

A satellite image of the Earth, showing the eastern coast of Asia, including China, Korea, and Japan, and the surrounding Pacific Ocean. The land is green, and the ocean is blue. The image is used as a background for the text.

# New Framework Programme of STI and Commercial Cooperation

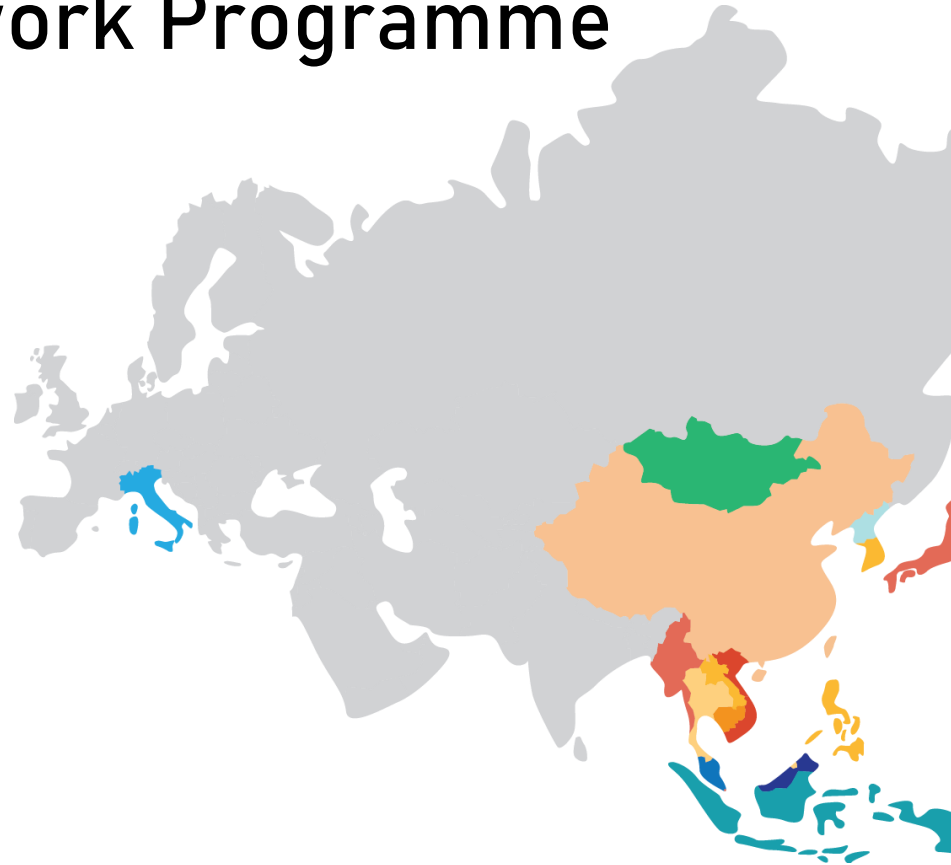
for energy and ecological transition  
between

Italy, China and other partner Countries in Asia - Pacific

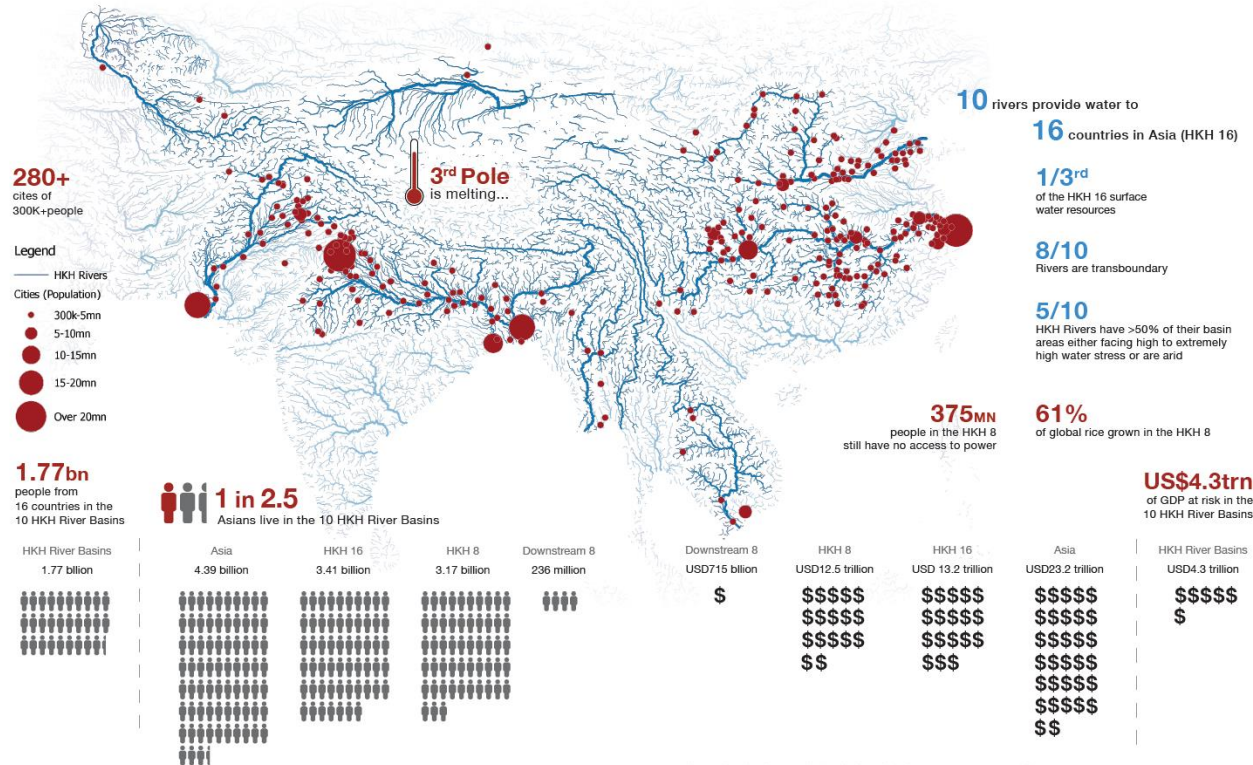
PROPOSAL

# 01. Why a New Framework Programme

Between Italy, China  
and Asia – Pacific



# The Third Pole is compromised



- ❑ Glaciers in **Hindu Kush Himalaya** (so-called Third Pole) are melting
- ❑ Devastating floods followed by droughts
- ❑ The water supply of all countries between **Iran and China** is at risk
- ❑ The Mekong, Yangtze and Yellow River basins, among the largest in the world, are the hardest hit
- ❑ China main emitter of greenhouse gas emissions (about 30% global emissions)

Direct Economic and Climate fallouts involve both Asia and Italy (and Europe)

# China is taking action

2013

- «Eco Civilization», 1st Air National Action Plan, revision of most important standards for environment

2015

- New Environmental Protection Law, 1st Water National Action Plan, Public Utilities reform and PPP, guidelines for Green Bonds issuance

2016

- 1st Soil National Action Plan

2017

- Ecological Red-lines

2018

- Emissions Tax Law

2019

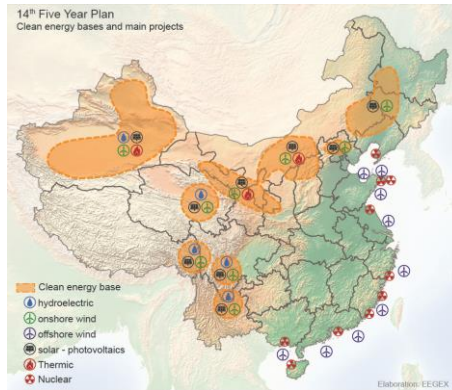
- Reform and strengthening of Ministry of Ecology and Environment (MEE)

2020

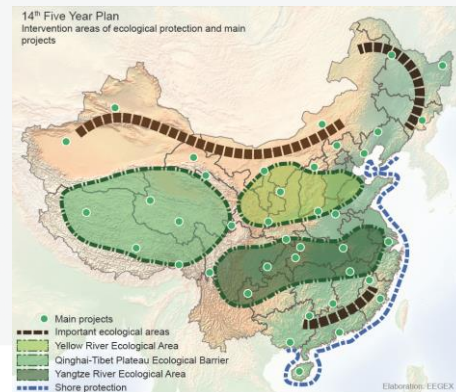
- Adoption of sorted waste collection in all major cities

2021

- 14<sup>th</sup> Five Year Plan



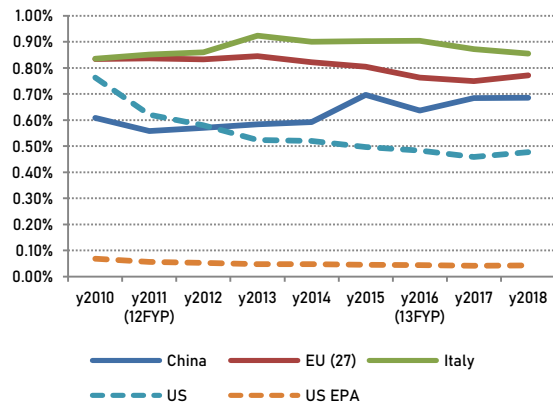
9 Clean Energy Bases



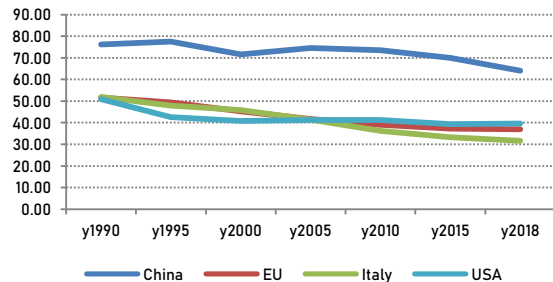
Ecological Protection Areas

A radical change in the growth model is being prepared

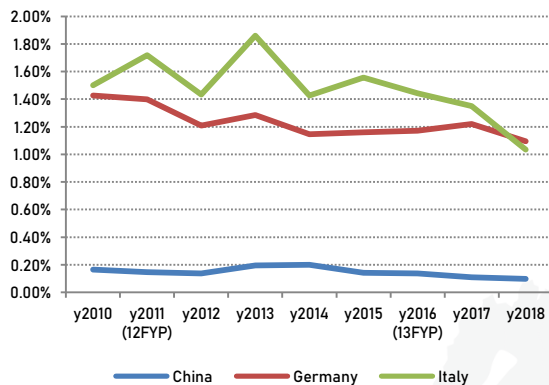
# Evolving Market in search for stability



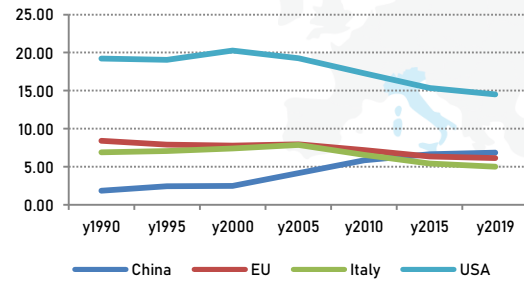
Government Expenditure on Environmental Protection on % of GDP between 2010 and 2018



Carbon intensity of industry consumption (gCO2/MJ)



Investments completed in treatment of industrial pollution on percentage of total industrial investments.



tCO<sub>2</sub> emissions per capita

## What is not (yet) working in China:

- ☐ PPP concentrated in few SOEs and listed Companies, which created a cash crunch in the industry (new financial tools are being studied)
- ☐ Green Bonds not entirely aligned with international definitions (a new more compliant catalogue has been issued)
- ☐ Problematic capacity building in both the Public and Private sectors (Administrative regulation is being improved)

## Palatability of Italy:

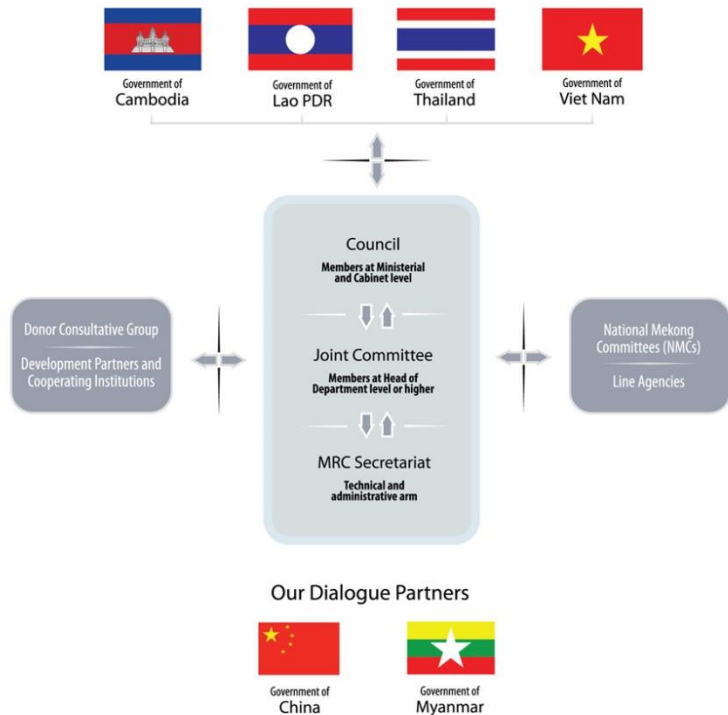
- ☐ Second most industrialized Country of Europe, with low carbon intensity (below EU average and half of China)
- ☐ Strong public expenditure on % of GDP and strong investments of industry for environmental protection and decarbonization
- ☐ forty years of lessons learned on the frontline of environmental and ecological protection

Italy is a stable partner and a compendium of techniques and expertise



# Mekong River

## Mekong River Commission Governance Structure



The MRC is an intergovernmental organisation for regional dialogue and cooperation in the Lower Mekong River Basin, established in 1995 based on the Mekong Agreement between Cambodia, Lao PDR, Thailand and Viet Nam. The organisation serves as a regional platform for water diplomacy and a knowledge hub of water resources management for the sustainable development of the region.

The European Commission, Germany, France, Belgium and Sweden are among the Development Partners of MRC (but not Italy)

### Sustainable development opportunities

- ☐ Hydropower development
- ☐ Irrigated and climate smart agriculture development
- ☐ Navigation development
- ☐ Leveraging the value from regionally significant environmental assets
- ☐ Flood and drought mitigation
- ☐ Sustainable livelihoods
- ☐ Fisheries and aquatic resources

# Cooperations involving EU, China and Asia - Pacific



EU-China High  
Level Environment  
and Climate  
Dialogue  
27 September 2021



ASEAN-China Environmental  
Cooperation Strategy and  
Action Plan 2021-2025

28 September 2021



The Sino-Italian Programme, active for 20 years, from 2000 to 2020, has been considered among the most important bilateral cooperations of China in Environmental Protection.

- ☐ The Programme was dedicated to Government-to-Government technical cooperation, with little involvement of Italian Private sector
- ☐ It has been «suspended» at the end of 2020

# Cooperation with Italy

## Potentials

- ❑ Advanced and core technologies corresponding to the needs of the market in China and Asia - Pacific
- ❑ Skills and know-how fitting to needs of Companies and Government Organizations
- ❑ Possibility to bring state-of-the-art innovation to technologies and techniques

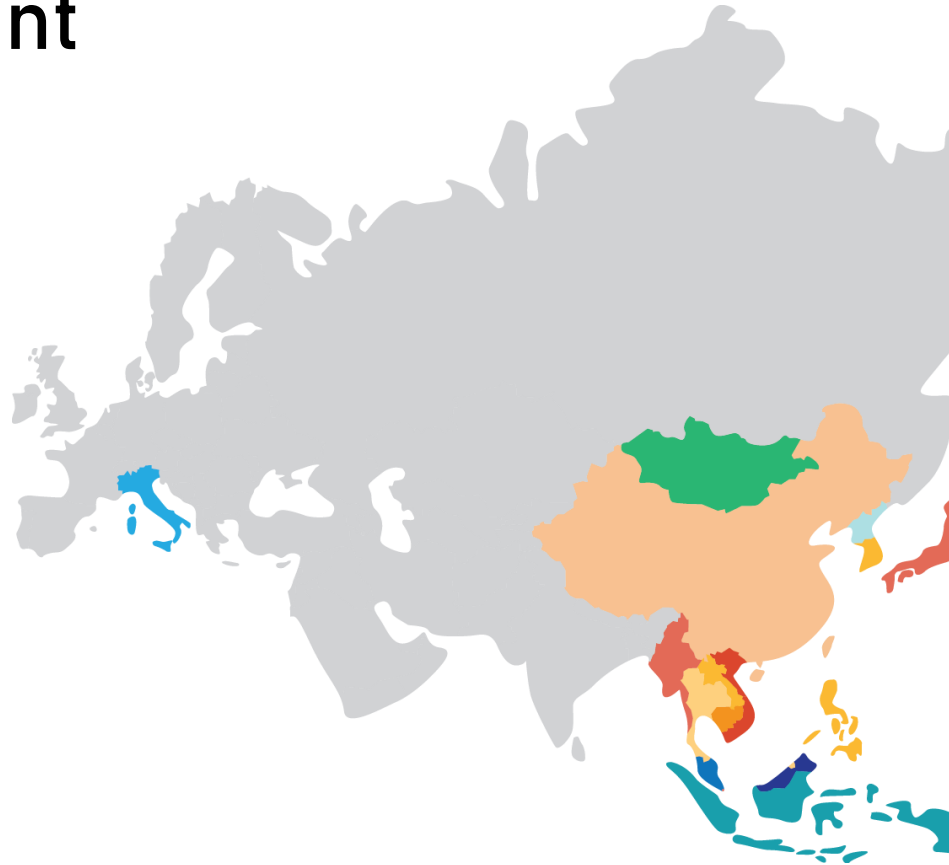
## Criticalities

- ❑ Small in size: the technologies belong to a economic system of Small and Medium-sized Enterprises (SMEs), without national champions (like Siemens, Veolia and Vestas)
- ❑ Government purchases in China must be "Made in China", therefore localization and technology transfer is necessary, but not affordable for SMEs (same principle applies to other Countries in Asia - Pacific)
- ❑ service, consultancy and assistance is a prominent business for Italian SMEs, but it hardly can be delivered cross-border, also Business to Government consultancy and assistance shall be often mediated by Government Bodies, such as Academies and Societies, and Italian SMEs don't have experience in dealing with such Organizations

**The Cooperation with Italy requires a strong Public-Private Partnership**



## 02. Programme blueprint

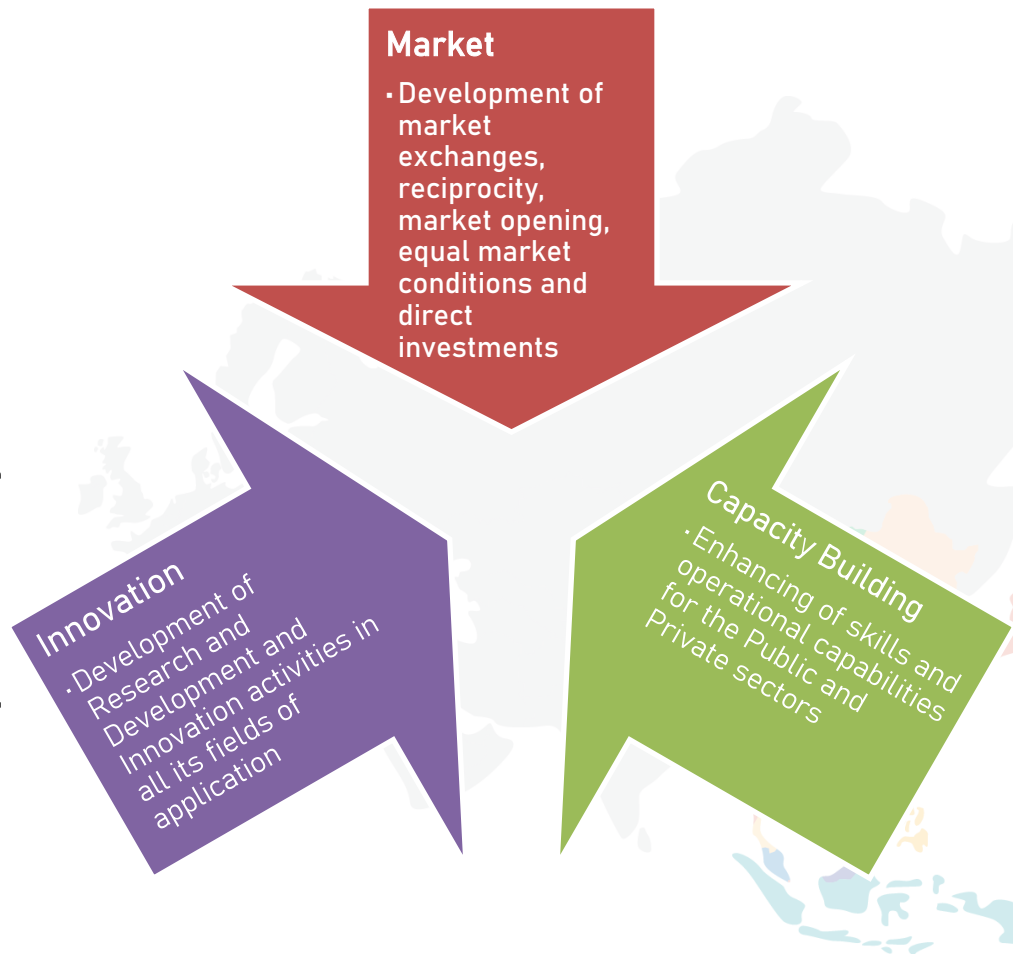


# Objectives

## Main Objective

- Enhancing economic, technological and scientific cooperation and trade exchange between Italy, China and other partner countries in the Asia-Pacific area, in the Energy and Environment sector.

## Specific Objectives



# Expected Results

1) Program Management Office (PMO) dedicated to cooperation between Italy, China and other partner Countries in the Asia - Pacific, with branch offices in all partner Countries, established through a Public-Private Partnership and Governance System.

2) Match-Making Platform to promote commercial and technical cooperation projects, both on Business to Business (B2B) and Business to Government (B2G) channels, with integrated services, including business acceleration, legal advice and intellectual property protection.

3) High Training and Consulting Platform for knowledge transfer, involving both the Private and Public sectors, including Universities, Academies, Engineering Companies, etc.

4) Technology Demonstrators for feasible joint research and innovation projects and for advanced and experimental technologies and techniques



## Activities $\Rightarrow$ Result 1

1. High-level dialogue on policy making and administrative regulation.

2. Organization of aggregative projects for the internationalization of Italian SMEs in China and in the other Partner Countries, with training for managers, assistance in the evaluation and preparation of companies.

# Activities ⇒ Result 2

## 3. Match-Making Platform:

3.1.

permanent digital platform, with a marketplace of companies, technologies and matching tools for business opportunities and new projects in Technology Transfer, Research & Development and Innovation, including the organization of webinars.

3.2.

permanent roadshow, involving exhibitions, forums, workshops and B2B events, in Italy, China and other partner Countries in the Asia - Pacific area

3.3.

exchanges of delegations of companies and other organizations, to visit companies, universities and institutions and to visit facilities and project sites.

## Activities ⇒ Results 3 and 4

4. coordinating a network of universities, companies and other organizations, with a joint and shared governance mechanism, in order to:

4.1.

training courses and educational policy plans based on specific and jointly defined needs

4.2.

providing partners, in China and other partner Countries, with specialized operational consultancy, from territorial planning to engineering

4.3.

establishing, at partner offices in China and other partner countries, a place and related resources to exhibit the technologies and test them for demonstration purposes.