

ITALY

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Meeting growing needs for energy services through increased use of renewable energy, greater reliance on advanced energy technologies, including advanced and fossil fuel technologies

Speaking notes

Time and again, diverse group such as the European Union and the G8 have made strong commitments to increase supply and utilization of renewable sources of energy. Industrialised countries, and Italy is one of them, are adopting domestic measures to foster the competitiveness of renewable sources compared to conventional ones: fiscal tools, capital-cost incentives and feed-in tariffs, and renewable energy and energy efficiency tradable certificates are among the most promising. The effective application of these tools requires however the existence of modern economic and market strategies such as the privatisation of the energy and gas sectors.

Italy believes that energy technologies that use renewable sources are already mature technologies that, once the appropriate context is established for their development and diffusion, can address in the short term the challenges linked to energy security, climate change and access to energy services by the poor . Furthermore, in countries where population and energy consumption grow at increasing rates, renewable energies can represent, at present, the most feasible option for clean energy.

For these reasons it becomes important to facilitate and support the creation of contexts in which the transfer of know-how between industrialised and developing countries can effectively take place.

Although the main barrier to the development and utilization of renewable energy technologies is related to their costs, thereby requiring increased financial efforts by all, , the final solution to the global diffusion of clean and efficient energy technologies will appear only when a mature and aware market framework will be established.

The Kyoto Protocol flexible mechanisms, in particular the Clean Development Mechanism (CDM), and in general the innovative tools of “carbon finance”, are valuable instruments for generating resources for the development of clean energy technologies through market development. The Italian Government is currently promoting in the Mediterranean region the establishment of a favourable context for the development and diffusion of efficient and renewable energy technologies. The Type II Partnership Initiative MEDREP¹ has been launched with the purpose of identifying and implementing innovative financial mechanisms to support markets for renewable technologies in developing countries.

The solar water heater technology has been identified, at present, as the most market-adaptable technology in the short term for domestic use and in the tourist sector. The main market barrier to its development is high initial costs, coupled with the difficulty of accessing credit institutions that still consider renewable technologies a high risk investment .

¹ Mediterranean Renewable Energy Programme

Due to initial positive results, reliability in the government and local credit institutions has increased, and governments have been further engaged in supporting consolidation of this market sector until the technology will become competitive and assimilated into the national technology market.

Similarly, the Italian Government in cooperation with the partnership initiative REEEP, is engaged in carrying out an ambitious project aimed at developing a regional market-based incentive scheme, involving countries of the whole Mediterranean area.

This scheme, based on Renewable Energy Tradable Certificates and on the Kyoto Protocol mechanisms, aim at enhancing incentives and supporting sectoral private investments in developing countries.

As to Bioenergy, the development of this sector is the response to a global demand. In recognition of this fact, the G8 Leaders have established in the Gleneagles Action Plan the launching of the Global Bioenergy Partnership. As already announced, such launching will take place during the CSD High Level Segment.