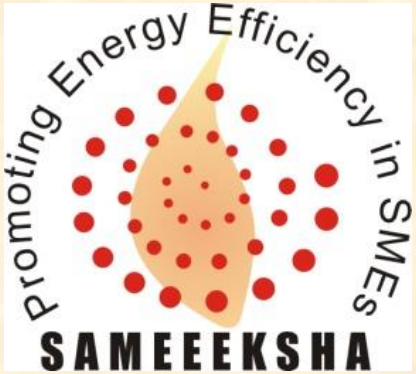
SAMEEEKSHA

SMALL AND MEDIUM ENTERPRISES: ENERGY EFFICIENCY KNOWLEDGE SHARING



13th Meeting

09 January 2017

The Energy and Resources Institute (TERI)
New Delhi

teri

ENERGY IS LIFE
BEE
CONSERVE IT

सूक्ष्म, लघु एवं मध्यम उद्यम
एमएसएमई
MSME
Micro, Small & Medium Enterprises

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An update from SAMEEEKSHA Secretariat:

(May 2017 – December 2017)

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12th Meeting (April 2017)

Presentations

- SAMEEEKSHA platform and TERI-SDC's EESE project update (TERI)
- Energy Efficiency Programs for SMEs by BEE (BEE)
- GIZ-SIDBI responsible enterprise financing program (GIZ)
- Promoting EE financing among SMEs
  - SIDBI
  - Yes Bank
  - IFC

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SAMEEEKSHA Newsletter

SMALL AND MEDIUM ENTERPRISES: ENERGY EFFICIENCY KNOWLEDGE SHARING VOLUME 8 | ISSUE 4 | DECEMBER 2017

SAMEEEKSHA

www.sameeeksha.org

NEWSLETTER

Inside...

- Second National Summit on Energy Efficiency in MSMEs

VISION

SAMEEEKSHA envisages a robust and competitive SME sector built on strong foundations of knowledge and capabilities in the development, application, and promotion of energy-efficient and environment-friendly technologies.

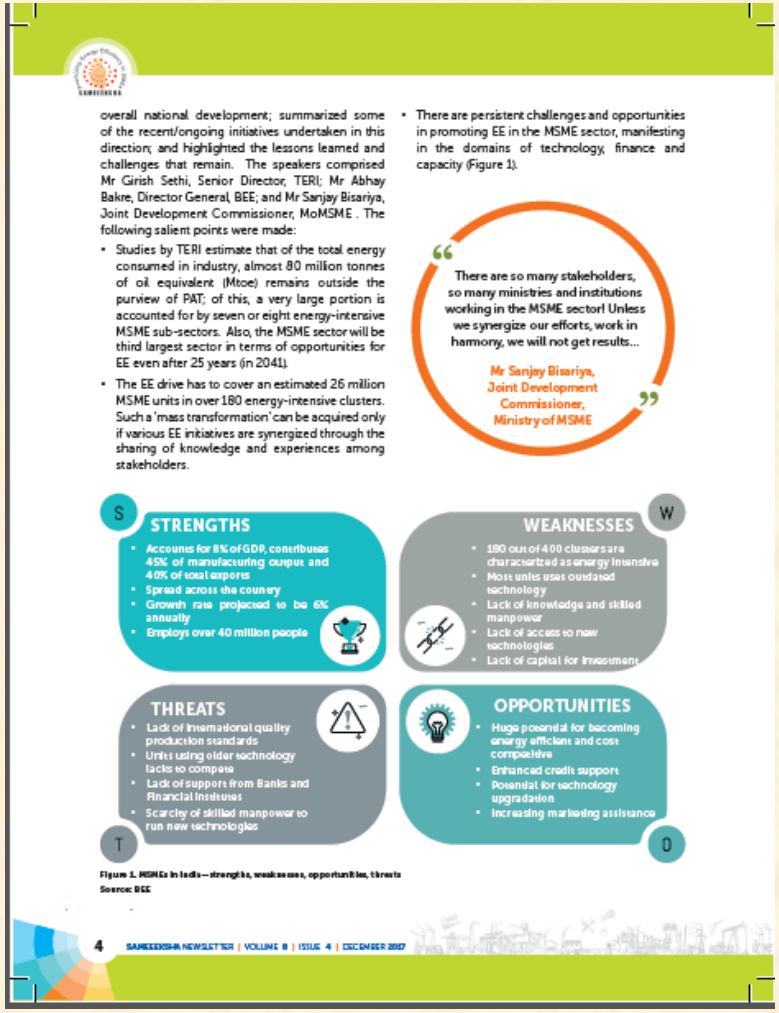
A PLATFORM FOR PROMOTING ENERGY EFFICIENCY IN SMEs

IN THIS ISSUE...

This issue carries a summary of the Second National Summit on Energy Efficiency in MSMEs that was held during 31st October –1st November 2017 in New Delhi. The two-day event, organized by BEE and TERI with the support of the Embassy of Switzerland in India, UNIDO and the Ministry of MSME, included participants from MSME clusters across the country, government departments, bilateral and multilateral agencies, academia, banks, consultancies, and R&D establishments. The discussions helped in eliciting and understanding the views of MSME entrepreneurs and other cluster-level stakeholders on the key barriers that continue to impede energy efficiency (EE) improvement among MSMEs; and in outlining approaches to overcome these barriers at the three overlapping levels of finance, technology and capacity.

The Summit highlighted the fact that given the sheer size and diversity of India's MSME sector, and the lack of investible financial resources and technical wherewithal among most MSMEs, EE solutions can be scaled up only if they are customized to meet the needs of individual MSME units, and promoted along with innovative, easy-to-access financing schemes and technical training /capacity building programs for entrepreneurs and plant personnel. Among the key approaches outlined for the future are: broadening EE initiatives beyond the manufacturing sector to cover service enterprises as well; promoting renewables along with EE; targeting EE initiatives at the manufacturers and/or suppliers of machinery and equipment such as motors, pumps, etc. which are used across the MSME sector; and achieving large-scale adoption of EE technologies (such as EE motors) through the ESCO model, using the principle of demand aggregation.

SAMEEEKSHA Secretariat



overall national development; summarized some of the recent/ongoing initiatives undertaken in this direction; and highlighted the lessons learned and challenges that remain. The speakers comprised Mr Girish Sethi, Senior Director, TERI; Mr Abhay Bakre, Director General, BEE; and Mr Sanjay Bisariya, Joint Development Commissioner, MoMSME . The following salient points were made:

- Studies by TERI estimate that of the total energy consumed in industry, almost 80 million tonnes of oil equivalent (Mtoe) remains outside the purview of PAT; of this, a very large portion is accounted for by seven or eight energy-intensive MSME sub-sectors. Also, the MSME sector will be third largest sector in terms of opportunities for EE even after 25 years (in 2041).
- The EE drive has to cover an estimated 26 million MSME units in over 180 energy-intensive clusters. Such a 'mass transformation' can be acquired only if various EE initiatives are synergized through the sharing of knowledge and experiences among stakeholders.
- There are persistent challenges and opportunities in promoting EE in the MSME sector, manifesting in the domains of technology, finance and capacity (Figure 1).

> "There are so many stakeholders, so many ministries and institutions working in the MSME sector! Unless we synergize our efforts, work in harmony, we will not get results..."
>
> Mr Sanjay Bisariya, Joint Development Commissioner, Ministry of MSME

S – STRENGTHS

- Accounts for 8% of GDP, contributes 45% of manufacturing output and 40% of total exports
- Spread across the country
- Growth rate projected to be 6% annually
- Employs over 40 million people

W – WEAKNESSES

- 180 out of 400 clusters are characterized as energy intensive
- Most units uses outdated technology
- Lack of knowledge and skilled manpower
- Lack of access to new technologies
- Lack of capital for investment

T – THREATS

- Lack of international quality production standards
- Units using older technology lacks to compete
- Lack of support from Banks and Financial Institutes
- Scarcity of skilled manpower to run new technologies

O – OPPORTUNITIES

- Huge potential for becoming energy efficient and cost competitive
- Enhanced credit support
- Potential for technology upgradation
- Increasing marketing assistance

Figure 1. MSMEs in India—strengths, weaknesses, opportunities, threats
Source: BEE

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SAMEEEKSHA Newsletter

- Published three issues (June ’17, September ’17 and December ’17)
- Jun’ 17 Issue (**Focus theme: Forging Industry**)
  - Overview of Indian Forging Industry
  - Profile of Rajkot Forging cluster
  - Implementation of EE technologies in Pune Forging cluster
  - Summary of 12th Meeting of SAMEEEKSHA
- Sep’ 17 Issue (**Focus theme: Ceramic and Glass industry**)
  - Overview of Ceramic and Glass industries in India
  - Profile of Firozabad glass cluster and
  - Thangadh ceramic cluster
  - Case study of EE initiative in Khruja Ceramic cluster
- Dec’ 17 Issue (**Focus theme: National Summit on Energy Efficiency in MSMEs**)

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Tools for Energy Efficiency in MSMEs

Good things in life begin small

Jan 09, 2018

on Energy Efficiency in MSMEs

- 37 industrial associations
- 30 government departments including SDAs
- 15 bilateral/multilateral organizations, banks/FIs, academic institutions, energy and technical consultancies and R&D establishments

- Focused on three themes: technology, finance and capacity building

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Promoting Energy Efficiency in SMEs
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Key suggestions and recommendations

Finance

- ✓ Holistic approach using mix of carrot, stick and sermons
- ✓ Aggregation of demand
- ✓ Need for corporates to drive EE among their vendors
- ✓ ESCO- Need for strong M&V system

Technology

- ✓ Focus on manufacturers/suppliers of machinery/equipment
- ✓ More demonstration per cluster instead of one demo in progressive unit
- ✓ Strengthen cluster level energy services
- ✓ Develop sector specific vision document w.r.t. technologies, fuels and products

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Key suggestions and recommendations

Capacity

- ✓ Training of plant operators on BOPs
- ✓ Focus of skill training centers should be on meeting capacity needs of local MSME clusters
- ✓ Handholding during adaptation of technology
- ✓ Awareness creation for generating demand for cleaner products and services

Discussion points

- Work on recommendations of MSME Summit
- Contribution for SAMEEEKSHA website

Thank You

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