the development gap between the two shores of the Mediterranean and the multiplication of armed conflicts in the region or at its vicinity has increased the need for such a strategy. The establishment of the Barcelona process in 1995 and the initiative of the European Union to create a Mediterranean free-trade zone between the two shores have been an additional incentive to develop such a strategy, in spite of all constraints and challenges.

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

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

How the Orientations have been developed

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

Based on this overall diagnostic of the Mediterranean situation, **Part II** of the framework proceeds with defining the main challenges facing the Mediterranean countries (multiplication of conflicts, increasing gap between the northern part of the Mediterranean region and its southern and eastern parts, trade liberalization and globalization, increasing sources of pollution). The main elements of the Vision

Document are considered to be the appropriate support from which to define the main objectives of SD policies in the region.

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

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

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

Definition of sustainable development and key role of governance

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

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

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

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

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

information, justice and participative action, as embodied in the Aarhus Convention already accepted by a number of Mediterranean countries, and the revised Barcelona Convention (Articles 19 and 20)

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

Methodological approach

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

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

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

Shaping a strategic SD path requires :

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

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

The Mediterranean sustainable development strategy should reflect responsible acceptance of the medium-term and long-term challenges, a clear commitment and solidarity at all levels (regional, national and local) in all fields (economic, social and environmental). It should also be wholly consistent with the Plan of Implementation of

the Johannesburg Summit, adapting it to the Mediterranean context and putting it into effect at the regional level.

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

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

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

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

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

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

The Mediterranean region in the World economy

The historical process of the weakening of economic performance of the Mediterranean region in the World economy has badly affected its southern and eastern shores. After being at the center of world trade, the opening of the Atlantic and the discovery of new trade roads from Europe to the Far East contributed to marginalize the Mediterranean economy, including its northern shores. The trend towards growing economic globalization after the fall of the Soviet Union and the creation of the European Union, allowed the northern part of the Mediterranean to be successfully integrated in the European and world economy. However, this was not the case of the Eastern and Southern parts that suffered from many armed conflicts and situations of violence, while

high population growth in many countries is putting pressure on the few resources of these countries.

The main features of the asymmetry existing between its different parts

The Mediterranean region today is characterized by a sharp asymmetry between its two parts.

- The distribution of the population around the Mediterranean and its structure have much evolved. From about 1/3 of the total Mediterranean population in 1950, the countries of the East and South are expected to reach 2/3 in 2025. Moreover, the population in the European countries is getting older whereas the majority is below 20 years in the rest of the region.
- In the North, standard of living has increased to almost reach the level of the more developed part of Europe. At the same time, mass tourism, heavy maritime transport activities, pollution of the main large rivers that end in the sea, are putting heavy ecological pressure on this part of the region and mainly on the coastal areas. The conditions of the enlargement of the European Union to Mediterranean countries in the framework of a single market illustrated this duality between, on the one hand, economic and social coherence and, on the other, the diffusion of new ecological problems related to the adoption in Member States of patterns of consumption, production, distribution and transport that are not sustainable.
- In the South, standard of living tends to stagnate at a low level (between \$ 2 000 and \$ 4 000 of GDP per capita as against \$ 18 000 per capita in the North,). Economic activities are highly dependent on low-level traditional services; manufacturing activities are neither developed nor competitive; population growth, although on the decline, is still very high. Mass tourism and high dependency of the transportation system on cars and trucks create additional pressure on the natural resources and ecological balances. Although GDP per capita in the Eastern part of the Mediterranean is higher on average than in the Southern part, the conflicts in the Balkans have levied a heavy toll on standard of living and GDP per capita. To the exception of Greece successfully integrated in the European Union, and Israel and Cyprus, GDP per capita is still much lower than in the North.
- In addition to the gap in income, another indicator of the deep asymmetry affecting the Mediterranean region is the distribution of exports. Eighty five per cent of exports and eighty percent of imports are due to three northern countries (France, Italy and Spain). In addition, the region suffers from structural trade deficits affecting all countries to the exception of Italy and France, as well as Libya and Algeria, which are energy-exporting countries.

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

Financial distress and insufficient financial flows

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

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

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

The rent economy and its negative impact

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

In most cases, rent economies hinder innovation and creativity and make the economy totally dependent on exogenous factors. It favors a large brain drain that is very detrimental to sustainable economic growth. It also distorts income distribution by concentrating wealth in the hands of small groups able to take advantage of the rent while poverty and illiteracy become very difficult to eradicate. It might also become an obstacle to democratization and the rule of law.

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

The common ecological problems

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

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

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

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

The Governance issue

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

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

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

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

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

Part II. Identification of the main challenges

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

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

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

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

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

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

- GDP per capita should increase at much higher rates in the poor parts of the Mediterranean, so that increased trade activities can develop between Mediterranean countries.

- This would require a much higher level of productive investments in the poorer part of the Mediterranean by nationals, emigrant business community and European and international companies.
- The increase in the level of investment could reduce the brain drain that affects these parts of the Mediterranean so that management capacity and productivity could be substantially raised in the less developed economies.

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

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

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

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

Specific sub-challenge issues

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

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

1. The globalization challenge

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

As it is well known, the Northern parts of the Mediterranean and Greece have taken advantage of their integration in the European Union and benefited from large amount of transfer of financial resources. However, this is not yet the case for the

other parts. It is true that through the Barcelona process and MEDA programme, the European Union has contributed large amounts of humanitarian aid to conflict zones and increased loans and grants for infrastructure or economic reform. But these transfers do not match the amount of flows disbursed to concretize the single market and reduce regional asymmetries between the richer and more industrialized parts of Western Europe and the poorer and less dynamic parts.

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

What is required to face this challenge is not a return to protectionist policies, but the identification of bold policies to stimulate the production capacity of the concerned countries and their competitiveness within the framework of mobilizing fully all available human and financial resources of the local population and its entrepreneurial talents both at home and abroad..

2. *The peace and security challenge*

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

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

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

3. *The illiteracy and poverty challenge*

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

The electronic revolution and modern teaching technique should be made use of without delays in rural areas as well as in poor urban suburbs. Social pride and

entrepreneurial talents of the Mediterranean people are not compatible with such large pockets of illiteracy. The situation has reached a point where large numbers of Mediterranean poor put their lives at risk to cross the sea in the most dangerous situation to migrate to the European shore where they hope to improve their miserable condition.

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

4. *The challenge of reforming the education sector*

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

5. *The challenge of competitiveness in the private sector*

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

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

Thus, the reform of the private sector is a challenge as big as the reform of the public sector. Up to now, all the emphasis have been put on downsizing and reforming the State and privatizing Public Enterprises, but an equal challenge is that of up-grading the productive capacities of all segments of the private sector.

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

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

- Improving management of water resources is linked to improving agricultural technique, urban distribution of water, recycling of used waters, better industrial management of water consuming.

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

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

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

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

As for Mediterranean regional cooperation, there is now a high degree of recognizing the need to up-grade it to the level of the challenges facing the Mediterranean. However, financial resources are not yet made available to boost the activities of the specialized institutions created in the framework of the EU, UNEP/MAP (including its Regional Activity Centres) and other UN institutions and their Regional Offices/Programmes and entrust them with adequate human and financial resources.

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

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

Emphasis has been traditionally focused in the Mediterranean region on the exclusive role of the State as the key actor in the process of economic development. For many years during the sixties and the seventies of last century, State intervention and the

creation of Public enterprises were looked upon as the principle engine of growth and economic and social development.

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

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

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

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

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

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

1. Local bodies

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

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

In certain Mediterranean countries, autonomy granted to regions has been quite successful; aid provided to the poorer regions in the EU countries has been an important factor of reduced asymmetries inside each country and between countries. However, in some cases, greater autonomy can bring less control on the environment. In other countries, there is still a very strong centralization of policymaking at the Central Government level and a strict control of the Ministry of Interior on all local initiatives.

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

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

Decentralization is more or less advanced in the Mediterranean countries but it is generally progressing. Associating the Local Authorities in the Sustainable Development process, in particular through Local Agenda 21, is extremely important and the experience of the MEDCITES network could provide a valuable support.

2. *Non-Governmental Organizations*

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

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

Since 1980 and mainly 1990, the Mediterranean NGOs have improved their organization and increased their role and impact on issues mainly related to awareness for environmental protection. Several networks have been established, such as MIO-ECSD, Medforum and RAED, or NGOs such as IUCN, FOE, and WWF have established Mediterranean Offices. Considering the challenges to be overcome by the Mediterranean region, the NGOs could have an important role to

play as partners in promoting Sustainable Development, in particular awareness and specific actions.

3. *Educational institutions*

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

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

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

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

Primary and secondary education should be geared towards training students to become more aware of social and economic responsibilities and aware of the need for governance and accountability for the welfare of their society. Respect for the environment, knowledge of detrimental consumption patterns, promotion of the various cultures of their countries and their neighboring Mediterranean countries should be included in the school's curriculum.

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

4. *Private sector and Business Associations*

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

Although highly developed countries have developed many institutions and principle to make the business community more accountable of its performance and more conscious of its social responsibilities, including the preservation of the environment, this is not yet the case in the Mediterranean region. The social responsibility of private economic entrepreneurs (companies, rich families, land owners, bankers, etc.) is not yet acknowledged. Business ethics, corporate citizenship and the nine principles embodied in the **Global Compact** initiative of the Secretary General of the United Nations proposed to the World Economic Forum in 1999 and launched at UN Headquarters in July 2000 are not yet taken into consideration by the Mediterranean Business communities. The nine principles that companies have to respect concerns human rights, labour standards and environment.

The private sector and business associations are however showing increasing interest to the Sustainable Development concerns and principles. Eventhough a lot still needs to be achieved in this context, more and more Mediterranean business actors are in the process of integrating environment concerns and Sustainable Development principles in their long term plans, such as ICC and its regional partners, ASCAME, the Maghreb Business Union.

Part IV. Areas for priority actions

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

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

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

Sustainable management of water

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

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

The major consumer of water in volume terms is irrigation, followed by urban consumption, then industrial use, while environmental demand is emerging. Given the high rate of population growth and urbanization that will continue to prevail in the next two decades, urban consumption will become increasingly important in the future. Further more, if growth rate are accelerated, which is badly needed in the region, industry will be also using more water.

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

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

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

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

Energy and air pollution

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

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

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

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

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

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

It will identify partnerships, particularly in relation to bilateral and multilateral financing in support of objectives, especially in Euro-Mediterranean countries and reconstruction programmes for the Balkans.

Towards a Sustainable Tourism

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

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

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

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

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

Sustainable Transport in the Mediterranean

The Mediterranean has a remarkable comparative advantage for travel. Travel and transport account for 60 per cent of foreign trade in services around the Mediterranean. The intensity of road and air traffic has been mentioned earlier as a main source of air pollution that adds to sea pollution by the maritime transportation system.

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

The Strategy should distinguish between:

- the issue of urban transport where priority must be given to the renovation and extension of public networks;
- desirable objectives in relation to the development of safe maritime transport and measures for the prevention of accidents, monitoring and reducing voluntary waste, equipping ports with reception facilities in accordance with MARPOL and the new Prevention and Emergency Protocol;
- the transport of goods over medium and long distances and the interurban transport of passengers, as well as the renovation of railway lines which should be fully exploited .

Sustainable management of marine and coastal zones

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

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

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

The Strategy will be based on the PAP/RAC White Paper on the management of coastal zones and the recommendations adopted by the MCSD. It will be intended to:

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

Sustainable Management of Urban Development

In the past, the major urban centres proliferated around primal coastal settlements and ports; their development was typified by special concentration. In recent decades, with the advent of rising incomes the modernization of transportation (mainly road infrastructure) and tourism, there is evidence of an increasing sprawling urbanisation attitude being superimposed upon the coastline, which further attracts population and economic activities.

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

Taking as a basis the MCSD recommendations adopted in Monaco (2001) the Strategy will set out objectives in the following areas, among others:

- urban planning policy,

- preservation of peri-urban agriculture,
- promotion of sustainable urban transport,
- control and management of domestic waste,
- modernization through cleaner technologies of industrial plants situated in urban areas and which are harmful to the health and quality of life.

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

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

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

Capacity building and awareness for Sustainable Development

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

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

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

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

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

- establishment of governmental, regional and local structures capable of developing sustainable development strategies;
- strengthening of Ministries of Environment and their implementation services (environmental inspectorates, processing of permits, application of environmental legislation, management of protected areas, etc.);
- strengthening of public information and participation mechanisms;
- objectives to be set in relation to access to environmental justice;
- objective to be determined in relation to research and development, as well as education for sustainable development, including technological aspects;
- development of environmental statistical services and observatories particularly through the development of the MEDSTAT Project.

Institutionalizing SD pacts between the various actors and stakeholders and mobilization of Regional Partners

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

Such arrangements should take place at the local and national level. At the local level, municipal bodies and other concerned decentralized geographical entities should initiate a dialogue between the actors and stakeholders already mentioned to tackle local challenges and determine objectives to be reached in a certain time span by common and shared efforts of all parties. Objectives will be related to tackling unemployment, reducing poverty, protecting the environment and the natural and historical patrimony resources of the local entity (a town, a village, a region, a rural area).

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

The Strategy should mobilize active regional and sub-regional sustainable development partners in the Mediterranean:

- The Euro-Mediterranean Ministers of the Environment have already recognized the value and importance of the MSSD, in the preparation of which the Euro-Mediterranean Partnership will be closely associated. The Euro-Mediterranean Partnership, under the Gothenburg Declaration and the Declaration of Euro-Mediterranean Ministers of Environment (Athens, 2002), should communicate the measures adopted to integrate sustainability issues in the Euro-Mediterranean Free-Trade Area project, beginning with the association agreements currently being revised or negotiated. All the aspects of the Partnership would be reviewed in this spirit, and particularly, energy, transport, tourism and financing. The EIB (Mediterranean Facility) would also be invited to be associated with this approach;
- The World Bank particularly active in the field of water management, and METAP, UNDP, FAO and other United Nations agencies will also be invited to present their objectives in the Mediterranean region in accordance with the Johannesburg Plan of Implementation;
- Intergovernmental initiatives or programmes active at the subregional level (the League of Arab States, Arab Maghreb Union, the Adriatic-Ionian Initiative) will also be invited to indicate their objectives;
- The Strategy will also invite actors representing decentralized structures, such as the Conference of Peripheral Maritime Regions of Europe and MedCities to be associated with these objectives;
- The Strategy will also invite the main NGO networks and other major groups;
- Finally, networks of enterprises and chambers of commerce and industry will be invited in view of their essential role in the promotion of sustainable development.

Mobilization of financial means

Financial means for SD will have to be increased substantially if the challenges identified are to be met and the objectives set in the priority areas for action are to be achieved.

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

- the increase in the proportion of GDP devoted to sustainable development issues (public health, education, research, environment, public transport);
- development of ecological tax measures based among others on the use of natural resources and tourism;
- development of financial mechanisms for the development of water and waste management infrastructure, with particular emphasis on waste water treatment;
- mobilization of multilateral and bilateral assistance;
- development of other innovative financial mechanism for the implementation of sustainable development policies, such as debt-nature swapping, Mediterranean bonds, etc.

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

Adapting Development Assistance to the needs of SD

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

1. Decentralized Assistance

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

2. Assistance to capacity building for actors and stakeholders of SD

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

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

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

Conclusion: how to implement the Framework Orientations

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

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

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

ANNEX V

A. HIGHLIGHTS FROM THE JOHANNESBURG DECLARATION ON SUSTAINABLE DEVELOPMENT

Broader commitment

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

Overarching objectives

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

Commitment to Sustainable Development

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

Stronger regional groupings and alliances

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

Multilateralism is the Future

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

Making it Happen!

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

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

I. INTRODUCTION

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

II. POVERTY ERADICATION

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

III. CHANGING UNSUSTAINABLE PATTERNS OF CONSUMPTION AND PRODUCTION

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

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

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

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

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

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

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

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

VIII. SUSTAINABLE DEVELOPMENT FOR AFRICA

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

IX. MEANS OF IMPLEMENTATION

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

X. INSTITUTIONAL FRAMEWORK FOR SUSTAINABLE DEVELOPMENT

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

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

Participation of major groups

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

ANNEX VI

BRIEF REPORTS FROM THE WORKING GROUPS FROM THE BARCELONA WORKSHOP ON FRAMEWORK ORIENTATIONS FOR A MSSD

ENVIRONMENT AND NATURAL RESOURCES

What is at stake with sustainable development is to make a break from current scenarios through the adoption of a policy for the conservation of the environment and territorial protection. It is therefore necessary to seek interfaces for the strategic orientations by addressing certain critical thematic aspects (such as waste management, which for example is a result of production and consumption patterns, and coastal management, which therefore have to be addressed upstream by endeavouring to make the actors involved more responsible so that they adopt more sustainable patterns in the use of resources).

The global approach to territorial development involves not engaging in conservation in an isolated fashion without generating a veritable dynamic of investment at the territorial level through which it is possible to decrease the exploitation and pressure on resources.

The level of action identified as a priority and as a federating factor for a series of Mediterranean actors would appear to be that of *coastal areas*, as investment, pressure on resources and impacts on the land and marine environment are focussed at that level. On this basis, two key elements need to be taken into account:

- The impacts of the free trade area and means of orienting investment towards more isolated areas;
- Upstream work on production and consumption patterns with the objective of achieving efficiency in certain key sectors (water, energy, ...)

Priority sectoral policies which need to develop in a transversal manner at this territorial level and which concern:

- water: in view of the major investments in this sector and the need to break with the traditional policy of water supply;
- energy: if efficiency is managed better, it will be possible, for example, to avoid the construction of new power stations with their impact on the coast;
- agriculture: in view of the concentration of the related activities in certain small areas, with the resulting pressures;
- pollution related to the lack of appropriate infrastructure (treatment plants) and to risk factors

The means which it will be necessary to deploy in order to mobilize the actors will depend on the capacity to generate involvement at the most decentralized level by governmental and non-governmental organizations. In practice, there is a potential at the local and national levels to bring a coherence to different logics in terms of interests and conflicts relating to the use of resources, but the need for a more level playing field in this respect involves:

In the short term:

- The promotion of education in sustainable development, science and the sharing/transfer of technology;

- Development in the context of the Euro-Mediterranean Partnership of a regional information strategy for the dissemination of the relevant analyses of compilations of relevant indicators in key sectors.

In the long term, the strategic approach of the orientations may be considered based on an intersectoral approach which could be organized as follows:

- (1) The development of agriculture and rural areas: how to manage impacts on resources (land, water, forests and biodiversity) with a view to spatial and territorial development. Convergence with international and regional conventions and major programmes such as the SAP, will be necessary in practice to make progress in the direction of an MSSD.
- (2) Addressing urbanization and the concentration of industry and tourism in coastal areas according to a specific strategy for these areas, envisaged in coherence with an approach to territorial development which balances the various geographical spaces.

The actors: the regional coherence of the approach adopted involves in the first place: the reinforcement of local frameworks for dialogue, the exchange of information and decision-making based on indicators of the sustainability and efficiency of the use of natural resources. *The actors in territorial and local communities*, and those of the private sector and networks of associations have to be involved in a process of information sharing and a strengthening of capacities through activities intended for demonstration purposes.

University research networks have an essential role to play which should be coordinated with the work of regional activity centres with a view to increasing and putting to good use knowledge of best practices in the key sectors for the strategy.

ECONOMY AND SUSTAINABLE DEVELOPMENT IN THE MEDITERRANEAN REGION

1) Analysis

The "Economy" working group heard the principal conclusions drawn from the report "Economic development and social equity" and discussed its content. The main observation was that the overall economic situation in the Euro-Mediterranean region is particularly vulnerable, given that increases in unemployment and exclusion also affect the developed zones of the Mediterranean. For the countries of the South and East of the Mediterranean, numerous economic and environmental indicators are unsatisfactory. There is a high risk that the asymmetry between States in the North and South of the Mediterranean will be maintained even in the most favourable growth scenarios. There is little prospect of convergence between the two areas of the Mediterranean over the coming 20-year period. There is a risk that the generalization of free trade in the Mediterranean will not bring the expected benefits if the local modes of development, the structure of trade in goods and services, and the imbalances in financial transfers are not adjusted to respond to the necessary criteria for sustainability, development of trade in the Mediterranean which, given the nature of some of the most intensively traded products, will bring with it an increase in the sources of pollution.

2) Visions and values

A Sustainable Development Strategy for the Mediterranean has to comprise several levels and be the result of consensus between all the actors involved in development, through a general participative process.

At a more general level, two agreements should be reached on: (1) the qualities to be followed by all types of economic growth (the latter should be continuous, healthy, competitive, efficient from the point of view of the environment and human resources, integrative and therefore socially equitable) and (2) the need for growth to be based on a threshold of common values (the reduction of asymmetry, social solidarity, peace and respect for human rights).

In view of these principles, it is necessary that their implementation be envisaged within an integrated and participative management framework for the areas and regions involved, by means of greater levels of decentralization.

3) Priorities

The priorities which emerge are:

- The preservation of rural areas and localities (*terroirs*) within the framework of strategies to combat poverty and control unchecked urbanisation and the concentration of tourism and industry in coastal areas;
- Management of water and energy resources, eliminating the large volume of wastage
- Transport networks that are less dependent on roads and place more emphasis on marine security
- The development of towns and centres of job creation in more isolated areas

Means and objectives

- A) It is necessary to: (a) ensure that education systems are better adapted to the needs of sustainable development; (b) women are integrated on an equal footing into economic life; and (c) the promotion of SME, in particular informal and family enterprises to reduce the productivity deficit affecting many Mediterranean economies, a worrying manifestation of which is the "brain drain".
- B) The institutional strengthening of the competent government bodies in the field of the environment and the protection of the cultural heritage, civil society, including NGOs, employers' and professional organizations and Chambers of Commerce, Industry and Agriculture, in the private sector, trade unions and rural associations, local communities, education and training institutions, with a view to their broader participation in the formulation and implementation of sustainable development, is a priority means of action both for the promotion of economic efficiency and for governance.
- C) As many Mediterranean economies are in a distressed financial situation, it would be advantageous to consider the exchange of debt for the financing of local sustainable development actions and to better mobilise the capacity for inter-Mediterranean financial cooperation. Mediterranean economies have an important reservoir of productivity that should be encouraged through a better use of human resources and greater transparency and dynamism in private sector activities. The adaptation of the tax system in order to attain the objectives of sustainable development and to increase the responsibility of all the actors involved in development and change is an indispensable accompaniment to such new and more effective financial tools.

Conclusion

Free trade cannot be an objective in itself, but must be accompanied by many changes in the attitudes of all the socio-economic actors in the Mediterranean.

GOVERNANCE FOR SUSTAINABLE DEVELOPMENT.

Getting to know the concept of governance

Governance in support of sustainable development processes involves the interplay of formal (i.e. government) and informal institutions, at levels ranging from global to regional and eco-regional, national and local. It has a major role to play not only in providing the institutional underpinning for specific sustainable development objectives, but also in integrating and whenever necessary reconciling or offering trade-offs among different strategic imperatives that range from fundamental social policies (in particular the alleviation of poverty), to economic development (including productivity and employment), environmental management (with due regard also to the interests of future generations), cultural integrity and, more broadly, to the rule of law¹ (human rights, legal and personal security and effective sphere of justice). It is noted, in that perspective, that the dynamics of institution-building or institutional reform called for by sustainable development should be driven not only by economic, but also by meta-economic (e.g. environmental, social and cultural) considerations.

The impulse by regional governance

There is an evident need in the Mediterranean region for greater cohesion and for a participatory, shared vision on how governance can serve as an underpinning for a regional sustainable development strategy, partnership arrangements and supportive action at national and sub-national level, such as decentralization reforms. Concretely, this would have to consider several sets of issues, among them rules, legislation and practices; mentalities, especially also the preparedness to work together; capacity building, institutional, operational as well as it may feed into social capital; stockholders, their identity, roles and awareness of sustainable development is an integrated, multi-faceted process.

Given the complexity of the processes and interests involved in sustainable development, but also the great diversity and asymmetries that characterize the Mediterranean area, it is particularly important that governance for sustainable development operate with a set of targeted but flexible tools and mechanisms that take into account the needs and conditions, cultural context and historical matrix of the countries concerned as well as major territorial specificities. Conversely, a regional vision can in many instances be derived in a bottom-up approach from experience with formal, but also informal institutions operating at national or local level. With that in mind, there is great scope for a determined regional effort to strengthen the capacity for sustainable development governance, both by joint strategic planning and concrete assistance to particular countries; in fact, this may not involve direct institution-building or reform, but will address the capacity, awareness and opinion of specific actors or decision makers concerned with sustainable development at government- or non-governmental level. As a starting point, this will call for a comprehensive mapping of actors and stakeholders, including associated resources and capacities.

Networking as a central tool to learn from experiences

As part of such a regional effort, the ability to bring together public and non-public actors through networking arrangements can play a major role by broadening the information- and knowledge-base, making available reliable empirical, scientific and

¹ it is felt that this should also include access to information, justice and participative action, as embodied in the Aarhus Convention already accepted by a number of Mediterranean countries

technological data, as well as information on financing capacities and flows to decision-makers and opinion-leaders. It will also facilitate joint learning through exchanges of experience and good practices relating to both formal and informal institutions: evaluation and monitoring are essential tools in this context, starting with studies of existing institutional systems. Modern informatics technology has opened up new avenues to that end, making it possible to offer to a broad range of participants a space for purposeful virtual dialogue and joint reflection on concrete themes of institutional development and reform, as well as for capacity building not only for decision makers and system operators, but also in terms of social capital.

In fact, particular attention should be paid not only to the composition of networks – ensuring that they include the relevant actors or decision-makers at government- and non-government level, as well as stakeholders concerned with a particular theme – and to the need to integrate social, economic and environmental perspectives, but also to the choice of the most effective networking techniques. It is thus generally desirable that networks be built around clear and specific issues, and that they be well-structured with central servicing or backstopping arrangements capable of providing timely and high-quality inputs whenever needed.

The choice of governance themes, issues or issue clusters to be addressed by particular networks will depend on the priorities of the sustainable development processes. It is felt that -- as a practical example, which may be followed also on other themes (e.g. urban development, trade and employment) a network on the specific governance issues of water in the Mediterranean context might complement ongoing efforts, including experience exchanges and joint learning. This is an area where Mediterranean initiatives have already had an impact and demonstration effect also beyond the region and at global level. The proposed network should not duplicate, but take advantage of lessons learned (combination of tools, progressivity in implementation), building upon and integrating the work of the committees or other bodies, and of ongoing research focusing on regional, eco-regional, global or national aspects of water and water management.