Energy Management Solutions for SMEs
Thematic Track @ WSDS 2020
29 January 2019 (11:00–13:00)

Concept note

India's GHG emissions are expected to quadruple by 2050 and much of this growth will come from the industry sector, which is largely dominated by small and medium enterprises. Hence, developing sustainable, low carbon pathways for the growth of the small and medium-sized enterprise (SME) sector will be crucial to meet India's NDC commitments. Accelerated adoption of environment-friendly clean industrial processes will reduce the emission intensity by 33–35% (below 2005 levels) by 2030. While most large-scale industries in India have in-house resources to reduce their energy intensity by adopting environment-friendly measures in compliance with the mandatory policy mechanisms like PAT, SMEs require external support. The adoption of energy-efficient clean production processes will enable SMEs to move to a track where not only will they be economically more viable, they will also lead to reduced carbon emissions. Energy-intensive SMEs generate high volumes of CO_2, mainly because they continue to depend on traditionally inefficient technologies. Hence, the SME sector offers considerable potential to reduce India's GHG emissions through the introduction of new and cleaner low carbon technologies (LCTs).

There has been several government and donor-funded projects to promote EE among SMEs. The Ministry of Micro, Small & Medium Enterprises (MSME) and government agencies like Bureau of Energy Efficiency (BEE) and Energy Efficiency Service Limited (EESL) have funded schemes to promote EE/RE for SMEs in India. Some of the multilateral-funded projects for SMEs include the UNIDO-GEF-BEE project on 'Promoting Energy Efficiency and Renewable Energy in Selected SME Clusters in India'; UNIDO-GEF-EESL projects on improving energy efficiency in India's MSME industrial sector (GEF-5) and 'Creating and Sustaining Markets for Energy Efficiency' (GEF-6); World Bank-GEF project – 'India-Financing Energy Efficiency at SMEs', and IFC-EU partnership for eco cities in India; and UNDP projects on steel re-rolling and electric arc furnaces, jointly with the Ministry of Steel and UNDP-GEF project titled 'Market Transformation and Removal of Barriers for Effective Implementation of the State-Level Climate Change Action Plans' in Jharkhand, in partnership with the Ministry of Environment, Forests and Climate Change (MoEFCC). Many bilateral donor agencies such as SDC, DFID, and GIZ have also supported EE/RE projects among SMEs. The Institute for Global Environmental Strategies (IGES) and TERI, with support from the government of Japan, have initiated a multi-stakeholder platform called Japan-India Technology Matchmaking Platform (JITMAP). IGES and TERI propose to build on the ongoing initiatives being undertaken in the SME sector and accelerate the adoption of clean, energy-efficient solutions through development and replication of cluster-level energy management models in selected energy-intensive MSME clusters/sectors. Given the backdrop, the objectives and key discussion points for the session are as follows:

Objectives

- Lessons learnt by different stakeholders undertaking energy-efficient activities among SMEs
- Discuss strategies to develop and replicate cluster-level energy management models for SMEs

Key discussion points

- Energy-efficient technology and capacity building needs for Indian SMEs
- Business models to promote LCTs among SMEs