

Towards a Sustainable Euro-Mediterranean in 2030

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International Research Institute on Cooperatives**

Euro-Med Cooperation Inland and Marine Water Challenges



WP 9 - Scenarios for regional integration and cooperation with the EU

The Future of EuroMediterranean Cooperation

- Importance of more integrated political and socio-economic scientific research to explore the drivers of sustainable and inclusive growth and development in the Euro-Mediterranean region to devise long term sustainable policies
 - Building on socio – economic complementarities and synergies between different regions surrounding the Mediterranean
 - Taking into account resources constraints (energy and water) and long term challenges (climate change)
- Relevance of scenario analysis as a strategic and policy tool to drive future developments in the region and with other regions (the case of MEDPRO) to define the challenges and act upon them with alternative policy tools
- Applied research is key to drive the change towards inclusive and sustainable socio-economic development

An Exemple of How Research Can Serve Long term Sustainability Objectives

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WP 9 - Scenarios for regional integration and cooperation with the EU

SCENARIO FRAMEWORK

EU-MED FORMS OF COOPERATION

Failure

EU-MED
UNION
("Integration")

Success

REFERENCE SCENARIO (BAU until 2010)

Inter-governmentalization of
Euro-Med relations
through bilateral agreements among
EU Member States and MED-11
countries

I

SUSTAINABLE DEVELOPMENT OF AN ENLARGED "EU-MED" UNION

EU-MED Union: common market
and frameworks of action on key
topics (e.g. R&D, migrations, trade,
energy, water)

II

"GREEN"
PROSPECT

"BLUE"
PROSPECT

Sustainability:
increase of
total EU-MED
wealth

*SUSTAINABLE
DEVELOPMENT*

THE EURO- MEDITERRANEAN AREA UNDER THREATS

Weakening and failure of
cooperation schemes; regional
conflicts in the Mediterranean

IV

SUSTAINABLE CO-DEVELOPMENT OF EU & MED SUB-REGIONS

Differentiated multilateral agreements
between the EU and MED-11/Arab
regions to enhance cooperation on key
topics

III

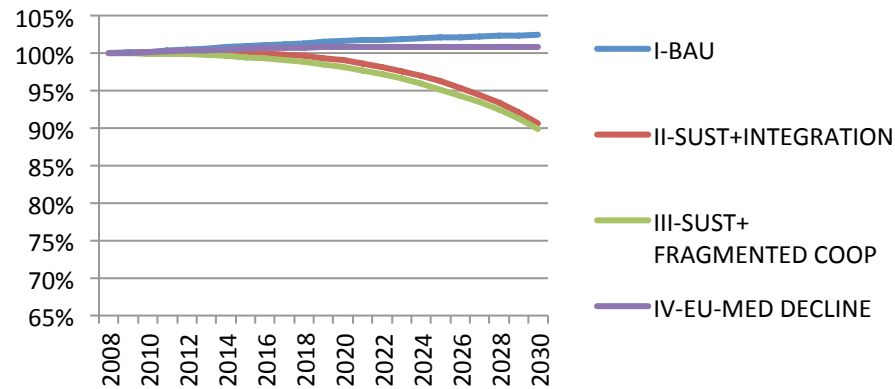
EU-MED Alliance
("Collaboration")

Failure

Success

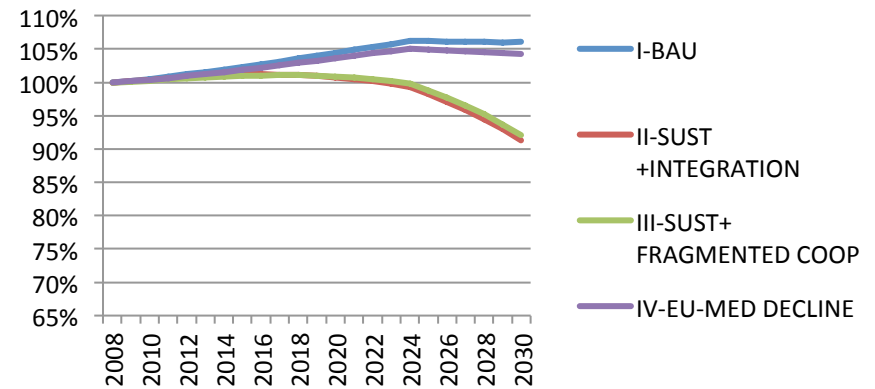
Algeria

Water withdrawals projections to 2030 (% of 2008)



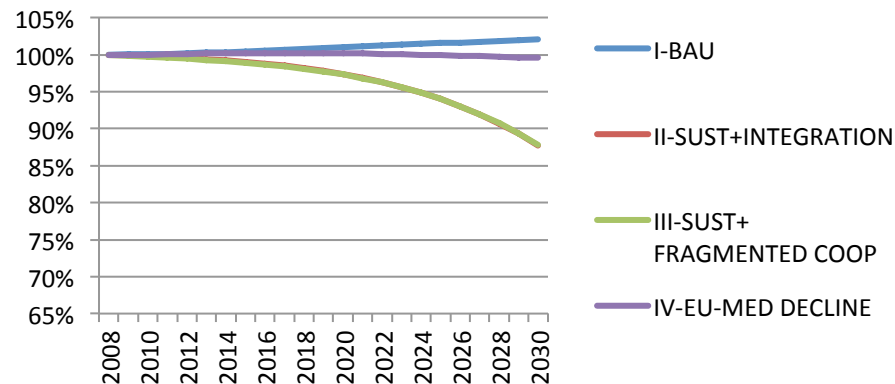
Morocco

Water withdrawals projections to 2030 (% of 2008)



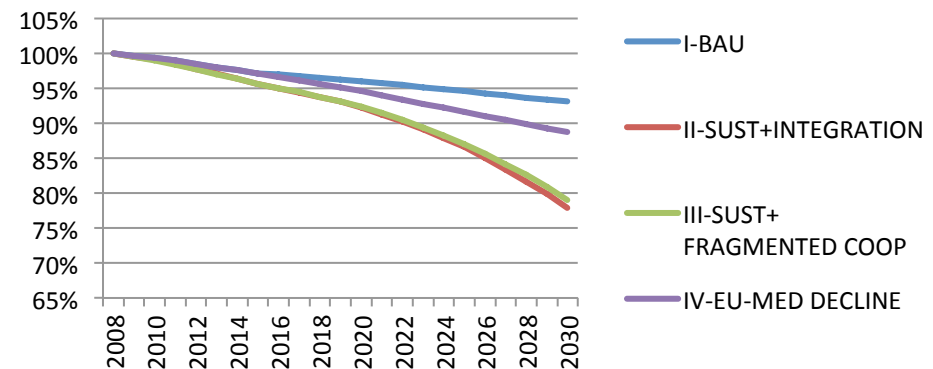
Tunisia

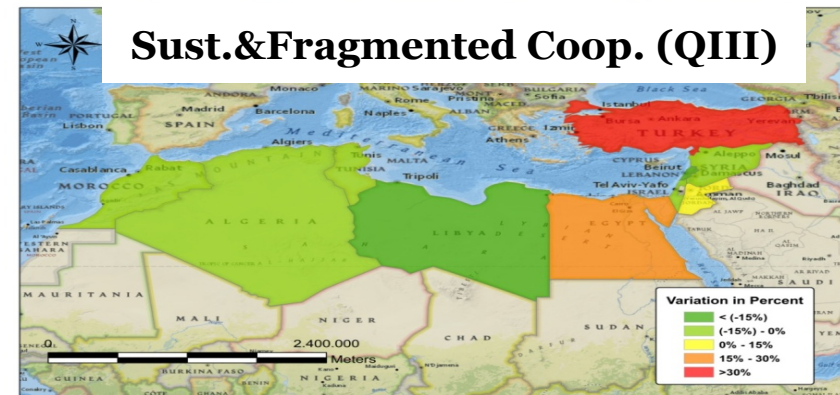
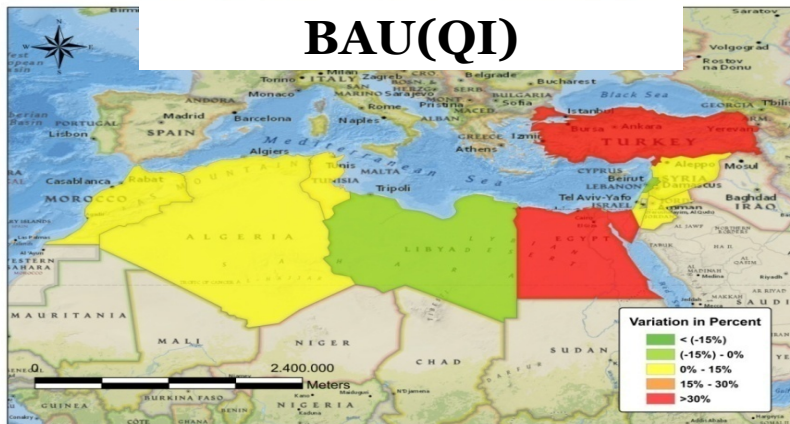
Water withdrawals projections to 2030 (% of 2008)



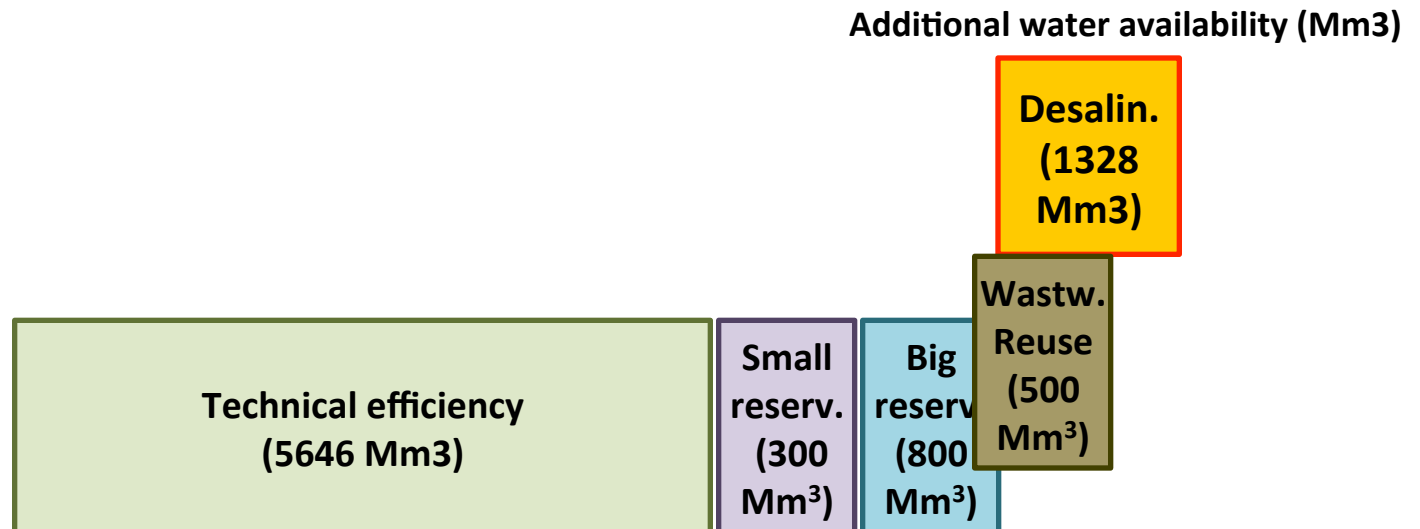
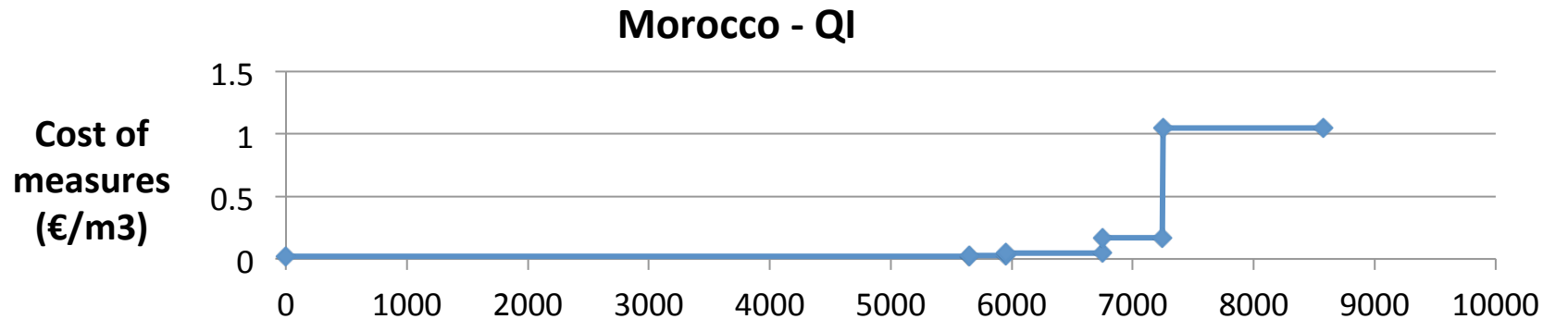
Libya

Water withdrawals projections to 2030 (% of 2008)

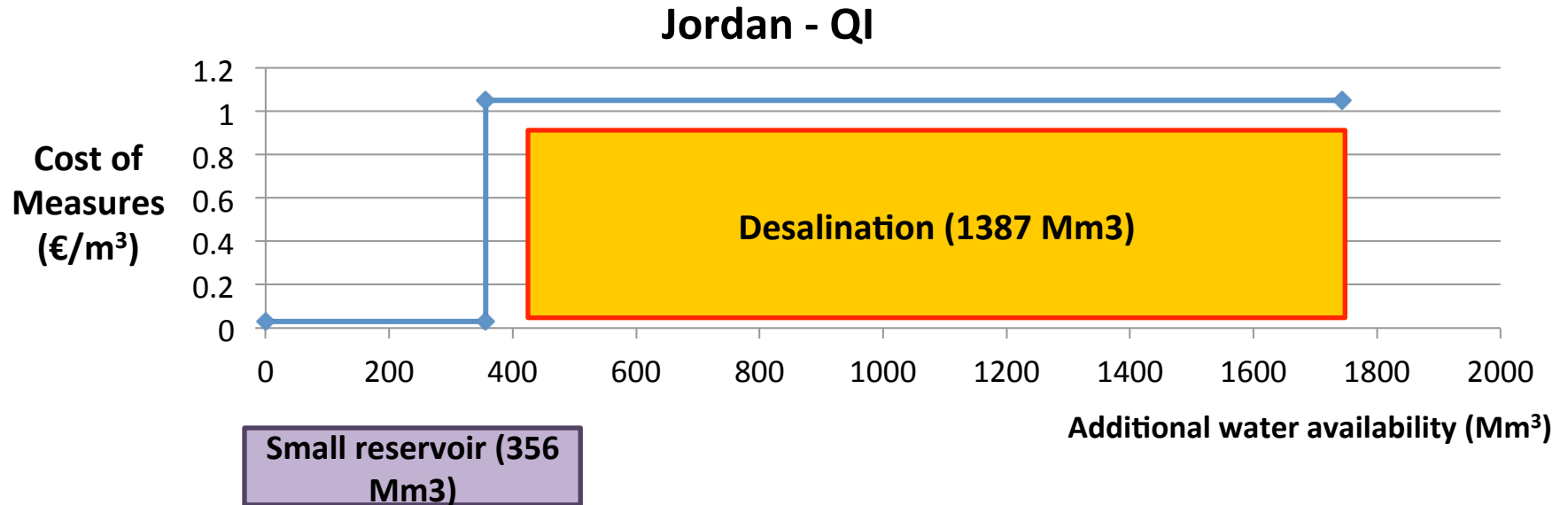




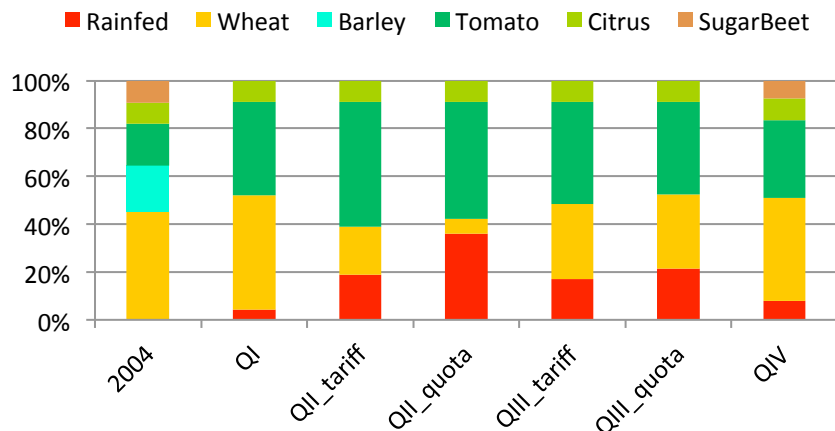
Cost Adaptation Curves



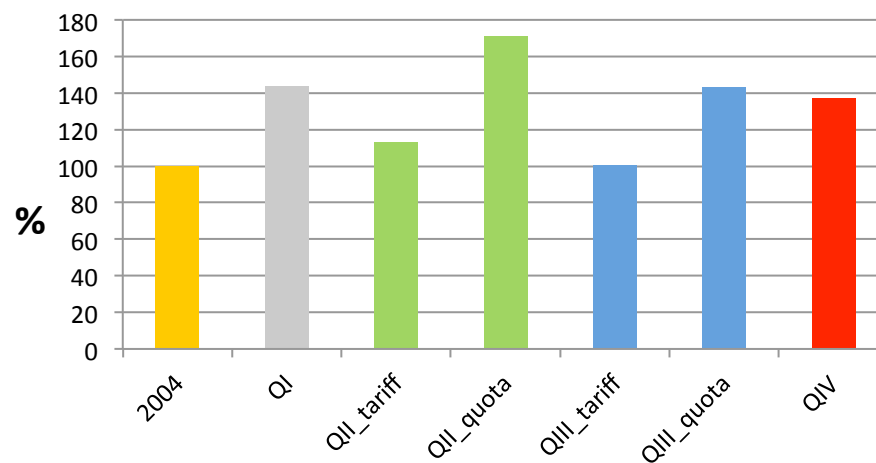
Cost Adaptation Curves



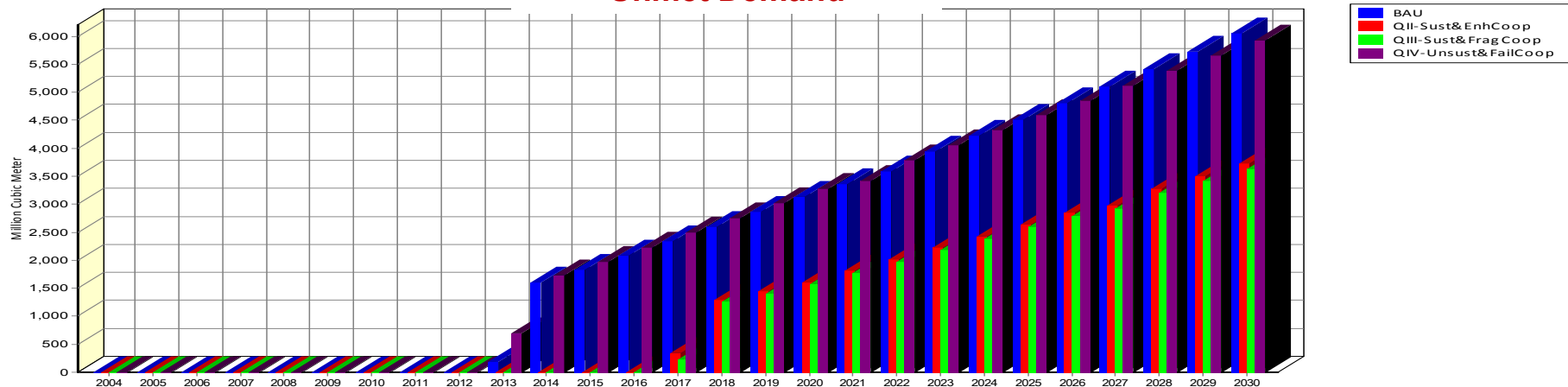
Impact on cropping patterns



Impact on farm income



Unmet Demand



Roadmap for Sustainable Water Use in SEMc

- **A sustainable development future path** requires an **integrated vision** and a combination of **technical, economic, social, and institutional factors** fostering **structural change** → necessary for enacting sound and efficient policies
- Policies should have a **dual Supply/Demand vision**: A well-adjusted implementation of water **supply-enhancing and demand-management** measures and **improved governance** are key for attaining a cost-effective sustainable future and balance the tradeoffs between socio-economic development and water resources conservation
- **Improving water management efficiency is necessary** → **Water demand policies are site-specific** (economic instruments) need to be carefully designed not to affect negatively farm income

Roadmap for Sustainable Water Use in SEMc

■ **Reconsidering Water Supply:**

- Develop additional sources: desalination and rainwater harvesting (Jordan, Israel) and reuse of treated wastewater (Jordan, Lebanon, Turkey, Israel)
- Rehabilitating/introducing new irrigation networks (Egypt, Lebanon, Morocco, Syria)

■ **Reconsidering Water Demand**

- Installing efficient irrigation technologies (All SEMCs)
- Shifting to a more water saving cropping pattern/agenda (Jordan, Egypt, Lebanon, Morocco)

■ **Improving Institutional Management**

- Better coordination of policies and governmental entities (Israel, Turkey, Jordan)
- Development of information systems (Morocco, Israel, Jordan)
- Use of economic instruments (Israel, Turkey, Jordan)
- Research and development programs to improve irrigation and farming activities (Morocco)
- Stakeholder involvement (WUAs , ...)

■ **Integrating Climate Change:**

- CC impacts/adaptation strategies in water planning and management



Fostering sustainable water use in the EU-SEMC



- **EU-SEMC** cooperation (framed into Europe 2020, resource efficient roadmap, sustainable water management cooperation, WFD action plans, ENP)
- → direct technical and financial support when resources in SEMC are lacking (particularly appropriate to foster irrigation modernization and sustain needed investments)
- → Support of policies that set water efficiency targets (water saving technologies), better demand management through economic instruments (tariffs, quotas..), foster institutional reforms for improved governance, minimize impacts of droughts with adapted crops and efficient irrigation
- → support decoupling of depletion of w.r. from the level of economic activity enhancing sectoral coordination (agriculture, regional development, energy policies...)

Unsustainable BAU Scenario.....

Region*	GDP				Population		GDP per Capita	
	bn US \$		% of World		AGR	AGR	US \$ 2010	
	2010	2030	2010	2030	2010-2030	2010-2030	2010	2030
SEMC	1,610	3,564	2.7	3.0	4.1	1.3	5,741	9,861
Rest of the Arab World	1,349	3,053	2.2	2.6	4.2	1.2	11,192	19,799
EU27	17,462	23,695	28.8	20.2	1.5	0.2	34,893	45,529
Emerging Asian Economies	8,840	34,572	14.6	29.5	7.1	0.8	2,855	9,541
World	60,556	117,072	100	100	3.4	1.0	8,951	14,106

A “No Action Policy” will lead to.....

Red Transition



Changes from QI, cumulatively over 2015-2030				
	MED11		EU27	
	in b\$ 2007 value	in %	in b\$ 2007 value	in %
Gross Domestic Product	-5239.02	-12.71	-21.20	-0.01
Investment	-1223.14	-13.42	-34.61	-0.05
Private Consumption	-3316.87	-13.26	-397.88	-0.21
Exports	-2074.43	-20.76	41.71	0.06
Imports	-1375.42	-13.10	-369.59	-0.47
Employment	-	-12.86	-	-0.12
Real Wages	-5239.02	-12.71	-21.20	-0.01

Source: GEM-E3-MEDPRO

A Sustainable Euro-Mediterranean Policy Agenda will.....

Blue Transition






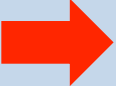


Green Transition



Cumulative changes up to 2030 in bn\$(2007) relative to the Reference scenario	SEMC			EU		BRICs	
	QII	QIII	QN	QII	QN	QIII	QN
Additional cumulative investment	1066	701	1072				
<i>Financed by</i>	711	449	585	361	361	252	126
Additional cumulative GDP	2896	1905	3368	1321	1493	470	189
Decomposition of GDP gains by driver							
Infrastructure	1429	844					
Labour	213	98					
Risk	944	583					
Trade	310	228					

Towards a Comprehensive Long-Term Euro-Mediterranean Policy Agenda/1

	 RED TRANSITION	 BLUE TRANSITION	 GREEN TRANSITION
Rationale	<p>The EU will assist SMECs countries in their political transitions towards fully democratic regimes</p> <p>The critical period to deliver the package is since the Arab revolts</p>	<p>The EU will assist SMECs countries in their own economic and social modernization processes, and help them to build regional (South-South) linkages, trade and cooperation schemes.</p> <p>The critical period to deliver the package is until 2020, to prepare for a more balanced cooperation/partnership with the EU up to 2030</p>	<p>To build enhanced Euro-Mediterranean partnership schemes in energy, environment and socio-economic areas.</p> <p>The critical period to deliver the package is until 2030, which is the time for large programs and infrastructure investments in energy, transport, ICT, water and environment (including adaptation to climate change) to be implemented and produce their effects.</p>

	 RED TRANSITION	 BLUE TRANSITION	 GREEN TRANSITION
New approaches recommended as a result of MEDPRO research	<p>For the EU to provide a strong political message of a vision for the SEMCs towards more sustainable transitions (blue and green) with short and long term actions</p>	<p>Comprehensive socio-economic agreements will be mutually agreed towards a sustainable future that is agreed by the EU and the partner country (and/or region)</p> <p>Regional economic and financial integration, human development programmes and targeted mobility partnerships should be encouraged</p>	<p>Progressive completion of the Euro-Med Economic Area</p> <p>Focus on:</p> <p>A Euro-Mediterranean energy transition strategy</p> <p>A Euro-Mediterranean environment adaptation strategy</p>

The Euro-Mediterranean Economists Associations



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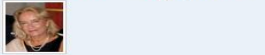
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www.euromed-economists.org

04 November 2014, Naples



Follow-up of MEDPRO: The Euro-Mediterranean Economists Association (EMEA)

A deep interest galvanized by the Arab spring and the willingness to contribute decisively to the transition process in the Southern and Eastern Mediterranean encouraged MEDPRO Coordinator Dr. Rym Ayadi and the project's Partners to found the Euro-Mediterranean Economists Association.

Mission:

The wave of recent Arab uprisings has created new uncertainties and challenges in the Mediterranean region. A profound transition process of varying magnitudes is underway. Its outcome will be determined by the interaction between a number of political, socio-economic and geopolitical factors calling both on governments and external actors to redesign and implement new and specific strategies able to cope with the new realities unfolding in the region.

Aimed at contributing to an understanding of the changing realities in the region, the Euro Mediterranean Economists Association- EMEA brings together leading economists and high-level experts to think for the future of the Euro - Mediterranean. It serves as a leading forum for debate on the political and socio-economic reforms in the south and east Mediterranean with the aim of promoting sustainability and regional economic integration. It will strive to contribute to the rethinking of the Euro-Mediterranean policies in view of the new dynamics of a multi-polar world.

Goals:

- To monitor and to contribute to the reform processes in the political, economic and social agendas
- To identify trends, signals and analyze uncertainties and prospects
- To provide recommendations on the future of regional integration and Euro Mediterranean policies
- To disseminate new political and socio-economic thinking and views through a regular flow of publications and public events
- To develop a network of excellence of economists and high level experts in the Euro-Mediterranean region

Activities:

- Develop an observatory of socio-economic reforms and prospects
- Develop a Euro Mediterranean Economic Council-EMEC

Thank you!

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About MEDPRO



Title	MEDPRO – Prospective Analysis for the Mediterranean Region
Description	MEDPRO explores the challenges facing the countries in the South Mediterranean region in the coming decades. The project will undertake a comprehensive foresight analysis to provide a sound scientific underpinning for future policy decisions at both domestic and EU levels.
Mediterranean countries covered	Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria, Tunisia and Turkey
Coordinator Consortium	Dr. Rym Ayadi, Centre for European Policy Studies (CEPS) Centre for European Policy Studies, CEPS , Belgium; Center for Social and Economic Research, CASE , Poland; Cyprus Center for European and International Affairs, CCEIA , Cyprus; Fondazione Eni Enrico Mattei, FEEM , Italy; Forum Euro-Méditerranéen des Instituts de Sciences Economiques, FEMISE , France; Faculty of Economics and Political Sciences, FEPS , Egypt; Istituto Affari Internazionali, IAI , Italy; Institute of Communication and Computer Systems, ICCS/NTUA , Greece; Institut Européen de la Méditerranée, IEMed , Spain; Institut Marocain des Relations Internationales, IMRI , Morocco; Istituto di Studi per l'Integrazione dei Sistemi, ISIS , Italy; Institut Tunisien de la Compétitivité et des Etudes Quantitatives, ITCEQ , Tunisia; Mediterranean Agronomic Institute of Bari, MAIB , Italy; Palestine Economic Policy Research Institute, MAS , Palestine; Netherlands Interdisciplinary Demographic Institute, NIDI , Netherlands; Universidad Politécnica de Madrid, UPM , Spain; Centre for European Economic Research, ZEW , Germany
Budget and Funding	Total budget: €3,088,573 EC-DG RESEARCH contribution: €2,647,330
Duration	1 April 2010 – 31 March 2013 (36 months)
EC Scientific Officer	Dr. Domenico Rossetti Di Valdalbero, DG RESEARCH
Website	www.medpro-foresight.eu
Contact e-mail	medpro@ceps.eu