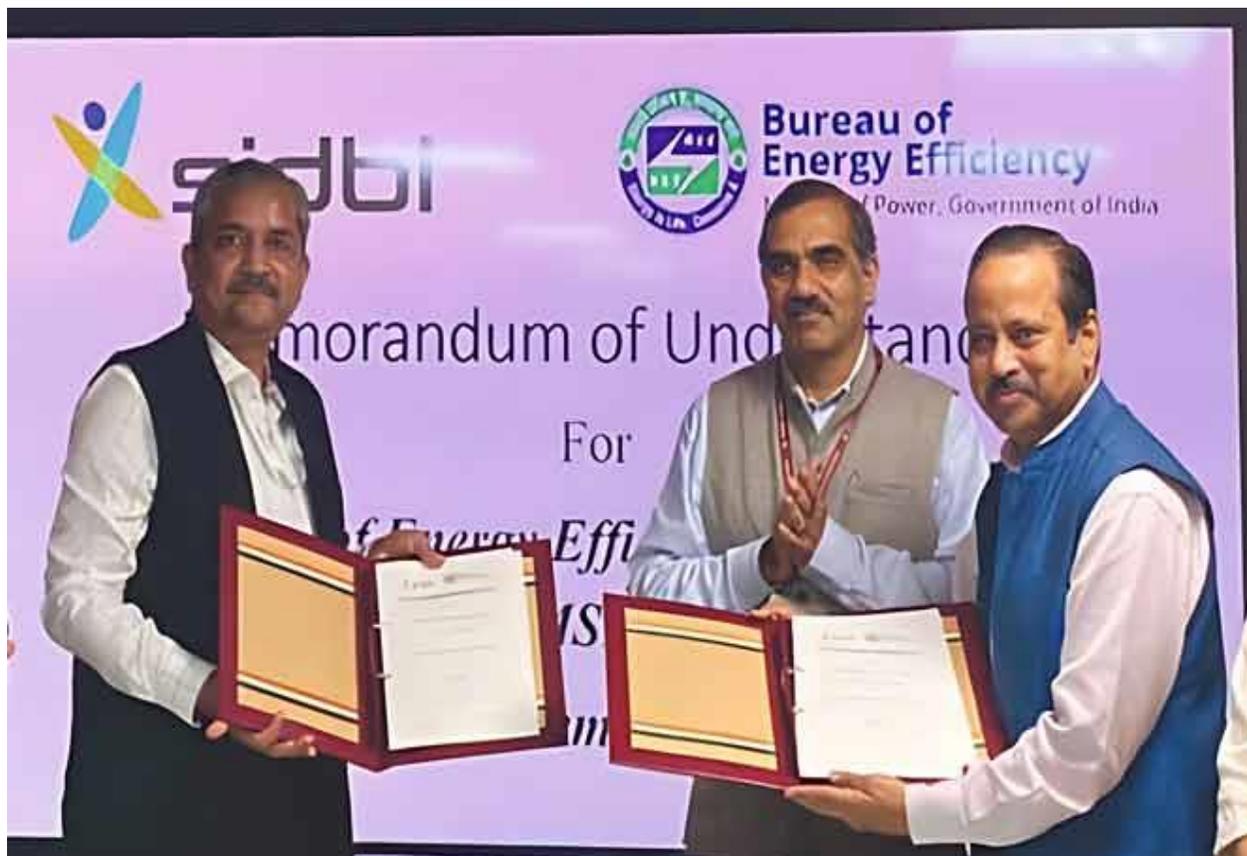


# BEE, SIDBI to Jointly Promote Energy Efficiency Financing for MSMEs

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## **Aim Of The MOU:**

The MoU will aim to promote energy efficiency financing for MSMEs and explore the internet of things (IoT)-based solutions, greening MSMEs, capacity building of various stakeholders, etc., BEE said.

To encourage MSME units to undertake energy saving investments in plant and machinery to reduce energy consumption, enhance energy efficiency, reduce CO2 emissions, and improve the profitability of the units in the long run.

### **SIDBI Financing Energy Efficiency:**

SIDBI announced partnerships with multiple stakeholders to help MSMEs become more energy efficient in their operations to support India's Sustainable Development Goals (SDG) 2030 targets. SIDBI had signed MoUs with German development agency Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH for operating a Risk Sharing Facility (RSF) that provides credit guarantees to loans from commercial banks or non-banking financial companies (NBFCs).

### **Green and Clean Technologies :**

Two other MoUs were signed with the Technology Information, Forecasting and Assessment Council (TIFAC) **under the Department of Science and Technology** and CII to identify and promote scalable green and clean technologies by MSMEs.

BEE and MSME ministry jointly runs a collaborative platform **Sameeksha (Small and Medium Enterprises Energy Efficiency Knowledge Sharing)** to pool the knowledge and synergise the efforts of various organisations for the promotion and adoption of clean energy technologies and practices among MSMEs.

### **The Biggest Hurdles:**

**MSMEs have been reluctant to put money into green financing projects** due to a lack of access to funds. That's because to kindle energy investments, businesses need substantial investments and most green finance projects have higher transaction costs and longer gestation period, for example, the cost of capital and its availability is a **challenge for MSMEs in low carbon technologies, Ravindra Kumar Singh, CGM, SIDBI said.**

### **India's Updated Targets:**

As per India's updated **Nationally Determined Contribution (NDC) with respect to the UN's Framework Convention on Climate Change (UNFCCC), India has to reduce the emissions intensity of its GDP by 45 per cent by 2030**, from the 2005 level and achieve about 50 per cent cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030, according to a Cabinet statement....