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Herzliya Conference

The climate crisis will shape the global economy in decades to come and will open a window of opportunity for states and companies to take part in a new future. Companies worldwide are already called on to adapt their products and production processes to new environmental standards, and to conserve their resources.

Israel is no exception. The new environmental legislation and the growing need to comply with stringent environmental standards catalyze Israeli companies to prepare for climate change. Future limitations on Israel's greenhouse gas emissions and the possible incorporation of Israel in the global carbon market will further promote the development of new technologies and products to address the challenge of climate change.

The search for environmental solutions to such problems as water scarcity and contamination, air pollution, global warming, growing quantities of hazardous and municipal waste can create new economic opportunities and open new markets for environmental products and services.

In light of these trends, we have identified three key areas where Israel's expertise could be translated into global leadership:

Technology, Technology and Technology

Capitalizing on our trademark in technological innovation, thanks to Israel's unique advantages and expertise in areas such as - water desalination technologies, combating desertification, water wise agriculture and renewable energy, but also on Israel's leadership in Information Technology, the environmental technologies can be one of the main levers for economic growth in Israel.

The first technology market I am referring to is technology in eco-industries. Eco industries provide goods and services for environmental sustainability and protection.

The market for eco-industries includes the provision of clean technologies, waste management, water management, renewable energy, green building and others. This market is growing in a rapid pace and provides for many green jobs. Israel is already recognized as a leader in key pillars of the eco-industry market, namely in water management and renewable energy. Israel has already made major inroads in the field of solar energy, both on the local level through the development of rooftop solar collectors and photo-voltaic systems and on a national level through the proposed construction of solar power plants in Israel's Negev desert.



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Dozens of Israeli companies are active in the solar market, one of which, Solel, has emerged as a global leader in solar thermal technology. In parallel, numerous Israeli companies are active in the field of biofuels and geothermal and wind energy. Notable among these is Ormat, a leader in the renewable energy sector with more than four decades of experience in the development of environmentally sound power solutions, primarily in geothermal and recovered energy generation.

Our innovation explores new frontiers and has to reinvent itself in order to generate the necessary solutions to the energy challenge. Dr. Berzin's work on algae as a potential source for biofuels is one most interesting example.

We would like to see Israel's expertise expanding to other eco-industries, such as waste management.

One of my Ministry's priority goals is to transform waste from a nuisance to an economic resource, through a comprehensive and market wide waste reform in Israel. Our waste reform's ambitious goals begin with a dramatic change of approach to an extended producer responsibility approach. It is our intention that the producers will be liable of the collection, recycling and management of the entire product line packaging waste.



Why producers? Producers hold the greatest control over product design and marketing. Through extended producer responsibility we are able to shift the liability and full cost of a product's "end of life" stage - back to the producers. This new approach is already being incorporated into our new Packaging Law, currently in its final draft stage prior to being presented to the government over the next two weeks. To reach our ministry's goal of a 50% recycling rate by 2015, we are also Making major efforts to create new markets for products and materials, such as used tires, construction and demolition waste, paper and other components of household waste.

We are convinced that one direct result of our effort will be the creation of a new market for recycling waste with new employment opportunities and local expertise.

In tackling climate change, energy efficiency is especially important for air pollution reduction and reduction of greenhouse gases. Some 50 companies currently work in Israel in such fields as lighting systems, air conditioning and water transport. This market is growing significantly worldwide, largely due to the increase in oil prices - on the one hand, and the need to achieve energy savings in order to cope with the problem of global warming- on the other hand.

The Information Technology required for supporting energy and resource efficiency has an important share of the market. Leading me to the second technology market I would like to highlight today: Information Technology Market.

The environmental information technology market presents opportunities in several areas relating to energy and resource efficiency:

First, in improving its **own** energy profile, what is known as "Green Information Technology"- the transformation of the Information Technology infrastructure - into an energy efficient one.¹ **Then**, as environmental information technology, supporting energy efficiency and demand side management in **other** sectors. One example is IT for smart grid technologies for electricity transmission and distribution, as well as new business models such as the one proposed by **Better Place**.

Based on our accumulated experience with limited water resources, intense solar radiation and high temperatures, Israel can well contribute technological solutions for climate **adaptation**. Today we

¹ http://www.ibm.com/press/press.nsf/00000000-0000-0000-0000-000000000000?open&ibm=12sUtsIXD_mkwid_t200_GBMM_MM_AOGBR=mme_cm?greenit/en/ku/smb/businesscenter/com.ibm.304_1686jnm432_4637115331
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are ready to serve as a regional laboratory and center of excellence to prepare for and adapt to changing climatic conditions.

Israel's scarcity of natural resources, particularly water has fostered great innovation in agricultural technology in many different areas including²: irrigation technologies, produce improvement to better quality and longer shelf life, greenhouse systems to significantly increase yields in comparison to the yields of open fields, to name a few.

In short, Israel's technological innovation in eco-industries, in information technologies and in agro-technologies, as well as others, has a great potential in the local and global environmental arena.

Regional and international cooperation with both organizations and states are high priority items on Israel's agenda. We are currently in the midst of our accession process to the OECD and in achieving our post-Copenhagen commitments. Both provide us with a special opportunity to upgrade our environmental policies, reduce our greenhouse gas and air pollutant emissions, accelerate the

<http://www.investinIsrael.gov.il/NR/exeres/CD724CE0-F8DB-4440-AE04-7F3200AF8F8F.htm>²



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development of our cleantech industry and transfer our innovative environmental technologies to countries worldwide.

We, at the Ministry of Environmental Protection, are convinced that economic progress and environmental protection are closely linked. We are certain that the development and implementation of environmental technologies is a "win-win" situation: it will catalyze the development of an industry with significant export potential, it will ensure a cleaner environment in Israel and quality of life to its residents, and it will promote regional and international cooperation for the improvement of the environment.

In order to enhance processes that lead to the creation of new markets and a greener economy, we are using a basket of policy tools: setting measurable targets in such areas as renewable energy, energy conservation and recycling, enacting and enforcing laws, promoting green procurement by government, and promoting public awareness, environmental education and a sustainable lifestyle.

Our target of 20% reduction in emissions from the business as usual scenario by 2020 was presented by our president in Copenhagen and currently in the process of a government decision. This 20% by 2020 target would require a long list of drastic steps in many areas, including electricity generation.



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It is my hope and my intention to promote a green revolution in the Israeli economy, through partnership between the private sector and government. We must provide industry with the necessary incentives to develop new technologies that will help Israel take a leading role in meeting the environmental challenges ahead. Today, investments in technologies to reduce greenhouse gas emissions, minimize and recycle waste, treat effluents, manage water wisely are no longer options. They are necessities, both strategically and economically. And what's especially important is that the benefits are sure to outweigh the costs in the form of a healthier environment, a better quality of life, sustainable economic growth and employment based on a green economy.