

OMC Statement for the COP27

The partnership between Mediterranean (MED) countries and the integration of their markets are the turning point to achieve the goal of carbon neutrality by mid-century. This entails an ever-increasing interdependence and cooperation among MED countries, to exploit crosscutting expertise, technologies, assets and know-how from different stakeholders at all levels, namely policymakers, academia, companies, the investor community and financial institutions, as well as civil society.

The definition of a pathway to ensure a sustainable and durable growth while effectively cutting GHG emissions remains, without a doubt, one of the most urgent priorities for humanity. This becomes particularly compelling in the case of the Mediterranean region, where climate change has a huge impact and may thus deeply affect economic growth and decarbonization pathways. In this context, where many countries still report a poor degree of human development, the attainment of a just and inclusive transition represents not just a priority, but also a great opportunity to increase energy affordability and harmonizing the Euro-Mediterranean energy markets. Nonetheless, the last months have further confirmed that two elements still have a pivotal role as a driver for a sound socio-economic development of the southern shore of the Mediterranean: energy access and energy security.

Huge gaps are found in terms of energy access, availability and use among countries of Northern and Southern MED, with GHG emissions varying dramatically from tens to hundreds of million tons depending on the considered country, with an average value of about 100 Mt per year. In MENA countries, low efficiency in energy production is coupled with a limited contribution of renewable energy to primary energy (generally below 10%, as opposed to 15% in European countries). It is clear that renewable energy is still a source of untapped potential, which in concert with biofuels from agrifood feedstocks – also a largely neglected reservoir – would help to effectively tackle the energy access issues in Southern Mediterranean.

Innovative and breakthrough technologies to decarbonise natural gas uses, increase operational efficiency and circularity are required to support and accelerate the path towards energy transition assuring energy security. The inherent peculiarities of the region represent a unique opportunity for the creation of a natural gas hub between partner suppliers and consumers, as the backbone for energy security in the European-MED segment, particularly when supported by an appropriate CCSU infrastructure for the decarbonization of the whole supply chains. At the same time, policies are essential to support the definition of a clear pathway for the decarbonization of the Mediterranean region, especially considering hard to abate sectors, and to foster the cooperation in the energy sector.

Moreover, substantial investments are required to improve existing technologies, like the hydrogen and biofuel platforms, as well as to support the deployment of disruptive, first-of-a-kind routes, including but not limited to nuclear fusion. The industry, notably from the energy sector, cannot back out from this challenge.

As the growth rate of GDP for MED countries generally shows an unsatisfactory dynamic, hitting negative territory especially in the MENA region, private investments become crucial to pave the way to new, concrete, sustainable solutions for a holistic and systemic approach to the integration of MED energy markets and supply chains.

With this message the OMC - MED and all the members of its network want to vigorously reaffirm their willingness to play an active role in the process of change, supporting the adoption of innovative technologies, new policies and effective business models for leveraging local capabilities, helping the localisation of value chains, and balancing the role of MED countries as both supplier and consumer within the energy market. This will help to assess the different transition paths for the next decades, within the framework of the climate change impacts, in a renewed regulatory framework.

Finally, the OMC - MED is very grateful to the Union for the Mediterranean for the unique opportunity to join the Mediterranean Pavilion at the COP27 event, which will certainly be pivotal for contributing on shared energy policies as well as for pushing stakeholders to take to the field on the basis of the achieved alliances within the Mediterranean region.