



# Italy-India Strategic Partnership in Energy Transition

## Why in News

Recently, at a bilateral meet, India and Italy released the Joint Statement on **Italy-India Strategic Partnership in Energy Transition**.

- The two nations acknowledged significant progress in bilateral relations since the [adoption of the Action Plan for an enhanced Partnership](#) between India and Italy (2020 –2024) in **November 2020**.



## Key Points

- **Joint Working Group:**
  - Tasked the Joint Working Group to explore cooperation in areas such as:
    - **Smart Cities**, mobility; smart-grids, electricity distribution and storage solutions.
    - Gas transportation and promoting natural gas as a bridge fuel.
    - **Integrated waste management** ("waste-to-wealth").
    - Green energies ([green hydrogen](#), Compressed Natural Gas (CNG) & Liquefied Natural Gas (LNG), bio-methane, bio-refinery, second-generation [bio-ethanol](#), castor oil, bio-oil -waste to fuel).
  - The **Joint Working Group was established** by the Memorandum of Understanding on Cooperation in the field of Energy, signed in Delhi in **October 2017**.
- **Green Corridor Project:**

- Consider working together to support a large size green corridor project in India to capitalize on India's target to produce and integrate **[450 GW of renewable energy by 2030](#)**.

- The Green Energy Corridor Projects aim at **synchronizing electricity produced from renewable sources**, such as solar and wind, with conventional power stations in the grid.

#### ▪ **Investments:**

- Encourage joint investments of Indian and Italian companies in energy transition-related fields.

#### ▪ **Sharing Information:**

- Share useful information and experiences especially **in the field of policy and regulatory framework**.
- Including possible **means to facilitate the transition to cleaner and commercially viable fuels/technologies**, long-term grid planning, incentivizing schemes for renewables and efficiency measures, as well as with regard to financial instruments for accelerating clean energy transition.

## **Significance of Italy for India**

- 2021 is the year of the **73<sup>rd</sup> anniversary of diplomatic relations** between India and Italy.
- India has recently been identified by Italy as **one of the top five priority countries** for internationalization of business.
- **Italy acknowledges both geopolitical and economic importance of India** and is actively trying to step up its relations to a new high, based on good diplomatic relations and economic exchanges.
- The economic importance of relations can be understood from the fact that **Italy is the eighth largest economy in the world and the third largest in the Eurozone**.
  - It is also the **world's sixth largest manufacturing nation**, dominated by small and medium enterprises clustered in many industrial districts.
  - **India**, on the other hand, is the **sixth-largest economy** and a large market for over 600 Italian companies operating in India.
- Italy has **supported India's membership** to export control regimes like the **[Missile Technology Control Regime \(MTCR\)](#)**, Wassenaar Arrangement and the **Australia Group**.
- Italy **hosts the third largest Indian community** in the **[European Union](#)**, with an estimated 1,80,000 people, after the UK and the Netherlands. Indian labor is particularly active in the agriculture and dairy industry.
- Italy, being a part of the European Union, can **prove to be an important partner for India in the post-Brexit Europe** and can prove to be a favorable base for India companies to operate in Europe.
- The **[Indo-Pacific](#)**, at one end, is becoming the leading route for international maritime trade, and the **Mediterranean Sea**, on the other, is the natural point of arrival for ship cargo arriving from Asia.
  - Acting jointly in both areas would mean promoting values such as democracy, free trade, security, and rule of law, that denote India and Italy's international behaviour, with consequences in terms of planning and policymaking.
- **2021 and 2023 will see Italy and India respectively preside over the [G20](#)** during what is expected to be a critical phase in the recovery of global economy and inter-state relations after the **[Covid-19 pandemic](#)**.
  - Recently, **Italy has joined the [International Solar Alliance \(ISA\)](#)**.

**[Source: PIB](#)**

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