



“TOWARDS A GREEN ECONOMY IN THE MEDITERRANEAN REGION”



Environment as an opportunity
for job creation and growth



**Regional Conference
(Marseille, 23-24 May 2012)¹**



THE MARSEILLE RECOMMENDATIONS ON GREEN ECONOMY



by the WORKING GROUP²
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¹ Organized by OCEMO and the CMI, in partnership with the PLAN BLEU, FEMISE and the City of Marseille

² The Working Group on Green Economy is made of individual experts from civil society and from a large number of Mediterranean countries. It is working independently. The Working Group first met (Paris, 7-8 February 2012), on the margin of the COP 17 of the Barcelona Convention. Secondly, its work progress was presented at a side-event (Marseille, 13 March 2012), on the margin of the 6th World Water Forum. Thirdly, it completed the set of Recommendations, and worked on ways and means to make them influential.

THE MEDITERRANEAN REGION: A FEW NUMBERS

The Mediterranean area (22 riparian states and territories, and the sea itself) is a region where stability and prosperity will largely depend on implementing development models which integrate economic, environmental and social dimensions. This “eco-region” is one of the main “hot spots” of the global biodiversity. Water stress, aridity in the South, natural hazards, and pressures from economic activities are serious constraints.

Actually, the Mediterranean region accounts for:

- 5.7% of the planet’s land surface area,
- 6.9% of the world population (among its 473 millions of inhabitants, one quarter is less than 25 years old, and one quarter of the labor force between 15 to 24 years old is unemployed),
- 11.5% of world GDP (in PPP 2005),
- 30% of international maritime freight and some 20 to 25% of maritime oil transport,
- 29.5% of international tourism with 278 million visitors,

...but also :

- Less than 0.8% of the world ocean area,
- 7% of world marine species,
- 7% of CO2 emissions,
- 10% of known higher plant species,
- 60% of the population of the world’s « water-poor » countries.

Source, PLAN BLEU

PREAMBLE

The Working Group, in charge of elaborating Recommendations on greening the Mediterranean economy, is presenting these Recommendations at the Conference-Forum “Towards a Green Economy in the Mediterranean region” (Marseille, 23-24 May 2012).

These Recommendations are to promote a greener economy in the Mediterranean region, in the context and support of sustainable development and poverty reduction, seizing environmental opportunities for job creation and growth.

These Recommendations are intended for public and private decision makers of the Mediterranean countries, at national and territorial levels, as well as opinion leaders from NGOs and academic institutions. They are also thought for international institutions (e.g. UNEP, UNDP, UNIDO, UNESCO, OECD, UNESCWA, UNECA, AFED, EU, REC, MCSD, WBCSD, UfM, CMI, OCEMO, PLAN BLEU, FEMISE), the RIO+20 Summit, and financial institutions (e.g. World Bank, EIB, AfDB, EBRD, bilateral donors). Given the anticipated role of private financing of a Mediterranean green economy, they are also to be conveyed to private institutional investors (e.g. pension funds, wealth managers, partners in private equity funds, investment bankers). Finally they are for citizens (including ‘netizens’).

The Group has taken into account already available national experience in riparian countries, as well as global documents (e.g. OECD ‘Green Growth Strategy’, UNEP ‘Towards a Green Economy’, UN RIO+20 ‘The future we want’), regional documents (AFED ‘Green Economy-Sustainable Transition in a Changing Arab World’, PLAN BLEU ‘Towards a Green Economy in the Mediterranean Region’, WORLD BANK ‘2012 MED Report’).

The Group noted that green economy developments were particularly prompted by the financial, economic and social crisis of 2008-2010, by the permanent environmental crisis, with short-term and long-term concerns with growth, sustainable development, employment and poverty reduction, as well as concerns with food and energy security.

The Group recognizes the need to adapt these recommendations to the specific and varying institutional, economic, social, demographic, environmental and resources endowment conditions among individual countries. The Working Group also recognizes the significant varying conditions within countries.

The Group expects its efforts to support the importance given to greening economies by the RIO+20 Conference, including reduced impacts on the environment, greater efficiency in the use of natural resources, and preservation of natural assets. It sees a green economy as a necessary, efficient and achievable path, in the Mediterranean region, towards sustainable development and a common economic and environmental future.

RECOMMENDATIONS

1. Promoting governance and framework conditions for a green Mediterranean economy

Promoting green institutional arrangements

R1. Ensure that Governments of Mediterranean countries support at the highest level progress towards green economy and related jobs, and in particular adapt their legal, regulatory, fiscal and information frameworks to encourage efficient investments in activities i) respecting the environment, ii) using resources efficiently, iii) preserving natural resources stocks, iv) with low carbon emissions, and v) creating jobs.

R2. Integrate green economy concerns in public policies, including strategies, plans, programs, budgets and projects; involve finance, economy, and environment ministries, as well as other ministries such as those in charge of natural resource management, agriculture, energy, innovation, skill development and trade; involve local, sub-national and national levels of government. Establish frameworks to work with civil society and the private sector and to induce private investment.

R3. Involve urban and rural poor populations and young people seeking jobs by use of : training in green technologies and innovations; programs supporting enterprise creation and co-operative arrangements; appropriate financing including microfinance and banks; and support for the commercialization of their products and the development of perennial businesses.

R4. Promote the use of environmental criteria in public procurement and tenders by national and territorial governments, as well as vocational training towards green consumption and production patterns in private and public institutions at all territorial levels. Promote environmental labeling of consumer products (e.g. relating to carbon, water, biodiversity, natural resources) to support sustainable consumption.

R5. Promote co-operation among Mediterranean countries on concrete projects (e.g. Desertec), with appropriate sharing of costs, benefits and financial responsibilities, and in line with Rio principles. Ensure the agendas concerning green economy, open trade and investment, and technology and innovation are mutually supportive. Promoting green technology and innovation.

R6. Encourage in each Mediterranean country scientific and technological research to invent products and production processes supporting green economy objectives; encourage the production and use of cleaner and resource efficient technologies, as well as technological and social innovation.

R7. Disseminate know-how widely at national level concerning technology and innovation supporting green economy objectives among actors (private sector, SMEs, start-ups, rural communities, investment promotion agencies, chambers of commerce and industry) to raise awareness on and induce investment in green economy opportunities.

R8. Encourage co-operation among Mediterranean countries in scientific and technological research, production and use of cleaner and resource efficient, technological and social innovation, as well as their financing.

2. Improving market functioning

R9. Conduct assessments of the overall fiscal framework's impact on green development in the Mediterranean region. The assessments would lead to the adoption of policy measures such as:

R10. Identifying and removing environmentally harmful subsidies, including subsidies to fossil fuels, to agriculture and fishery production, to building in coastal and natural areas, and to transport (e.g. aviation, navigation and road freight transport fuels); and this in a progressive but pre-defined and pre-announced way (e.g. 3 to 6 years), to give consumers and producers the time to adapt their consumption and investment models.

R11. Increasing progressively and significantly through time the taxation of fossil fuels to reorient the production system towards energy efficiency and renewable sources of energy, without need ultimately of environmentally friendly subsidies; giving appropriate attention to the poor.

R12. Using revenues from the two previous recommendations: i) to reduce income taxation of individuals and small companies, ii) to help directly the poor, iii) to develop micro-finance mechanisms; iv) to remunerate ecosystems services, v) to implement programs and structures designed to support green economy startups.

R13. Introducing full cost pricing of water and waste related services, based on the Polluter-Pays-Principle and the User-Pays-Principle, with appropriate attention to the poor; introducing an environmental contribution/fee on tourism (e.g. in the form of a stay tax or an aviation tax) to co-finance the development of the waste and water services and sustainable public local transport.

R14. Introducing a Tobin tax on international financial transactions to finance sustainable development, green growth and green economy projects.

3. Seizing opportunities for green projects and job creation

Sector priorities

R15. Seize opportunities for green projects and job creation within nationally adopted objectives and policy frameworks (e.g. export potential, natural resource intensities in sectors such as energy, transport, agriculture, as well as, important in the Mediterranean region, tourism, fisheries, building and cities).

R16. Consider greening the economy 'in the blue world' of the Mediterranean sea: fisheries and aquaculture, maritime transport and risks, marine based renewable energy, marine nutrient pollution, coastal tourism, deep-sea minerals. Support the full implementation and development of the Barcelona Convention. Give special attention to coastal zone management.

Range of green projects

R17. Consider, as public policy makers, green projects dealing , according to national circumstances, with : i) energy efficiency and renewable energies ; ii) improved water services for households (supply, waste water sanitation and treatment), including health benefits ; improved use of water for agricultural activities (e.g. integrated water basin management, improved irrigation schemes, choice of crops, dry farming practices) ; iii) reduction, reuse and recycling of wastes (3Rs), in a context of resource efficiency and of reduced environmental impacts along the chain of material extraction-transport-transformation-use-disposal ; iv) air pollution and GHG reduction, with their multiple benefits, including health benefits ; v) preservation of the economic, environmental and social benefits of biodiversity and natural assets.

R18. Consider, as entrepreneurs, such green projects conducive to business opportunities and profitability, including in national, regional and global contexts.

Rural areas

R19. Promote and share experience of successful green development in rural areas ('green villages'), within a country and among countries (e.g. job creation through : waste management; development of natural assets and traditional practices, more energy efficient buildings and heating/cooling, organic agriculture ; eco-products and eco-tourism), using support from benevolent enterprises and/or a 'national heritage trust'. Organize a Mediterranean exchange platform to facilitate information exchange on such projects.

R20. Reduce poverty through the provision of access to land with an incentive to regenerate the landscape, to protect soil quantity and quality, and to preserve biodiversity and land productivity. Long term land rights may be associated to lasting results.

R21. Encourage and support local communities to develop small scale energy efficient production units in rural areas and industries where local populations can process traditional products into marketable ones.

R22. Provide technical assistance to micro-entrepreneurs : training on green economy technologies, feasibility study design, project financing, enterprise creation and management support.

4. Fostering knowledge on green economy (indicators, peer review, capacity building)

Producing knowledge

R23. Develop core metrics (i.e. statistics and indicators common to countries, but to be supplemented nationally according to country priorities) on different green economy dimensions including goals, and progress towards goals; for use by public and private decision makers and opinion leaders. Build on indicators adopted in OECD ('Towards green growth: Monitoring progress'; e.g. concerning the environmental and resource productivity of the economy, the natural asset base, economic opportunities and policy responses), and on recognized international goals (MDG, Rio+20 SDG).

R24. Give special attention to the natural resource base and risks (e.g. delta and coastal areas, other most vulnerable areas) requiring adaptation and mitigation mechanisms; as well as appropriate institutional arrangements (e.g. strategic planning, recognition of the large costs of non-action, reduction of environmentally harmful subsidies). Recognize the importance, in the Mediterranean Region, of marine ecosystems, fisheries, resource and energy efficiency, sustainable agriculture and food security, water, cities and buildings, tourism, and of the economic value of the ecological services rendered by nature (e.g. absorption of carbon by forests, protection from floods).

Sharing knowledge through international platforms

R25. Launch a regional green economy partnership in the Mediterranean region by use of social networks and connect it to the GGKP (Green Growth Knowledge Platform established in January 2012 by GGGI, OECD, UNEP and World Bank). Co-ordinate all dispersed Mediterranean activities (e.g. with a co-operation charter).

R26. Define a regional reference platform where the Mediterranean region will review and assess its progress towards a green economy (reduced impacts on the environment, greater efficiency in the use of natural resources, and preservation of natural assets); and foster progress by exchange of best practices. Such a voluntary peer review mechanism could build on existing bodies such as the MSSD.

Capacity building

R27. Encourage access to environmental information, public participation and access to courts, in line with the Aarhus Convention, promoting its extension to non-original signatories countries.

R28. Develop green economy capacities within enterprises, including through corporate social and environmental responsibility; implementation of specific business charters; vocational training in professional branches.

R29. Establish a Green Economy Academy, as a regional network of green economy leaders (e.g. from governments, enterprises and universities) in the context of sustainable development. Recognize best practices through national or regional awards.

R30. Integrate green economy in national education curricula; establish green economy material for primary and secondary schools using successful examples (e.g. green pack of REC); promote green economy awareness through information campaigns addressing various targeted groups; facilitate integration of green economy policies across different disciplines and different sectors.

5. Strengthening public and private financing

R31. Encourage the allocation of significant financial resources to job creating green economic activities, in the Mediterranean region, including through traditional funding, emerging green funds, and innovative financing mechanisms. In particular, make accessible information and risk-return assessments to the financial system, and streamline financial intermediation channels so that they develop multiple ways of reaching mainstream consumers and producers, micro, small, medium and large.

R32. To that effect ensure that, national and international financial efforts supplement each other as appropriate, involving international financial institutions (e.g. World Bank, EIB, AfDB, EBRD) and bilateral aid donors, including under the Deauville partnership declarations and initiatives.

R33. In particular, promote national project preparation facilities and business incubators for green business to help business (including young entrepreneurs) access finance and implement their projects, buttressed by international support mechanisms (e.g. microcredit budget lines, long term and low interest loans), towards commercially viable ventures.

R34. Ensure that public policy and businesses focusing on international trade and foreign direct investment give full attention to associated environmental benefits and costs, including attention to multilateral environmental agreements (e.g. Montreal, Basel, Stockholm/Rotterdam, Washington), to environmental impacts in the chain of extraction-transport-transformation- disposal of materials (e.g. energy and mining commodities), to business charters featuring environmental commitments (e.g. OECD Guidelines for Multinational Enterprises).

R35. Mobilize public financial institutions (and private sector arms of development finance) to contribute to mobilizing private institutional investors (e.g. pension funds, sovereign funds, wealth managers, limited partners in private equity funds, investment bankers) in green business, notably by mitigating investors' risk perception through their due diligence.

R36. Establish a Mediterranean Fund of Funds, to fund a family of private equity funds that invest in green SMEs and green ventures, with provisions to mobilize matching financing at all levels. Such a Fund of Funds could be jump started by the establishment of a Mediterranean Green Development private equity fund investing directly in SMEs pursuing green activities in the Mediterranean basin.

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