

Promoting Cleaner Technologies in SMEs

The thematic track titled 'Promoting the cleaner technologies in SMEs' at the World Sustainable Development Summit (WSDS) 2019 focused on promoting low carbon technologies (LCTs) among small and medium enterprises (SMEs). Senior representatives from policy makers, technology providers, business associations, financial institutions and support organizations attended the event.

Energy-intensive small and medium-sized enterprises (SMEs) continue to depend on traditional, inefficient technologies. The sector offers considerable potential for reducing GHG emissions through the introduction of new, cleaner low carbon technologies (LCTs).

A background presentation on IGES-TERI activities under JITMAP (Japan-India Technology Matchmaking Platform) initiative in SME sector and way forward was made. IGES-TERI have found that, despite the huge potential, LCTs market in India remains largely untapped by Japanese companies mainly due to constraints such as information/knowledge gap, access to markets, higher upfront cost and maintenance/after sale services issues. JITMAP has supported B2B matching through awareness/capacity building events, feasibility studies of new technologies and policy dialogue. A broad framework for development of a new multi-year project to promote LCTs among Indian SMEs sectors/clusters was discussed.

Both Gujarat and Maharashtra has a large number of SME clusters. The bottom-up deep dive strategy at cluster level, focusing on the two states proposed by IGES and TERI which would include a large number of energy audits to identify energy conservation opportunities and subsequent implementation support to individual SME units, was widely accepted by the participants. Many of the speakers emphasized that hand-holding should be an integral component of the program. Devising an innovative financing mechanism for uptake of new technologies was felt to be important.

Technology demonstration was felt to be important to showcase the benefits of a new technology. For introduction of Japanese technologies among SMEs, indigenization of the imported technology would be very important. Matching the demand and supply side issues and integration of technology and financing model could play an important part in scaling-up.

All stakeholders agreed that a multi-year deep dive approach incorporating handhold support to SMEs would fast-track energy efficiency improvements among SMEs. Setting up cluster/state level project offices to provide technical assistance and matchmaking with Japanese vendors will be crucial for success. The clusters/sectors for intervention in each of the two states could be selected during the first year, followed by activities such as energy audits/feasibility studies, technology demonstration projects, monitoring, evaluation and reporting and capacity building and policy discussion.