Promoting Market Transformation for Energy Efficiency in Micro, Small & Medium Enterprises

**BACKGROUND**

In order to overcome the existing barriers for implementation of energy efficiency in the Indian MSMEs, the project, “Promoting market transformation for energy efficiency in Micro, Small & Medium Enterprises,” a joint initiative conceptualised by United Nations Industrial Development Organisation (UNIDO) and office of the DC MSME, targets to create and sustain a revolving fund mechanism as a mode to ensure replication of energy efficiency measures in selected 10 industrial clusters. The key executing agency of the Project is Energy Efficiency Services Ltd (EESL). Small Industrial Development Bank of India and Bureau of Energy Efficiency are the other important stakeholders of the project.

**PROJECT OBJECTIVE**

The project aims to promote the implementation of energy efficiency in the MSME sector through

- Creation and sustaining a revolving fund mechanism to ensure replication of energy efficiency measures in the sector, and
- Addressing the identified barriers for scaling-up energy efficiency measures and consequently promote a cleaner and more competitive MSME industry in India.

**LIST OF THE IDENTIFIED ENERGY INTENSIVE CLUSTERS**

- BJL Casting & Forging Cluster
- Limestone Cluster, Jodhpur
- Pali Textile Cluster
- Morbi Ceramic Cluster
- Chemicals & Dyes Cluster, Vapi
- Surat Textile Cluster
- Brick Kiln Cluster, Varanasi
- Odisha Sponge Iron Cluster
- Rice Mill Cluster, Vellore
- Jorhat Tea Cluster
MAIN COMPONENTS

COMPONENT 1: Programme to identify energy intensive clusters and replicable technologies

COMPONENT 2: Implementation of Technology Demonstration projects

COMPONENT 3: Aggregation of demand for demonstrated technologies in the clusters

COMPONENT 4: Financial models to support replication of energy efficiency projects in MSME

FRAMEWORK OF THE REVOLVING FINANCING MECHANISM

Bank / FIs / Revolving Fund

Loans

Repayments

EESL / ESCO

Payment to the supplier

Performance Guarantees

MSME Unit

EMI / ESCROW

Technology Service Provider / supplier

Equipment suppliers
### Engaged Stakeholders for Project Implementation

#### Implementing Agency

UNIDO is the Implementing Agency (IA) of the proposed project.

#### Executing Agency (EA) of the Project

Ministry of MSME is the Executing Agency (EA) of the project. The DC MSME is the chair of the PSC meeting and would play an advisory role.

Bureau of Energy Efficiency (BEE), under the Ministry of Power, Govt. of India is the guiding agency in the project.

Energy Efficiency Services Ltd, a JV of PSUs under the Ministry of Power, Government of India, is the Implementing Partner for the project and would provide project guidance to the PMU.

The grant for the project is funded by Global Environment Facility and the operational focal point for GEF in India is the Ministry of Environment, Forest and Climate Change, Govt. of India.

SIDBI will be the lead bank for the provision of financial assistance towards energy efficiency investments during the project for EESL/ESCO/MSME units.

#### Private Sector Stakeholders

**MSME Industry**

MSME industrial enterprises will be the main beneficiaries under the project.

**Industrial Associations**

Major associations role will be to facilitate workshops, create outreach and sensitize industries on relevant training programs and workshops.

**Business Chambers of Commerce**

Their role will be to facilitate and create outreach for the project’s activities using their existing communication channels.

**MSME Industry**

MSME industrial enterprises will be the main beneficiaries under the project.
For further information, please contact us

Mr. K.N. Hemanth Kumar  
Manager (Tech)  
Energy Efficiency Services Limited (EESL)  
A-13, IWAI Building, 4th Floor, Sector-1, Noida (UP) - 201301  
Email: knhemanth@eesl.co.in  
Phone: 0120-4783744  
Fax: 0120-4908099

Mr. Debajit Das  
National Project Co-ordinator  
United Nations Industrial Development Organisation (UNIDO)  
UN House, 55 Lodhi Estate  
New Delhi - 110003  
Email: d.das@unido.org  
Phone: +91 9971865550