



Blue Economy Partnership for the Mediterranean Sea

Update for UfM Blue Economy working group
14th March 2023





The Proposal

- A new multi-donor and multi-IFI financing instrument led by the EU and donor countries for Blue Economy investments in the Mediterranean basin
- Donor funds to be used as leverage for IFI lending to bring climate change and environmental benefits for the shared Mediterranean Sea and its population
- Projects to be located in the non-EU countries in the Mediterranean Sea region (EU Southern Neighbourhood; possibly also Turkey)
- Initial 3 beneficiary countries: Morocco, Jordan and Egypt
- Partnership will be open to other countries.

Potential for a Blue Economy Partnership for Med Sea

Environmental & Climate Pressures:

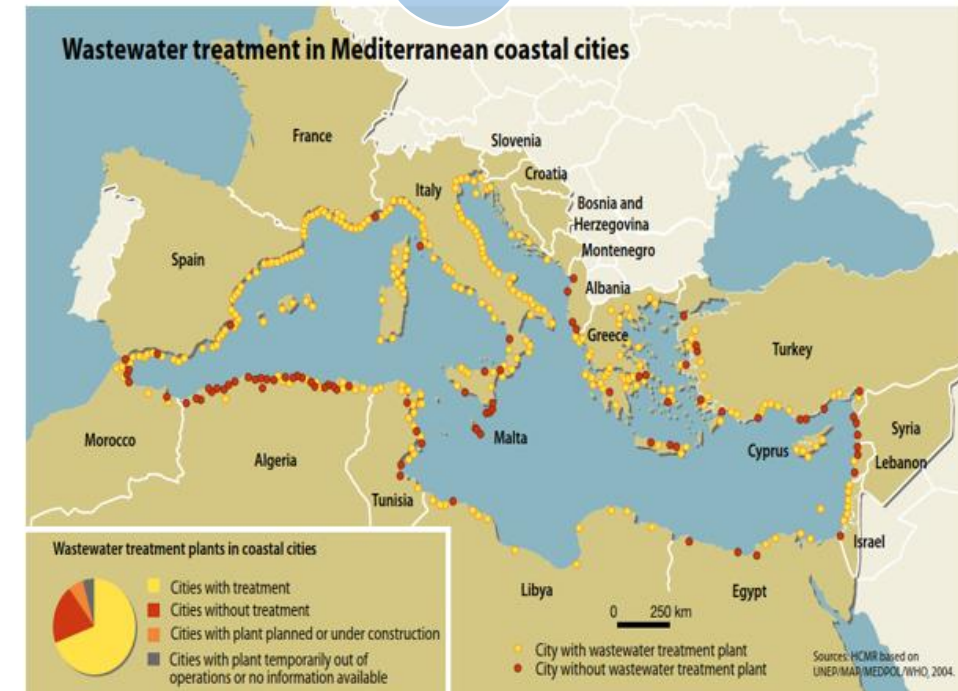
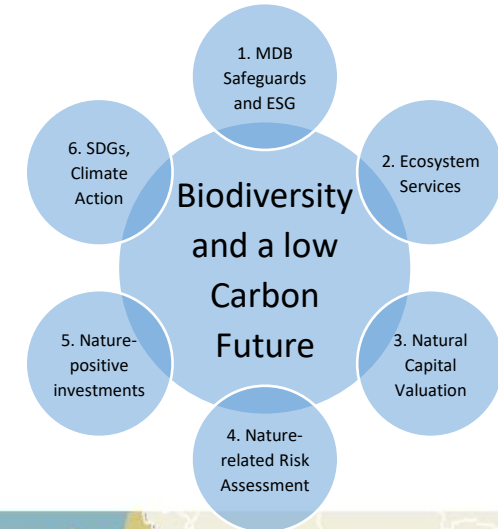
- Mediterranean ecosystems are under threat from habitat loss and degradation, over-fishing, pollution from sewage waters and marine litter including plastics, climate change, eutrophication, and the establishment of alien species.
- The Mediterranean region is warming up 20 per cent faster than the global average.
- Risks from severe draughts, extreme weather events, rising sea-levels, sea water acidification, forest fires – all affecting the lives and security of 480 million in 22 countries of the Mediterranean region.

Economic Value:

- The Mediterranean Sea generates an annual economic value of more than US\$ 450 billion, which makes it the fifth largest economy in the region after France, Italy, Spain and Turkey.
- This value represents about 20 per cent of the global Gross Marine Product (GMP) in an area covering less than 1 per cent of the global ocean.
- Economic value of Mediterranean Sea is estimated at US\$ 5.4 trillion.

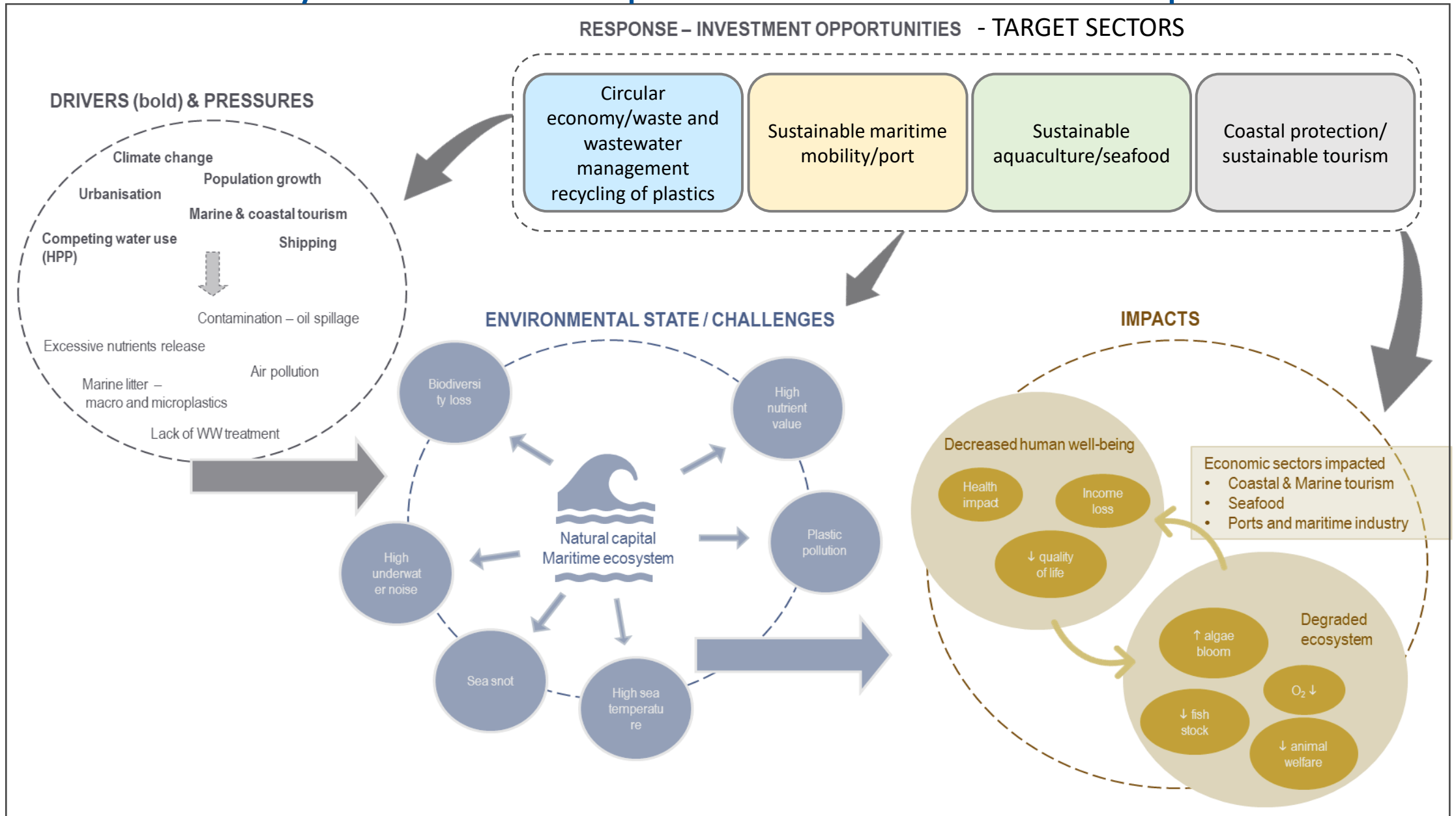
Engaged Stakeholders:

- EUROPEAN UNION: Blue Economy is an integral part of key EU policies – e.g. the EU Green Deal and New Agenda for the Mediterranean
- EUROPEAN COMMISSION: In addition to the Green Deal and the New Agenda, Blue Economy features in the Economic and Investment Plan for the Southern Neighbourhood
- UNION FOR THE MEDITERRANEAN (UfM): political platform for engagement; high-level broker of regional policy reform
- MDBs (e.g. EIB, EBRD, ADB, WB, KfW): active signatories to the UN Sustainable Blue Economy Finance Initiative Principles; key financiers for the Economic and Investment Plan for the Southern Neighbourhood

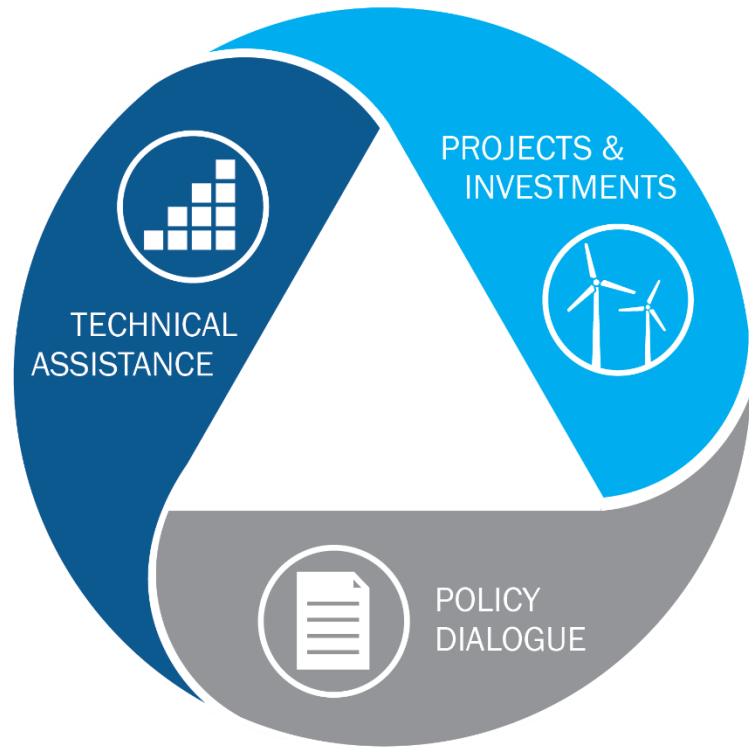


Overview of the status of WWTPs in Mediterranean coastal cities, UNEP/MA) 2012 (<https://wedocs.unep.org/handle/20.500.11822/364>)

Blue Economy Partnership for Med Sea – response actions



Blue Economy Partnership for Med Sea –value added



- Rolling out the Blue agenda in the region requires targeted & coordinated TA (upstream and for implementation)
- EU funding will leverage additional donor funds from both EU and non-EU countries
- Beneficiary country(ies) own contribution will deepen commitments for investments and reforms
- Combined expertise of a number of MDBs working together with complementing mandates
- Focus on tangible investments supporting the New Agenda and the EIP
- Projects prepared and delivered to high IFI and EU standards
- Transparency and safety of donor funds
- Replicability through country by country approach

EIB, EBRD, KfW, AFD and UfM know-how in blue economy



Close collaboration with EC

EIB part of EC BE strategy



Ministerial Declaration on Sustainable Blue Economy

Feb 2021



NDEP managed by EBRD

Launched in 2002



EIB Co-founder of the Sustainable Blue Economy Financing Principles



Launched in 2018
EBRD joined in 2020



Clean Ocean Initiative (AFD, CDP, EBRD, EIB, ICO, KfW; 2018)

Target: €4 billion
By 2025



Offshore wind strong support by EIB

>12 GW since 2002



Blue SOS by EIB

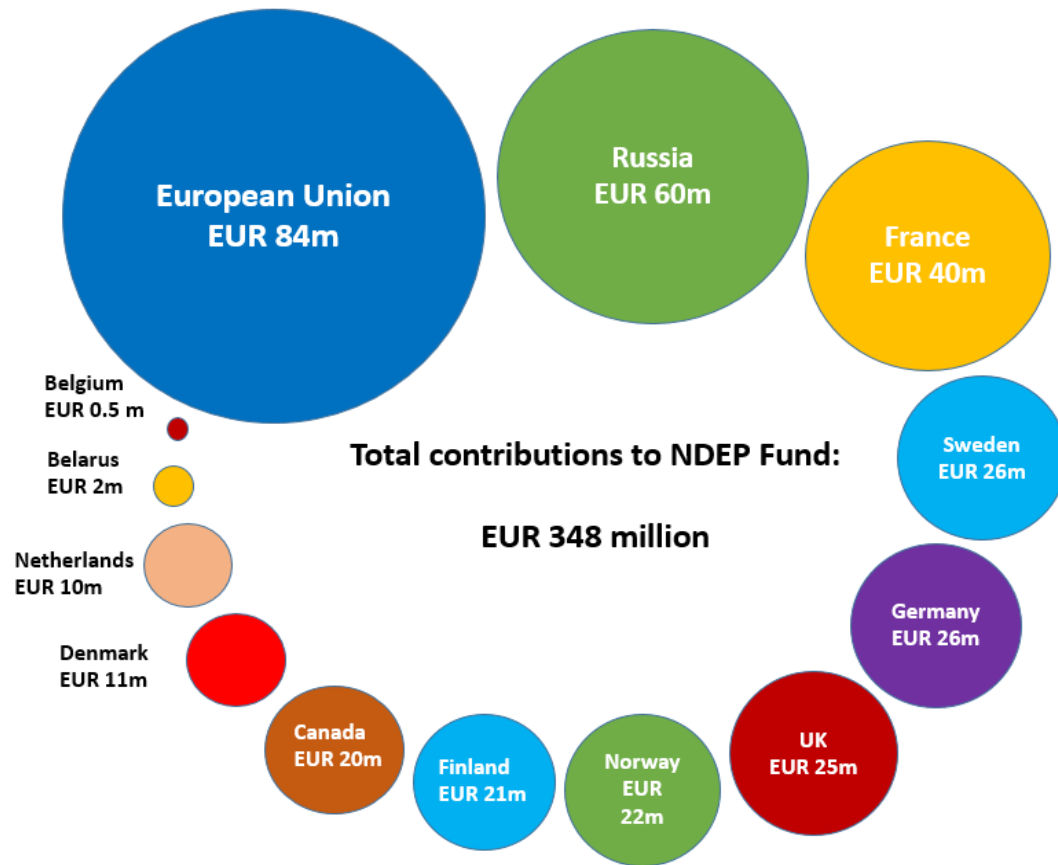
| | |
|---------------------------------|---------------------|
| Green Shipping | Coastal management |
| Sustainable fishery/aquaculture | Blue Bio Technology |

Launched in 2019
Target: €2.5 billion

Example to follow and adapt: NDEP

Northern
Dimension
Environmental
Partnership

Экологическое
Партнерство
Северного
Измерения



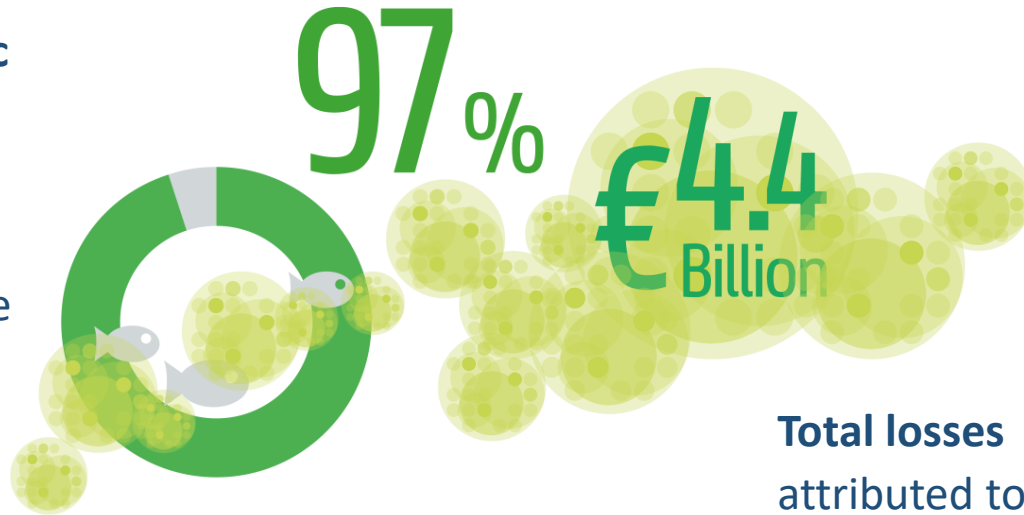
- Multi-donor and multi-IFI Blue Mediterranean Partnership for the Baltic and Barents Seas
- NDEP has been managed by the EBRD since 2002
- EU and Russia largest contributors plus 12 other countries
- Beneficiary countries (Russia and Belarus) are also contributors
- Main focus wastewater treatment investments in Russia and Belarus

Investing in Nature: Blue Economy and NDEP

Over 20 years, NDEP has upgraded 23 wastewater treatment facilities, EUR 182 million in grants and EUR 1.3 billion in project value, treating 2 million m³ of water per day – or 1,000 Olympic swimming pools

97% of the Baltic Sea is affected by eutrophication, causing excessive growth of algae and upsetting biodiversity

Source: HELCOM State of the Baltic Sea report



Nitrogen and phosphorous inputs are the root cause of eutrophication

Total losses attributed to eutrophication are estimated at 3.8–4.4 billion euros annually for the Baltic Sea region

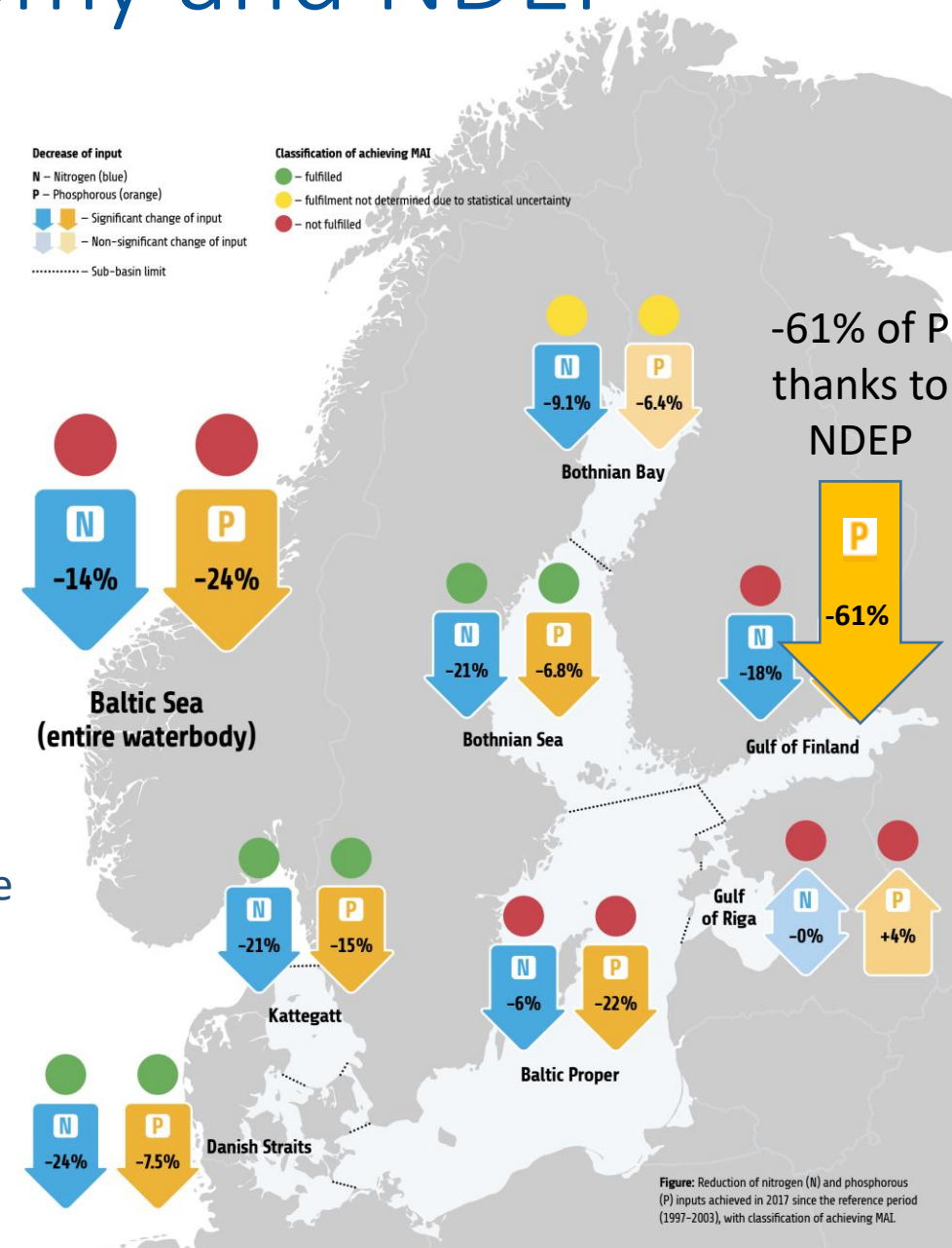
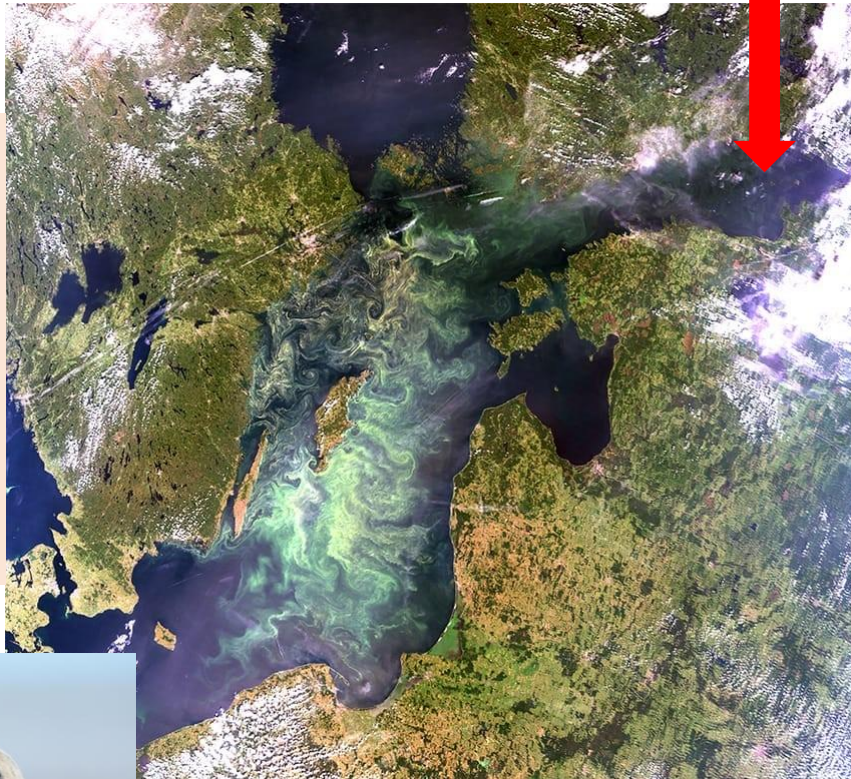


Figure: Reduction of nitrogen (N) and phosphorous (P) inputs achieved in 2017 since the reference period (1997–2003), with classification of achieving MAI.

NDEP biodiversity impacts

Baltic algae bloom after NDEP projects in St Petersburg

Source: <https://earthobservatory.nasa.gov/>

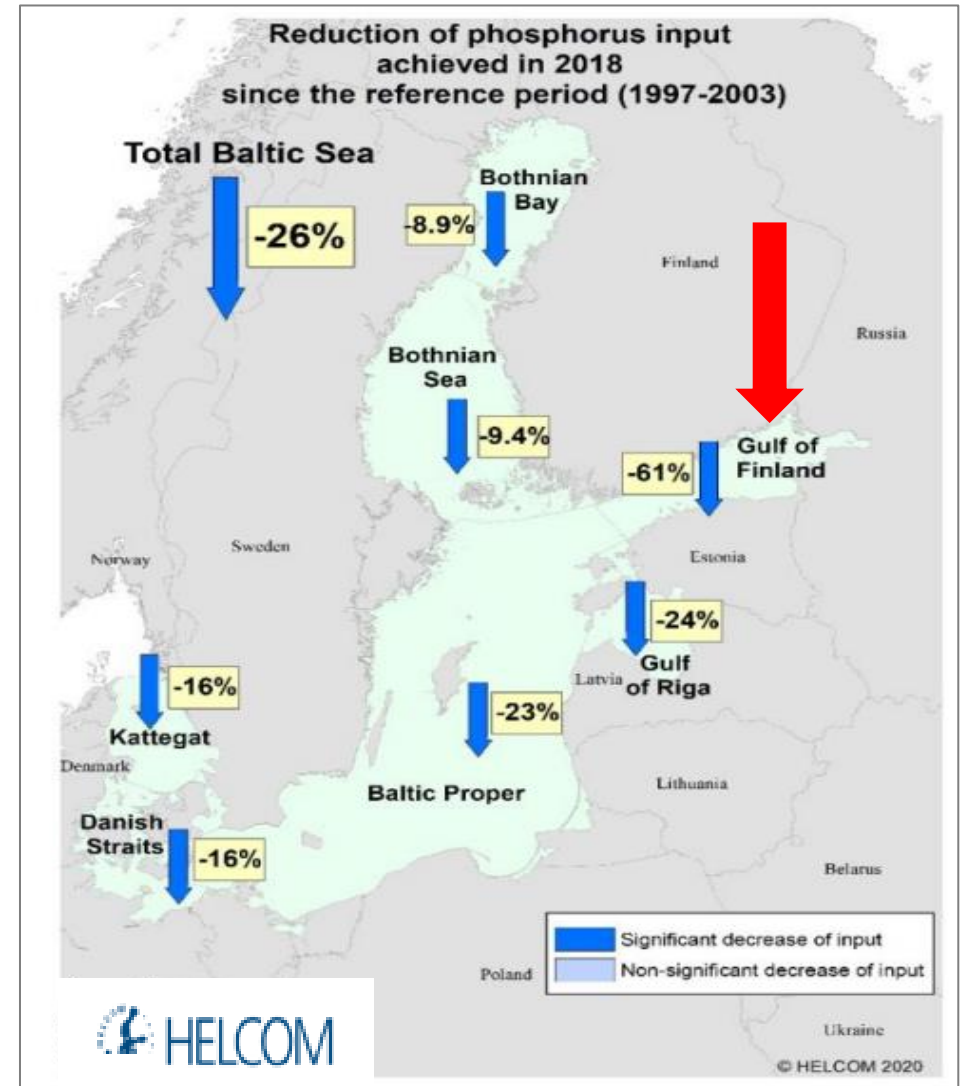


Finnish Environmental Monitoring (SYKE) in 2021 showed the best condition of seabed in 20 years of measurements and a reversal of eutrophication in the eastern Gulf of Finland.



Ecosystems are recovering: increase in herring stocks, growing numbers of grey and harbour seals and the white-tailed eagles.

Gulf of Finland has clearer water with less algae due to 61% drop in phosphorous by 2018 thanks to NDEP.



https://helcom.fi/media/core%20indicators/HELCOM-core-indicator-on-inputs-of-nutrients-for-period-1995-2018_final.pdf

Blue Med Partnership - announcement



- Creation announced at COP27 in Sharm El-Sheikh in November 2022
- Partnership has received wide political support, including from the European Commission
- Aligned with commitments made by EU to fully integrate the Blue Economy into the Green Deal, EU's new Agenda for the Mediterranean, the UfM Ministerial Declaration on sustainable blue economy and the blue economy agenda
- This new Partnership will help close an estimated €6 billion investment gap in the next 8 years.

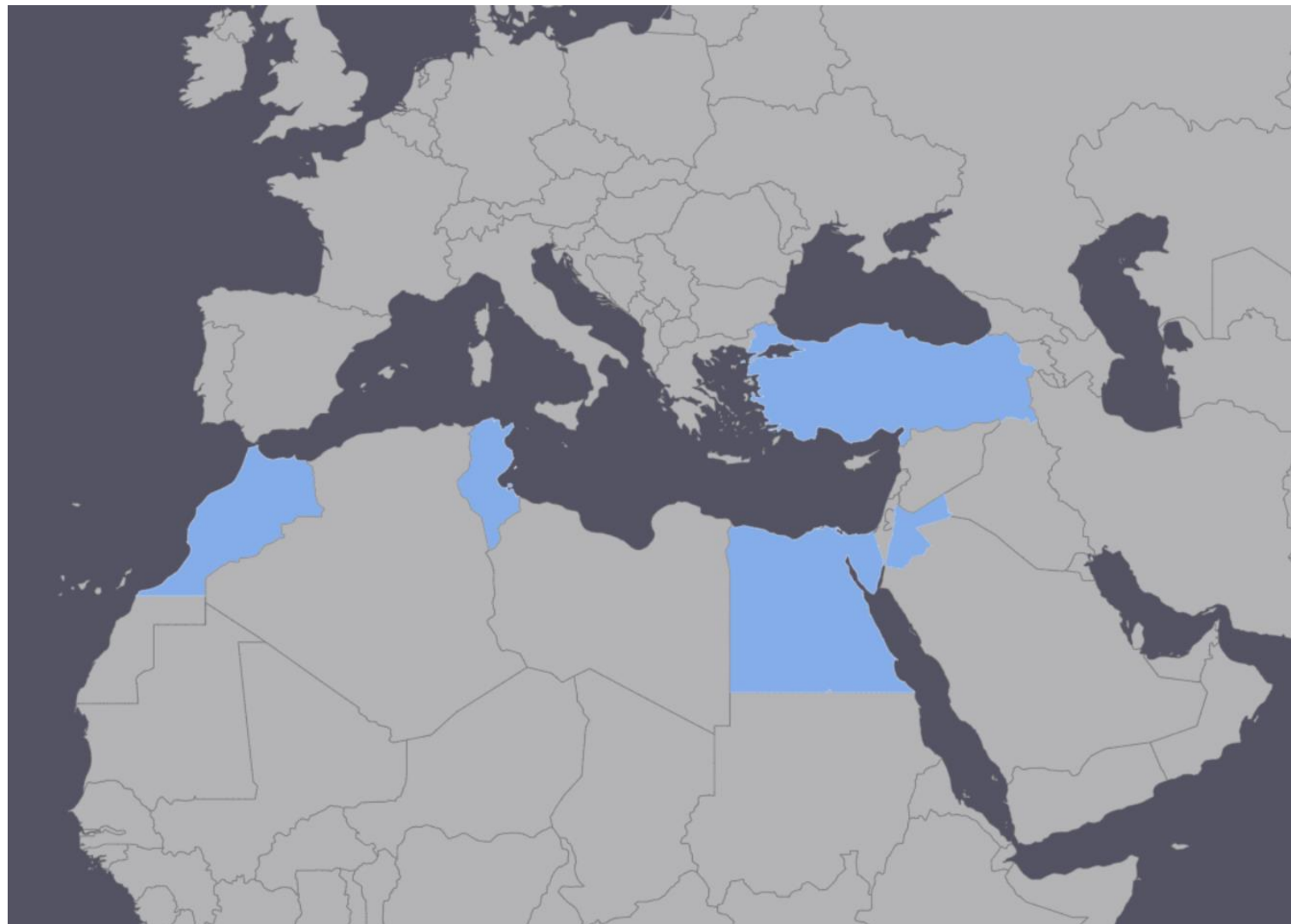
Blue Med Partnership

- Promote the **Sustainable Blue Economy Finance Principles (SBEFP)**
- Support and attract investments in the sustainable blue economy and policy reforms
- Financing of wastewater treatment facilities, solid waste management and plastic waste reduction will help reduce pollution entering the sea (aligned with EU approach and EU Blue Economy Report 2022)
- Including natural capital and nature-based solutions for climate mitigation and adaptation
- Decrease pressure on fisheries through sustainable aquaculture,
- Improve coastal resilience investments;
- Reduce emissions through sustainable marine mobility.



BMP Market Study

- EBRD commissioned a market study for Blue Economy sectors and project pipeline in 2022
- Target countries: **Egypt, Jordan, Morocco, Tunisia, Turkey** and their exclusive economic zones in the Black, Marmara, Aegean and South Mediterranean Seas.

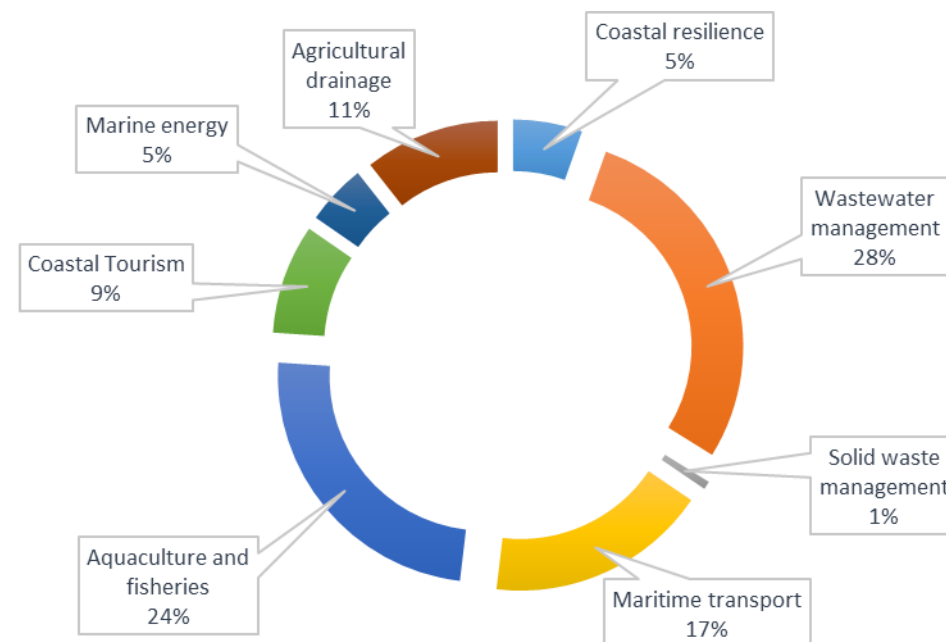


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Investment Needs Distribution

| Category of investment | Investment amounts (in €million) | | | | Total |
|---------------------------|----------------------------------|-----------|--------------|--------------|--------------|
| | Egypt | Jordan | Morocco | Turkey | |
| Coastal resilience | 329 | - | - | 157 | 486 |
| Wastewater management | 1,153 | 15 | - | 1,379 | 2,547 |
| Solid waste management | - | 50 | - | 8 | 57 |
| Maritime transport | - | - | 1,558 | - | 1,558 |
| Aquaculture and fisheries | 62 | - | 500 | 1,604 | 2,166 |
| Coastal Tourism | - | - | 770 | - | 770 |
| Marine energy | - | - | 426 | - | 426 |
| Agricultural drainage | 951 | - | - | - | 951 |
| Other municipal | - | - | - | - | - |
| Total | 2,495 | 65 | 3,254 | 3,148 | 8,961 |



UfM Blue Finance Conference:

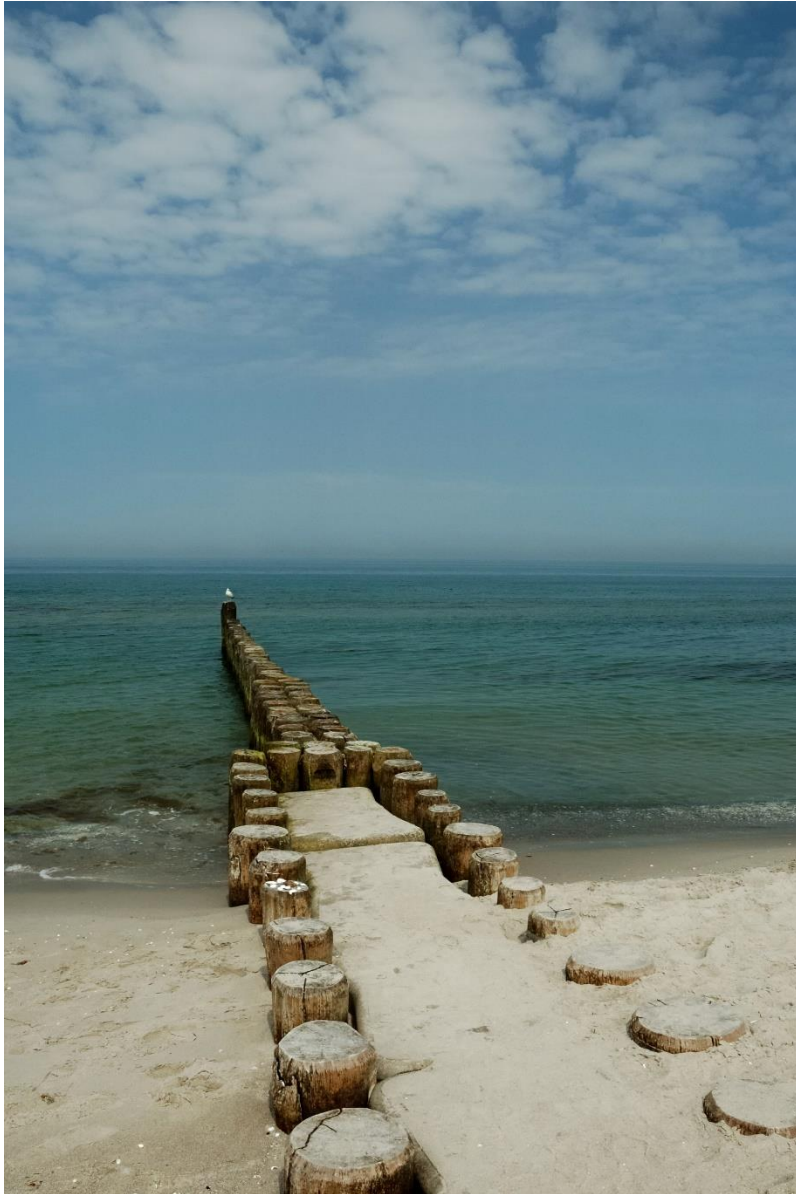
Investing in a Sustainable Blue Economy in the Mediterranean

Brought together Financial institutions, banks (multilateral & national), private investors, and UfM country and industry representatives to

- ✓ Encourage investments in and funding of Blue Economy projects & initiatives in the Med region
- ✓ Discuss the enabling conditions required to attract investments on SBE in the Med + the viability of specific projects/initiatives
- ✓ Matchmaking between project promoters/countries and banks/financial institutions
- ✓ Contribute to better align & mobilize financial flows towards the SBE sectors & activities prioritised by the countries of the UfM



Blue Med Partnership– next steps



- BMP first meeting in Brussels, March 2023
- Finalisation of the Framework Agreement and drafting of Rules of the Fund
- Securing support from the EU and anchor bilateral donors: Sweden, Spain, Germany, Norway, Finland
- UfM Blue Finance Conference in Barcelona, June 2023
- Pledging event July 2023 (Sweden/Spain EU Presidency)