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Annex to the

**Report from the Commission
on the implementation of the Environmental Technologies Action Plan in 2004**

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Annex I

Progress in implementing ETAP

1. GETTING FROM RESEARCH TO MARKETS

1.1. Increase and focus research, demonstration and dissemination. Improve coordination of relevant programmes. (PA1)

Four thematic priorities of the 6th Framework Programme for Research and Technological Development (FP6) have been revised to contribute more effectively to the implementation of ETAP. In the calls for proposals, consortia submitting proposals are specifically requested to take into account ETAP approach and objectives in the proposal statement on objectives, structure and overall approach. The specific FP6 priority dealing with support to policy making has also published a call for proposals for tasks directly relevant for ETAP: 1) Comparison and assessment of funding schemes for the development of environmental technologies; 2) Methodology for analysing the impact of environmental technologies on industrial competitiveness, trade and employment.

Research is also being supported on the development of socio-economic tools and concepts to assess the merits of environmental technologies (see the POPA-CTDA project below). This includes among others the valuation of externalities, the ex-ante and ex-post impact assessment of policy options and the social acceptability.

The POPA-CTDA project (“Policy pathways to promote the development and adoption of cleaner technologies”) aims to support ETAP through: 1) the identification of the barriers to the development, diffusion and use of cleaner integrated technologies by households and businesses in transport, energy, industrial and agricultural sectors; 2) the identification of policies and mechanisms to facilitate efficient development, adoption and use of integrated cleaner technologies. The project will map businesses attitude (behavioural willingness), barriers and drivers to engage in innovation activities towards the achievement of cleaner production systems across European industrial sectors and countries.

Efforts to mobilise and coordinate national and regional research on ETAP-relevant issues have also been carried out in 2004 with the launch of a series of ERA-NET projects: e.g. SUSPRISE on sustainable industrial development, PV-ERA-NET on photovoltaics, BIO-ENERGY on bioenergy, HY-CO on hydrogen and fuel cells, FENCO on low emission power plants.

The GMES (Global Monitoring for Environment and Security) and the GEO (Group on Earth Observation) initiatives, which are supported by the FP6 for e.g. the harmonisation of data collection and modelling, will become a key tool for gathering and interpreting environmental data.

Both FP6 and the LIFE programme have furthered their efforts to support the demonstration of environmental technologies. The technical demonstration of innovative and unproven technologies in FP6 has been complemented by the demonstration of technologies mature for market uptake in LIFE III (2000-2006).

The sub-programme LIFE-Environment aims at the development of innovative techniques and methods. The 2005-2006 guidelines will make clear references to ETAP, inviting the project proponents to identify promising technologies, any obstacles to their development and the appropriate measures to overcome such obstacles.

Example of a clean, process-integrated technology supported by LIFE-Environment:

An Italian SME, Stamperia di Lipomo, formed a partnership with other local companies and with the Associazione Impresa Politecnico, to combine the local tradition of printing on silk and modern digital printing techniques to reduce the related impacts on the environment and the costs involved. The LIFE Tieprint project adapted the digital ink jet printing techniques to this particular production and improved its performance. The results are highly illustrative: dye savings because of a 100% reduction in excess dyestuff, 60% reduction of waste water, 80% savings of thermal energy and 30% savings of electricity, 60% noise reduction and 60% reduction of production space required, and an overall reduction of costs. In addition to these benefits for the environment, there has been a major improvement in working conditions, with positive socio-economic effects. (*source: LIFE focus, 2003*)

1.2. Establishing technology platforms (PA2)

So far a total of 22 technology platforms have been established, with around a third due to contribute directly or indirectly to ETAP (e.g. platforms on Hydrogen and Fuel Cells, on Photovoltaics, on Water Supply and Sanitation, on Steel, on Sustainable Chemistry). The progress achieved for these different platforms varies: some are about to issue their strategic research agendas (e.g. Hydrogen and Fuel Cells), others are in advanced phase of working group discussions (e.g. Water Supply and Sanitation, Sustainable Chemistry). The Commission services have recently published [an orientation document](#) on the concept of technology platforms and have put in place a web site to inform interested actors: <http://www.cordis.lu/technology-platforms/>.

Technology Platforms should deliver in the early spring 2005 their draft vision documents and strategic research agendas, in order to allow them to be taken into account in the preparation of the future 7th Framework-Programme on Research and Development (FP7). A major stakeholders' event for the discussion of the draft platform outputs is expected in early February 2005 for the Water Supply and Sanitation Technology Platform.

Member States actively participate in most Technology Platforms (i.e. Hydrogen and Fuel Cells, Photovoltaics, Water Supply and Sanitation) through voluntary "Member States Mirror Groups", which have the task of allowing coordination with national initiatives and projects, ensuring a two-way flow of information from and towards the platforms, and acting as a discussion forum for Member States.

1.3. Establishing European Networks of technology testing, performance verification and standardisation (PA3)

The establishment of **networks of testing centres**, in order to develop common or co-ordinated protocols and practices of technology assessment in the water, soil or land use technology area, is being promoted using Community research funding. A first call for proposals was published in June 2004 for this purpose.

In addition, the Commission's Joint Research Centre is currently conducting a study aimed at identifying existing testing and verification programmes in and outside Europe, evaluating their respective merits and suggesting a possible scheme at EU level. An interim report has been produced, giving an overview of existing environmental technologies evaluation or verification programmes. The study's final results will be presented at a seminar in Brussels in February 2005, and should allow preparation to start for an EU-wide system.

1.4. Develop an EU catalogue of existing directories and databases on environmental technologies (Action 5)

The ETAP Communication stressed the need to provide interested stakeholders with simple **access to existing information** on environmental technologies contained in various directories and databases. The European Environment Agency is developing a prototype portal covering environmental technologies, including good practice, innovation, research and development. This prototype could be the basis for implementing this action under ETAP in 2005.

2. IMPROVING MARKET CONDITIONS

2.1. Develop and agree on performance targets for key products, processes and services (PA4)

For the implementation of this action a group of academics and product policy experts gathered in Gothenburg in September 2004 and proposed a more refined, operational version of the concept, together with ideas on instruments that could support its implementation. Among their key recommendations, they stressed that performance targets should be dynamic and long-term, should strike the right balance between simplicity and complexity, create a framework for producers to compete and for customers to make choices, leaving decisions on technology to relevant actors and encouraging governments at different levels to support innovative products and services.

The design and implementation of performance targets is an area prioritised by the Member States High Level Working Group on ETAP. In 2005 the Group intends to pursue the work of the expert group aiming at clarifying how best to implement performance targets. This work will include exploring the relationship between the concept of performance targets and other EU initiatives addressing the environmental performance of products, services or processes such as the proposed Directive of the European Parliament and of the Council on the eco-design of energy-using products¹, as well as national experience in this field. In particular, two initiatives implemented in the framework of the Integrated Product Policy are relevant for the preparation of performance targets:

- Pilot projects have been launched on two industrial products (mobile phones and garden chairs), in co-operation respectively with Nokia and Carrefour, with the

¹ COM(2003) 453 final

aim to analyse the environmental impacts of the products throughout the life-cycle and identify best practices and potential for improving the products.

- An on-going methodological study should first consider the identification of products with the greatest environmental impacts, then the identification of products with the greatest potential for environmental improvement at least socio-economic cost.

As regards performance targets addressing processes, further preliminary work is needed on the concept and its links with the activities undertaken under the directive on the Integrated Pollution Prevention and Control.

The synergies between this action and other actions under ETAP – such as the networks of testing centres, technology platforms, green public procurement and the mobilisation of stakeholders – should be fully exploited in the design and implementation of performance targets.

2.2. Mobilising financial instruments to share the risks of investing in environmental technologies (PA5)

Currently the EU has a range of financial instruments that can support investments in environmental technologies. In addition to the Framework-Programme on Research and Development and the demonstration programmes, such as LIFE-Environment, discussed above, the Structural Funds and the Cohesion Fund remain the main EU source of grants to such investments in eligible geographic areas.

Arnoldstein (Carinthia) is situated in the region where Slovenia, Italy and Austria meet. As part of a reorientation scheme following economic restructuring measures, the Euronova industrial park and an innovation centre were created in Arnoldstein. Chemetall was one of the first companies to move to the industrial park. With a forward-looking product policy, Chemetall aims to offer an ecologically oriented range of products on its principal markets in Europe, Japan and the USA. The project supported by the EU was the development of environmentally friendly friction linings with new materials based on matrix sulphides. In order to achieve greater penetration of the market for environmentally friendly product innovations, further developments are underway with the aim of increasing the efficiency of materials at low temperatures and in the production of substitute substances for copper in the matrix sulphides.

These grant schemes are complemented by the instruments managed by the EIB Group, providing for loans and guarantees in both the private and public sectors.

EIB Group's operational objectives include environmental protection and improvement and support for the Lisbon Strategy through its **Innovation 2010 Initiative (i2i)**. One of the core areas of i2i is investment in research, development and innovation, which EIB Group finances through medium and long-term loans from the Bank as well as, through the EIF, participations in venture capital funds that provide SMEs with equity resources and guarantees to SME loan portfolios.

In the field of climate change, the EIB has established a €500 million facility to finance projects that reduce greenhouse gas emissions as well as a small technical assistance facility to help develop project-based carbon credits, in the context of the EU Emissions Trading Scheme. The Bank is also exploring the possibility of setting

up a new equity-type fund to acquire carbon credits for compliance purposes. As regards future EU financial instruments for the forthcoming 2007-2013 period of the financial perspectives, a number of changes are proposed which will facilitate support for environmental technologies:

- The future 7th Framework-Programme on Research and Development should provide enhanced and more focussed support for the development and technological demonstration of new eco-efficient techniques. In particular, technology platforms will be a key instrument in gathering interested institutions and companies, defining and implementing long-term strategies in promising technological fields. Through the cooperation between EIB Group and Commission services, consideration is being given to establish a new Community Finance Facility in the 7th Framework Programme for Research and Technology Development, in order to leverage investment in European research projects and research infrastructures.
- A new Framework-Programme for Competitiveness and Innovation is being prepared by the Commission. This programme will also address eco-innovation, by stimulating the wider uptake of proven eco-efficient technologies, and by helping to bridge market gaps in SME finance, including the lack of investment in innovation such as eco-innovation..
- –The EU Cohesion policy instruments can make a significant contribution to the wide application of environmental technologies at regional and local levels. In particular, these instruments can help orientate the investments needed in the new Member States towards sustainable solutions, both technologically advanced and adapted to local needs. The new regulations proposed by the Commission on 14 July 2004 would provide for support to environmental technologies as part of the Convergence, Regional Competitiveness and Employment and Cooperation Objectives. The Norwegian and EEA mechanisms should also provide additional support in particular for the new Member States. The preparation of European Strategic guidelines and of Member States' programming documents (National Strategic Reference Frameworks and Operational Programmes) starting in 2005 will be a key step to prepare this support. Full use should be made of the many examples of good practice in environmental technologies that relate to the key infrastructure and productive investment priorities supported by Cohesion policy instruments. The ETAP High Level Working Group could help improve access to information on innovative or sustainable technologies matching these priorities by preparing an 'inventory' or 'resource book' identifying these technologies and the main references useful to implement them.

The emphasis under ETAP is on the mobilisation of existing instruments and/or the creation of new ones, at EU level and at the level of Member States, in order to share the risk of investing in environmental projects and companies, thus facilitating their access to finance. In support of the implementation of this action, the Dutch EU Presidency organised a conference on the 'Financial instruments for sustainable innovations' on 21-22 October 2004. The conference screened financial instruments funding innovative projects and companies, exchanging experience on how these instruments can promote sustainable innovation, considering the potential for transfer in other Member States and lessons at EU level. Next steps include further exchange

of best practice between Member States on most promising instruments, with a view to wider use of such funding schemes in Member States.

2.3. Review state aid guidelines (PA6)

The **environmental State aid guidelines** are valid until end 2007. In 2005, the Commission services will start discussions and consultations with Member States to identify the needs and areas for adaptation of the guidelines in the light of experience so far.

2.4. Review environmentally harmful subsidies (PA7)

In 2004, the Commission participated in the OECD project on the reform of **environmentally-harmful subsidies**. The project aims to propose an approach to identify such subsidies and to select those where the abolition or reform could have the biggest environmental benefits. It also looks at the political obstacles to reducing such subsidies. The first steps of the work focused on ways to identify environmentally-harmful subsidies via a checklist approach and on how to advance the political process of subsidy removal². This checklist tries to identify the impact of subsidy removal on consumer and producer behaviour as well as the impact of such behavioural changes on the environment³. On the basis of the result of the OECD's work, the Commission will enter into a discussion with Member States in 2005 on ways forward.

2.5. Encourage procurement of environmental technologies (PA8)

The Commission services recently published a Handbook on environmental public procurement⁴ which explains in clear, non legal terms, the possibilities for contracting authorities to introduce environmental considerations into their tendering procedures. It contains many best practice examples and clarifies the legal possibilities contained in the new public procurement directives⁵. These specifically mention in their recitals and provisions the possibilities for adopting environmental considerations in technical specifications selection and award criteria, and contract performance clauses.

As a support tool, the Commission has developed a web-based database containing basic environmental information for some 100 product and service categories. This should help contracting authorities to look for the appropriate environmental technical specifications to introduce in their tender documents. The Commission website on green public procurement also contains legal and policy background and will be regularly updated.

In the Communication on the Integrated Product Policy, the Commission called on Member States to draw up Action Plans for greening their procurement. This should

² These issues were addressed in two workshops. The proceedings of the first workshop can be found in: OECD, Environmentally-harmful subsidies – policy issues and challenge, Paris 2003.

³ Cf. OECD, Synthesis Report on Environmentally-Harmful Subsidies, SG/SD(2004)3/FINAL of 28 June 2004

⁴ SEC/2004/1050, 18/8/2004

⁵ 2004/17/EC and 2004/18/EC

be facilitated by guidelines which will be discussed with public procurement and environmental experts. The guidelines should emphasise in particular the need to develop measurement tools to assess the current situation on green public procurement in the Member States and monitor progress or set targets, and the need to organise appropriate training of all relevant administrations and utilities dealing with green public procurement. The existing local, regional and international networks on green purchasing can usefully support this process.

A Green Public Procurement steering group of Member States, should co-ordinate the exchange of information and best practice in this field, and support the preparation of national plans by Member States and of possible objective-setting at EU level.

2.6. Provision of targeted training

In many sectors, education and professional training are essential for the successful development and wider use of environmental technologies. This should be promoted in particular by the exchange of information on training and education for procurers and users of environmental technologies, including maintenance. At EU level, the Community Education and Training programmes have supported a number of transnational projects in this area, promoting co-operation between Member States and international partners and the exchange of best practice. Below are examples of projects supported by the Leonardo da Vinci programme.

The SUPPORT project, co-ordinated by the University of Leoben (Austria), was aimed at SME managers, skilled workers and business consultants. The aim was to provide knowledge and skills in product and process innovation in the environmental field. It provided SMEs with information on more environmentally friendly production methods and how environmentally friendly production can be used as a marketing advantage. National trade associations were involved in testing and evaluating the training modules elaborated in the project.

The GREEN ENTREPRENEURS project, co-ordinated by Banbridge District Entreprises Ltd (UK), has been developing and evaluating a web-based training resource for entrepreneurs who wish to establish new businesses offering environmental products and services. Based on a comprehensive analysis of SME needs, the training tool covers the environmental context (international and national regulations, corporate obligations), the opportunities arising from this context (providing environmental products and services, using recycled materials), setting up a business (start-up phase, support for and marketing of green business) and best practice examples.

3. ACTING GLOBALLY

3.1. Promoting responsible investments in and use of environmental technologies in developing countries and countries in economic transition (PA11)

Preparation of facilities to support energy efficiency and renewable energies

Preparatory work with International Financing Institutions to establish investment facilities to support energy efficiency and renewable energies has progressed in 2004. Examples include:

- The Patient Capital Initiative, promoting renewable energy projects and companies via venture capital funds, with which the EIB is involved as technical adviser and potential investor. The “Patient Capital” would provide a type of equity that blends public and private sector investment requirements, with an expectation of return, which is less demanding than pure commercial private equity capital. The solicitation, creation and investment in sub-funds should start in 2006, with possible first project funding in late 2006.
- The EBRD is preparing an energy efficiency credit line for Romania. A credit line of around €50 million could address the lack of local funding for such investments, due to the lack of information and expertise of local banks and the preference given by private investors for short-term production investments.

With respect to global initiatives, the EU set up in 2004 the ACP-EU Water Facility to improve the access to clean water and sanitation for people in Africa, the Caribbean and the Pacific⁶. The Water Facility is a concrete achievement of the EU Water Initiative launched in the World Summit on Sustainable Development, in Johannesburg in 2002. The Water Facility should have an important catalytic effect in generating additional funds for water and sanitation. 250 million € were set aside for the Water Facility in 2004, with an additional 250 million € due in 2005.

In 2004 an EU Action Plan for Climate Change in the Context of Development Cooperation was also adopted, together with a proposal for allocating 250 million € to the EU Energy Initiative. This Action Plan includes many references to environmental technologies, and provides support to partner countries to develop research on technologies with low emissions of greenhouse gases, on low carbon technologies, and to further develop local mitigation technologies.

Trade related aspects

Following expert discussions in the workshops on **export credits and the environment** organised by the United Nations Environment Programme (UNEP), the Community has adopted an Initiative on "Export credits for sustainable development projects - Renewable Energies and Water" that was tabled in the OECD in November 2004. The objective is to start negotiations for the amendment of the OECD disciplines on export credits, with a view to granting more favourable

⁶ <http://www.euwi.net/>

financing conditions (repayment term, local costs) for renewable energy projects and water-related projects.

Regarding the negotiations of the World Trade Organisation (WTO) on the **liberalisation of trade in Environmental Goods and Services**, one major issue remains the definition of environmental goods for the purpose of customs tariff reductions. The Commission and the Member States are currently working on defining the European approach to the issue. Negotiations on Environmental services proceeded smoothly during 2004 and are expected to take up speed in 2005.

4. INFORMING THE PUBLIC

An important aspect in the implementation of ETAP is **information** for the general public, so as to raise awareness and gain public support to the wider use of environmental technologies, and the information and **mobilisation of specific public targets** (scientific community, industries and relays with SMEs, financial institutions, environmental regulators and NGOs) so as to facilitate their participation in specific actions and have them relay ETAP actions at national and local levels.

Two communication tools were developed in 2004:

- The [ETAP web site](#) aims to provide background information on ETAP and updated information on its implementation, to both general and specific public targets, with a series of links allowing interested readers to get more specialised information related to specific actions (links to documents or web site, e-mail addresses of contact points),
- A Newsletter distributed electronically (first issue distributed in September 2004) aims to provide news on events (conferences, publications, proposals) related to environmental technologies, information on Member States programmes and initiatives, examples of best practice or successful projects, short analyses of promising technologies. Articles are targeted at interested but not specialised audience. One aim is to create a link between various stakeholders, facilitating exchange of information and networking around ETAP objectives. For that, contact points or relevant websites are systematically included in articles.

These communication tools should be completed by actions targeting specific actors for the wider use of environmental technologies, in particular technical centres, industry federations and chamber of commerce or craftsmen, with a view to preparing the action on targeted training (action 23 in the ETAP Communication). EU instruments supporting professional training and relevant relays in Member States should be involved in developing such actions.

The involvement of stakeholders in the implementation of ETAP should also be facilitated by the establishment of the European Panel on Environmental Technologies in 2005, (action 27 in the ETAP Communication). The Panel was prepared by consulting stakeholders on its likely role and methods, in a public debate during the Green Week in June 2004. This will be followed by a stakeholders' event in 2005.

Annex II

Experience and initiatives in the Member States

Many initiatives in Member States pursue objectives similar to those pursued under ETAP. These initiatives are important for the implementation of the Action Plan, as they often constitute a solid basis for further work within given countries and for the exchange of experience between Member States, the identification of best practice and possible replication throughout Europe. The following examples of interesting initiatives in some Member States could have wider appeal across the EU.

1. GETTING FROM RESEARCH TO THE MARKETS

The **Austrian** Federal Ministry of Transport, Innovation, and Technology (BMVIT) has developed a five-year **Programme on Technologies for Sustainable Development**. It initiates and supports trend-setting research and development projects and the implementation of exemplary pilot projects. The sub-programme "Factory of Tomorrow" focuses on innovative development in production processes, use of renewable raw materials, products and services. The goal of the "Energy Systems of Tomorrow" subprogram is to develop the use of renewable energy sources, energy efficiency and flexible systems. The "Building of Tomorrow" sub-programme makes use of the two most important developments in solar and energy efficient building: the passive house and the low energy solar building method.

In **Finland** the **technology programmes** financed by Tekes, the National Technology Agency of Finland, are used to promote development in specific sectors of technology or industry, and to utilize the results of the research work to business world in an efficient way. Three examples of such programmes are: the FINE Particles programme targeting fine particles and their impacts on people, climate and the environment, the Technology and Climate Change Programme (Climtech) investigating methods and technology to slow down climate change, recently followed by the Mitigation of Climate Change and Business Opportunities Program (Climbus), focused on clean energy production, especially biofuels, process technology to reduce emissions and increase energy efficiency and services related to the abatement of the climate change.

More than 500 companies form the **Swedish Environmental Technology Network** that uses an Internet site to disseminate knowledge about their environmental achievements. Technology for cleaner production and environmental management within the areas of air quality, water and waste water treatment and waste management are presented on the web site. The catalogue is presently being updated.

2. IMPROVING MARKET CONDITIONS

The State Environmental Fund (SEF) in the Slovak Republic operating between 1998 and 2001 has supported the development of environmental technologies. The SEF, whose resources came mainly from pollution charges, penalties and loan repayments, granted **subsidies** in the form of non-recurring subsidies (donations and grants) and recurring subsidies (soft loans with the 8 % interest rate and long maturity date). The

SEF was terminated in 2001 but new legislation has been prepared to create a new environment fund.

The ‘Incentive Scheme to Enterprise Modernisation’ (SIME) is part of Portugal’s ‘Incentive programme for the modernisation of the economy 2000-2006’ (PRIME) which rules financial support for investment project carried out in the context of the EU Structural Funds. It works as a non-repayable subsidy, additional to funding for mainstream investments, and it is granted to investment projects based on a strategic analysis encompassing the adoption of Best Available Technologies, registration to EMAS, participation in the Eco-label Award Scheme, or use of innovative methods resulting in significant reductions of greenhouse gases or acidifying gases emissions.

The Austrian federal guarantee instrument “Austria Wirtschaftsservice; AWS” provides **loan and equity guarantees**. These are financial instruments which transfer part or all of the risk of investment from investors to the state owned provider of the guarantees. The most basic justification for guarantees is a market failure in the sense that environmental projects with favourable risk-return profiles are unable to obtain external financing from banks for reasonable conditions. Many investors have difficulties in assessing technology risk and potential future returns from environmental and R&D investments and therefore do not make the investment.

The French Agency for Environment and Energy Management (ADEME) created the Investment Fund for Environment and Energy Management in 2003. This fund invests in convertible shares issued by companies that need financing for an investment in renewable energy technologies (especially wind energy) or recycling and waste valorisation technologies. Funding is provided through **mezzanine financing**, a type of financing between long-term loans and equity, allowing for stable funding without intervening in the companies management decisions. This fund represents an investment capacity of €45 million and aims for investments in the range of €0.5 to 5 million.

The Dutch authorities have developed several **fiscal instruments** supporting investments in environmental technologies. Among them, the green fund scheme is an investment fund that invests only in certified sustainable projects. A government office performs the certification of the projects. The private investors contributing to the fund receive a tax reduction over the profits they make with those investments. Because of this they are satisfied with a lower interest rate, and therefore the Green Investment Fund can offer lower interest rates to the green projects they invest in. In total 2845 projects have been financed with green investment funds (1995-2002) with a total investment of €4.9 billion.

Regarding Green Public Procurement, Sweden has developed a **voluntary guideline** and dedicated web-site, to be used by public purchasers for identifying green products and in making environmental considerations when purchasing products, services and contract services. The purpose is to give market actor an “easy-to-use” instrument for purchasing organisations, both public and private, which have an ambition to make environmental considerations when purchasing. Information is available on environmental requirement specifications and related environmental information in criteria documents for the products and services that are most common purchased within the public sector. The government purchasing policy also includes specific requirements for some goods such as cars, for which 25% of

purchased cars, or cars leased for a period exceeding one year, must use electricity or alternative fuels such as bio-fuels.

The United Kingdom and Sweden have also launched a common initiative on **environmental technologies in sustainable buildings and construction**. This project, started by Prime Ministers Blair and Persson, has garnered the enthusiasm and resources of academics, industry leaders, NGOs and government in both countries towards the aim of facilitating exchange of skills and best practice and all levels from policy development to trade and crafts skills. The construction sector is actively involved in the development work and both governments aim to launch the project formally in Spring 2005.

3. ACTING GLOBALLY

The **Italian Carbon Fund** purchases Emission Reductions from projects that both benefit the global environment and transfer clean technologies for sustainable development to developing countries and countries with economies in transition. The fund supports projects that generate emission reductions eligible under the Kyoto Protocol's Clean Development Mechanism and Joint Implementation. The fund's project portfolio includes support for a wide range of technologies and regions, including the People's Republic of China, the Mediterranean region, as well as the Balkans and the Middle Eastern Countries.

The **Mediterranean Renewable Energy Programme (MEDREP)** was launched at the World Summit on Sustainable Development in Johannesburg by the Italian Ministry for the Environment and Territory, and involves several other European and International bodies. MEDREP's objective is to deploy renewable energy resources in the region, in order to alleviate poverty by providing modern energy services particularly to rural populations, and to contribute to climate change mitigation by increasing the share of renewable energy technologies in the region. In the framework of MEDREP, an agreement between Italian and Tunisian institutions allows for establishing in Tunis a Centre for training, information dissemination, networking and development of pilot projects in the field of renewable energies.