



## MED TEST II - THE UNIDO TRANSFER OF ENVIRONMENTALLY SOUND TECHNOLOGY PROGRAMME

TO HARNESS THE FULL POTENTIAL OF INDUSTRY'S CONTRIBUTION  
TO INCLUSIVE AND SUSTAINABLE INDUSTRIAL DEVELOPMENT IN THE SOUTHERN MEDITERRANEAN

### Context

The Mediterranean Region is experiencing rapid economic growth and progressive social change at the expense of its natural environment. There is an urgent need for industry, as a key motor of driving economic growth, to decouple economic growth and revenues from excessive and increasing resource use and pollution. The greening of industries has become a core determinant of economic competitiveness and sustainable growth, as industries face a series of challenges and barriers to become more resource efficient, low-carbon and low-waste, non polluting and safe, and producing products that are responsibly managed throughout their life cycle. Sustainable consumption and production (SCP) emerged as a thematic priority for Mediterranean countries and is at the heart of UNIDO's Green Industry initiative and in line with UNIDO's Inclusive and Sustainable Industrial Development mandate.

The business case of sustainable production in the Southern Mediterranean context was demonstrated within the framework of the UNIDO MED TEST I pilot initiative implemented in Egypt, Morocco and Tunisia (2009-2012) with the financial support of the Global Environment Facility and the Italian Government. This initiative applied the UNIDO Transfer of Environmentally Sound Technology (TEST) integrated approach that demonstrated win-win strategies for successful resource efficient and sustainable production. A pool of 43 manufacturing industries across seven industrial sectors received technical assistance for the identification and implementation of improvement measures. On average, more than 50% of the identified measures had a return on investment of less than 0.5 years. Significant savings opportunities for energy, water and raw materials were achieved (>20% compared to baseline) revealing a huge and untapped potential for the upscaling of TEST in the Region.

UNIDO is now partnering with the European Union, the United Nations Environment Programme and the SCP-RAC of the Mediterranean Action Plan in the implementation of the SWITCH-Med initiative, a regional multi-component program that aims at facilitating the switch towards sustainable consumption and production in nine countries of the Southern Mediterranean Region. The Switch-Med Program comprises policy, networking and demonstration components. As part of the demonstration component, UNIDO will be directly implementing the MEDTEST II project to scale up the UNIDO MED TEST I pilot experience to the Region.

### Strategy

The MEDTEST II Project aims at stimulating and increasing the demand and supply of sustainable production services to industry in the southern Mediterranean region. This will be achieved by:

- Demonstrating to industry the business case for more sustainable production through the identification and application of integrated environmental management approaches, particularly the UNIDO TEST methodology. TEST combines the essential elements of tools such as Resource Efficiency and Cleaner Production (RECP), Environmental Management Systems (EMS) and Material Flow Cost Accounting (MFCA) as part of Corporate Social Responsibility (CSR), applied on the basis of a comprehensive diagnosis of enterprise needs (Initial Review). As a result of the customized integration and implementation of these tools and their elements, the key output is the adoption of best practices, new skills and management culture, enabling the company to carry on the improvement journey towards sustainable entrepreneurship.



The MEDTEST II Project is  
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## SUPPORTING THE DEVELOPMENT OF GREEN INDUSTRY AND SUSTAINABLE PRODUCTION IN THE SOUTHERN MEDITERRANEAN

- Strengthening the local market of providers of sustainable production services, whereby a network of service providers will receive training and gain hands-on experience in the implementation of the TEST methodology, so that they can offer sustainable production services to industries on a commercial basis in the future, assisting them to switch to greener management and production systems and to reduce their ecological footprint.
- Exposing policy makers to project technology and lessons and providing recommendations for harmonizing and reinforcing policies to support the introduction of resource efficient and clean technologies in industry.

### Expected outcomes

- Increased knowledge among industrialists about the concept, benefits and implementation methods of sustainable production in industry;
- Reduced environmental impact, lowered production costs and increased competitiveness for the industries participating in the project;
- Increased capacity of local service providers to offer sustainable production services to industries on a commercial scale;
- Increased local market demand for sustainable production services in industry;
- Local policy makers supported for the integration of resource efficiency and sustainable production concepts into national policy and incentive schemes.

### The way forward

Green industry adopts a more efficient use of resources and production inputs, integrated environmental and energy management systems, sustainable design for new investment projects, internalization of the environmental costs associated with manufacturing, and compliance with national environmental regulation. Industries applying sustainable production models can gain the following benefits:

- Improved productivity and reduced operational costs;
- Minimized environmental compliance costs and environmental footprint;
- Compliance with international environmental standards to access new markets (global supply chains and export markets, new green markets and public procurement, etc.);
- Secured long term supply of production inputs: the adoption of a resource efficiency strategy that can mitigate the effects of disruptions and price volatility in the raw material supply chain;
- Improved relationship with stakeholders (investors, banks, regulatory body, local communities, consumer associations, etc.).

### At a glance

**GOAL:** Stimulating and increasing the demand and supply of sustainable production services to industry

**MDGS:** MDG 7 (Ensure Environmental Sustainability) and MDG 8 (Global Partnership for Development)

**THEME:** Energy and Environment

**BUDGET:** Euros 8 million

**DONOR:** European Union

**SCOPE:** Southern ENPI Partner Countries

**PARTNERS:** Ministry of Industry and Ministry of Environment in each of the Switch-Med Countries

**STATUS:** On-Going

**DURATION:** 2014-2017



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