

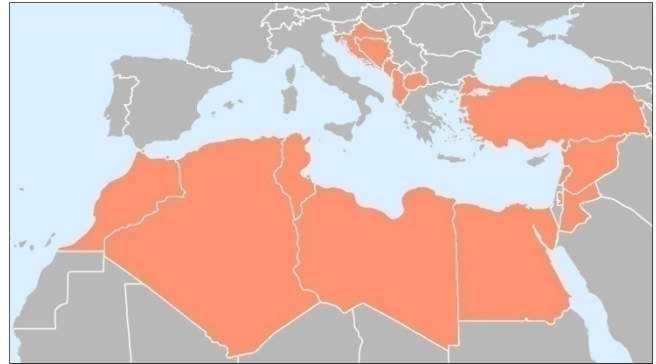
# Sustainable MED

## Environmental Mediterranean Sustainable Development Program

*“Toward mainstreaming environment in development strategies of the Mediterranean”*

### Program-in-brief:

- **Background:** follow-up to METAP (Mediterranean Environmental Technical Assistance Program).
- **Objective:** “mainstreaming environment in the economic and social development agenda of Southern and Eastern Mediterranean countries.”
- **First phase:** focus on improved water resources management and coastal zone management.
- **Activities supported:** (i) knowledge generation and dissemination; (ii) regional Technical Assistance projects; (iii) national level investment projects.



*16 Countries covered: Albania, Algeria, Bosnia & Herzegovina, Bulgaria, Croatia, Egypt, FYR Macedonia, Jordan, Lebanon, Libya, Morocco, Montenegro, Syria, Tunisia, Turkey, West Bank & Gaza.*

## INTRODUCTION TO SUSTAINABLE MED PROGRAM

### Background on environmental management in the Mediterranean countries

Groundbreaking efforts have been made since the early nineties by Eastern and Southern Mediterranean countries towards strengthening the enabling framework for environmental management and protection. With the establishment of Ministries of Environment, the preparation of national sustainable action plans and strategies and the implementation of national environmental projects, environmental issues have entered the development agendas of Mediterranean countries.

In parallel, the countries environmental agendas have been supported by regional initiatives in response to the need to address common challenges (in particular transboundary pollution affecting the Mediterranean Sea) and explore the economies of scale of regional cooperation. These include: the Barcelona Convention and UNEP-MAP Program, the Mediterranean Technical Assistance Program (METAP), the Strategic Partnership for the Mediterranean Sea Large Marine Ecosystem (MedPartnership), EC funded LIFE, SMAP and Horizon 2020 Programs, and recently the Union for the Mediterranean (UFM). These initiatives play a key role in helping develop national and regional capacity and channeling investments towards improved management of natural resources and the environment.

Despite these significant advancements, future generations will continue to face serious environmental challenges including declining per capita water resources – aggravated by threats from climate change and the

increased degradation of water quality –, lost of arable land, pollution-related health problems, overexploitation and degradation of marine resources, deterioration of coastal zones, rapid urbanization, among others, all in a context of constrained environmental institutions, regulatory frameworks and enforcement mechanisms. The cost of environmental degradation spills into public finances, household budgets, the competitiveness of the economy, and inter-generational equity.

### A follow-up to the METAP program (1990/2010)

The World Bank has played an important role by implementing and hosting the secretariat of the multi-donor technical assistance METAP program for over 20 years. Launched in 1990, this program came to closure in FY10. METAP was implemented in 4 phases covering different themes: integrated water resources management, solid and hazardous waste management, chemical pollution, coastal zone management, urban environmental management, capacity development, and environmental policy tools. METAP gave a regional dimension to national environmental issues and helped define sustainable development indicators for the region, assess the impact of policies, programs and projects on the state of the environment, and reinforce the technical capabilities and resources of both public and private entities. With an overall budget of US\$ 60 million, METAP developed a strong pipeline of environmental projects totaling approximately US\$ 2.2 billion, with funding mainly from the WB and the EIB.

### **Sustainable MED, a new World Bank initiative, supported by the Global Environment Facility (GEF)**

The World Bank has in that respect a positive and proven track record of regional international water initiatives such as the Baltic Sea Program, the Black Sea / Danube Basin Partnership Investment Fund, and the Nile Basin Initiative. The Middle East and North Africa (MENA) region has also recently adopted a regional approach for ecosystems management and conservation, for both regional seas and deserts. The regional seas program aims at revitalizing the sustainable flow of goods and services from the region's seas by addressing, among others, pollution reduction, improved water and marine resources management and sustainable management of national fisheries.

In cooperation with beneficiary countries and relevant partners, the World Bank and the GEF have expressed a mutual interest in collaborating in the preparation and implementation of a comprehensive new framework program – the Environmental Mediterranean Sustainable Development Program, “Sustainable MED” – to deal with issues related to natural resources, land degradation, solid and hazardous waste, and climate change. The Sustainable MED is a natural follow-up program to METAP.

#### **Objective and scope of the Sustainable MED program**

This new program has an overall goal of facilitate mainstreaming environmental issues in the economic development agenda of Mediterranean countries, following a shared common vision. In its first phase, the Program

will primarily focus on (i) improved water resources management (building on and expanding the work carried out under the first tranche of the Investment Fund of the GEF/IWs Mediterranean Strategic Partnership), and (ii) coastal zone management.

Sustainable MED is intended to leverage additional investments towards priority hot spots in the Mediterranean and will expand its scope to respond to the evolving landscape of environmental challenges in the region. In addition to this “water pillar” co-financed by the GEF, the Program provides a framework for future interventions in other priority areas, such as toxic and hazardous waste, solid waste management, biodiversity protection, land degradation, climate change, and other themes deemed necessary by participating countries.

#### **Investments and regional technical assistance projects that will be financed under this programmatic framework**

Sustainable MED Program has been approved by the Global Environment Facility (GEF) Council in its June 2009 meeting, and an overall envelop of US\$ 50 million grant committed with approx US\$ 700 million of co-financing from beneficiary countries, World Bank loans, and funding from bilaterals and regional Banks (EIB, AfDB). The Program will also finance projects that assist countries to meet their obligations towards the new Integrated Coastal Zone Management (ICZM) Protocol under the Barcelona Convention. (See the box below.)

#### **Projects under Sustainable MED first phase (water pillar)**

##### ***Domestic and industrial wastewater treatment in selected priority hotspots:***

- Egypt: Alexandria coastal zone management project
- Croatia: Coastal Cities Pollution Control 2 (Phase II)
- Tunisia: Greater Tunis Treated Wastewater Discharge in the Mediterranean Sea

##### ***Coastal ecosystem management:***

- Bosnia and Herzegovina: Neretva and Trebisnjica Management Project.
- Syria: Coastal and Orontes River Basins Water Resources Management (*under preparation*)
- Libya: Integrated Coastal Zone Management for Conservation and Economic Development (*under preparation*)
- Morocco: Integrated Coastal Zone Management for Lake Nador (*under preparation*)

##### ***Integrated surface and groundwater management:***

- Egypt: Enhanced Water Resources Management (*under preparation*)

##### ***Increased knowledge and regional Technical Assistance project:***

- Sustainable MED Governance and Knowledge project (*under preparation*)
- Technical Support, Planning and Capacity for Waste Water Treatment and Recycling Technology (Jordan, Morocco and Tunisia) (*under preparation*)
- Regional Coordination on Improved Water Resources Management and Capacity Building (TA) with Arab Water Academy and NASA (*under preparation*)
- Western Mediterranean Marine Highway Development and Coastal and Marine Contamination Prevention Project (*under preparation*)
- Integration of climate variability and change into national strategies to implement the ICZM protocol in the Mediterranean (UNEP) (*under preparation*)

## THE PROGRAM “GOVERNANCE AND KNOWLEDGE PROJECT”

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### The “backbone” of the Sustainable MED program

The project’s objective is to provide decision makers with knowledge and tools that will strengthen the integration of environmental issues into sectoral and development policy decisions in Southern and Eastern Mediterranean countries.

Key principals:

- Mainstreaming the environment: environmental issues more central in sector policies and activities, and in the regional development agenda;
- Knowledge generation and sharing: increased technical knowledge on common and priority environmental issues;
- Funding: identification of strategic investment plans and commitment of funds;
- Coordination: Sustainable MED activities in synergy with other initiatives leading to better combined results.

This project would complement the activities of the countries and other bilateral and regional organizations with similar objectives, particularly the UNEP-MAP, UNEP-led “Med Sustainability Partnership” Program, and the EU funded “Horizon 2020” initiative. Its activities will support the implementation of existing regional agenda and strengthen existing governance structures.

### Type of activities supported

This project builds on METAP’s experience. In its initial phase it will focus on water resources management, including climate impacts on water resources, and coastal and marine ecosystems and will finance studies and knowledge activities aiming at:

- Identifying social incidence of environmental problems, as well as social mechanisms and practice to address them;
- Strengthening environmental regulatory and judiciary systems;
- Identifying innovative instruments for environmental financing and promotion of green business;
- Promoting the use of environmental economics to mainstream environment in the economic development agenda (e.g. environment valuation, cost of degradation, cost of mitigation);
- Promoting the use of tools for strategic environmental assessments of development in economic sectors (e.g. tools for assessment of vulnerability and development of impacts scenarios);
- Analyzing environmental issues in sector legislation: agriculture, water, infrastructure, tourism, and other key sectors.

The proposed project is intended to complement the country specific investment projects developed under the Sustainable MED Program with the necessary sustainability

elements starting by enhancing the existing governance structures to the development of tools such as economic instruments, enforcement schemes of environmental laws, monitoring of trends and indicators, and enhancing public participation.

Given this project’s consultative nature, most of the activities currently envisaged are to be eventually confirmed and endorsed by participating countries according to their individual needs and perceptions, although maintaining and aligned with the project and the Sustainable MED Program broader objectives and structure.

### Component 1: Governance

The governance component is process oriented and is fundamentally centered on consultation with MED countries. It is a facilitating mechanism to achieve better understanding of problems, and to promote coordination, integration and synergy. Despite its name the governance component will not create new institutional structures. It has six main pillars:

- Technical assistance and policy discussions on countries environmental management systems
- Mainstreaming environmental issues in sector policies
- Fostering regional approaches among MED countries
- Coordinating initiatives and projects (within and outside Sustainable MED)
- Enhancing North-South and South-South cooperation
- Fostering private capital mobilization

### Component 2: Knowledge Generation and Technical Assistance (“Know-MED”)

Know-MED will provide the substantive platform on which the governance component will be able to operate. The aim of the component is to generate and diffuse knowledge within and outside the Sustainable MED Program in order to create the conditions for the implementation of appropriate political measures impacting the environment and to support informed decision making (public policies, commitment on common objectives, investments), targeting non-environmental specialists and high level executives in both public and private sector.

Based on consultations with governments and partner institutions, Know-MED will complement and supplement existing activities. It will also provide the knowledge base to identify appropriate new investments projects. It has four main pillars:

- Knowledge generation (gathering data, information and studies of both technical and economic nature.
- Knowledge transfer and information sharing.
- Capacity building (training and other activities which support and help improve the overall environmental management system).

### Component 3: Identification of investment opportunities

Identifying investment opportunities supporting and in line with the Sustainable Med Program broader development objectives. The main entry points are the investment projects which are under the Sustainable MED, but other

strategic investment opportunities will be sought in conjunction with the knowledge activities and the policy dialogue maintained with the environmental sector as well as the economic sectors prioritized in each country.

#### The Marseille Center for Mediterranean Integration (CMI)

Both Sustainable MED Program and the Governance and Knowledge Project will be implemented through a technical secretariat based at the Marseilles Center for Mediterranean Integration (CMI). This is a multi-partner collaborative arrangement launched in October 2009 to support leaders and other key stakeholders in the region to adopt evidence-based policy making and jointly pursue common development goals as well as to deal with transboundary challenges. Its objective is to facilitate access to knowledge, best practices, and support to relevant public and independent institutions to improve cooperation, enhance sustainable development, and promote policies towards greater integration of the Mediterranean Region. The CMI focuses on joint learning which can lead to high impact on policy and investment choices among governments and other actors.

## 2012 MED REPORT:

### ENHANCING THE ECONOMIC BENEFITS FROM ENVIRONMENTAL ASSETS IN THE MEDITERRANEAN

#### Objective of the project

The “2012 Med Report” is one of the first knowledge activities implemented under Sustainable MED. In order to support mainstreaming environmental reforms in economic development policies in the Mediterranean region, it will: (i) review Mediterranean environmental challenges from an economic viewpoint (highlighting some keys aspects in the degradation of natural assets and their consequences for economics activities and human well-being), and (ii) review existing regional level and country-level economic institutions and policies impacting the environment.

#### Target audiences

The report will target: (i) policymaker’s agenda at the central government level such as ministries in charge of Finance, Planning and other departments whose policies and activities might have significant impact on the environment (energy, water, transport...); (ii) international institutions involved in this field; (iii) academics; (iv) media and civil society; (v) as well as the private sector.

#### Organization and methodology

This project is been prepared in close collaboration between with several partners; AFD, Blue Plan, EIB and the World Bank. The overall technical coordination is been carried through the network of educational institutions and research in economics (FEMISE).The project will be performed in a highly consultative approach with governments and stakeholders to enable real dialogue on the identification of regional priorities in environmental matters in the context of socio-economic development and ensure integration of this aspect in the report. It will imply several methods of

consultation with network of national experts and a series of workshops bringing together policymakers and experts.

#### Milestones:

- Dec. 2010: 1<sup>st</sup> Consultation workshop within Marseilles “Economic Week”
- Dec. /Jan 2011: Three sub-regional meetings with experts in Maghreb, Mashrek and Balkan / UE / Turkey
- March 2011: National Consultations in Cairo and Rabat
- April 2011: First draft of the report.
- Mai 2011: 2<sup>nd</sup> Consultation workshop
- Sept. 2011 (beginning): Draft of the report
- Sept. 2011 (end): 3rd Consultation workshop; Validation of the content.
- Nov. 2011: Long summary presented during the MAP/UNEP Conference and “Economic Week”.
- March 2012: Release Final Version (Arabic, English, French) during 6th World Water Forum (Marseilles)

#### *For more information:*

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