

# SWIM and Horizon 2020 Support Mechanism

Working for a Sustainable Mediterranean, Caring for our Future

## SWIM-H2020 SM Regional Activities

### Training on Cost of Environmental Degradation

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**Cost of Environmental Degradation – policy consequences**

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# Introduction

- The World Bank claims that the work on the Cost of Environmental Degradation (COED) in the Middle East and North Africa region had significant impact on the ground.
- It has raised the countries' awareness about the magnitude of the existing environmental damage, but also driven concrete actions to incorporate the COED into national decision-making processes affecting the environment.
- This presentation summarizes the region's experiences of the COED's main impacts.

# Regional impacts

- The World Bank Environment Strategy indicated that environmental degradation, poverty, and economic growth are inextricably linked and that environmental degradation exacts an annual estimated cost of 4–8 percent of gross domestic product (GDP) in many developing countries.
- The World Bank's Middle East and North Africa Region Environment Strategy (2001) found that estimating the COED in monetary terms helps to mainstream the environment into the countries' decision-making processes.
- The region subsequently took the lead in estimating the COED at both the national and the sector levels in most of its countries.
- Euro-Mediterranean cooperation: The COED studies have been recognized as a tool to mainstream the environment into other sectors, also at the regional and international levels.

# Regional impacts

- At the Second Euro-Mediterranean Ministerial Conference on the Environment in Athens in 2002, the
- Ministers' Declaration recognized and welcomed the METAP program's work at the World Bank to evaluate the COED and encouraged future work in the Mediterranean countries (Ministerial Conference 2002).
- Subsequently, at the Third Euro-Mediterranean Conference in Cairo in 2006, the Ministers' Declaration emphasized that the COED studies carried out under the METAP program demonstrated that environmental inaction is not an option (Ministerial Conference 2006).

## Regional impacts

- United Nations declarations. At the international level, the Report to the Secretary General of the United Nations (UN General Assembly 2007a) and Resolutions 61/194 and 62/188 concerning the “Oil Slick on Lebanese Shores” (UN General Assembly 2007b, 2008) quoted the results of the “Economic Assessment of Environmental Degradation due to the July 2006 Hostilities” in Lebanon.
- Both the report and the resolutions urged the member states, international and regional organizations, nongovernmental organizations (NGOs), and the private sector to create an Eastern Mediterranean Oil Spill Restoration Fund in support of Lebanon’s continuing efforts to address the environmental damage.

# Country level impacts

- WB Country Assistance Strategies adopted measure based on COED conclusions. The COED work also identified priority sectors within the CEA reports developed in Egypt, Jordan, and Tunisia. The CEAs used the COED results in the expenditure reviews to analyze the damage and investment costs to mitigate environmental degradation.
- National development plans: The COED studies have increased decision-makers' awareness of the need to conduct economic assessments to support their countries' policy formulation.
- For example, in its 10th Five-Year Development Plan, the government of the Syrian Arab Republic required that environmental valuation be included in all environmental policies and programs.
- The government of the Islamic Republic of Iran has increased its budgetary allocations to its Department of Environment to carry out economic evaluations of the country's ecosystems.
- The Ministry of Environment in Lebanon has used the results of the COED report as an indicator of environmental performance.

# Sector-Level Impacts

## Energy.

- The Energy Environment Review (EER) of Egypt was the first report that quantified the environmental damage caused by air pollution resulting from energy use and from burning agricultural residues in Egypt.
- the EER for Iran estimated the environmental damage from energy-induced air pollution at 5.1 percent of GDP in 2001. The results of the EER were used for the preparation of the 4th Five-Year Development Plan in 2005.

## Coastal zone.

- Given the economic importance of the coastal areas of the Mediterranean countries, many countries bordering the Mediterranean Sea requested the World Bank to carry out COED studies specifically focused on the coastal zones. Through the METAP program, the World Bank financed a subregional study along the coasts of Algiers, Algeria; Alexandria, Egypt; Nador, Morocco; Northern Lebanon; and Sousse and Monastir, Tunisia.
- The key challenge was finding a way to preserve coastal ecosystems threatened by considerable urbanization. These studies enabled policy makers and urban planners to identify the investments needed to protect the most important benefits provided by each coastal zone.



# Investments

- Algeria was the first country that used the COED as a tool for priority setting in its National Environmental Action Plan for Environment and Sustainable Development. As part of the country's first Economic Recovery Program, the government committed US\$ 450 million for the 2001–04 period to implement institutional reforms and pilot investments in the environment sector
- In Egypt, the COED study and the CEA in Egypt highlighted the high damage costs resulting from air pollution, particularly health costs, and played an important role in the design of the Second Pollution Abatement Project generating US\$ 198 million in IFI's investments reducing pollution from the energy and industrial sectors to improve air quality.

# Investments

- In Jordan, the COED study emphasized the environmental damage associated with the Amman landfill. As a consequence, the government, with assistance from the World Bank, prepared the Amman Solid Waste Management Project (US\$ 40.5 million)
- In Morocco, the damage cost of water resource degradation and inadequate potable water and sanitation was estimated at 1.23 percent of GDP in 2000. Subsequently, financial support was generated for a variety of de-pollution measures
- In Tunisia, the results of the COED study encouraged the Ministry of Environment and Sustainable Development to increase its investment in solid waste management. New sanitary landfills were build and polluting dump sites rehabilitated.
- All this is evidenced in preparatory documents (action fiches etc.)

# Mediterranean area

- Information from the different COED reports was used in the decision-making to start the H2020 depollution of the Mediterranean Sea programme.

**CONCLUSION: The information provided by COED studies can help convincing decision-makers to (financially) support de-pollution measures .**

**It provides them with convincing arguments to give priority to such measures**

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Thank you for your attention.

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