

## **TERI-SDC partnership: Advisory group meeting**

**March 12, 2010, New Delhi**

The second Advisory Group meeting of the TERI–SDC Partnership (TSP) project was held on 12<sup>th</sup> March 2010 at TERI. The participants included representatives from BEE, PCRA, UNIDO, MNRE, office of the Development Commissioner, MSME (DC-MSME), TIFAC, and the GEF–World Bank Program. TERI provided a summary of progress made since the first Advisory Group meeting (held on 31<sup>st</sup> July 2009), highlighting in particular TERI’s partnership with other organizations—such as BEE, UNIDO, PCRA, REEEP, UNDP, and CPCB—that are engaged in improving energy efficiency in the MSME sector. The group focused on finding ways to mainstream improved technologies for MSMEs and accelerate the pace of their adoption. The following important points were made:

- There are about 400 energy intensive MSME clusters in the country, of which at present only about 10% (around 50 clusters) are being covered by initiatives of different agencies. Under the circumstances, government policies must play a key role in facilitating the promotion and adoption of improved technologies.
- There is a paucity of technically competent human resources—for instance, energy auditors who could identify energy efficient solutions for MSME units. In this regard, the TSP project activities related to the strengthening of local service providers (LSPs) and the environmental rating initiatives of the SME Rating Agency of India Ltd (SMERA) would help in generating significant green job opportunities.
- The Credit Linked Capital Subsidy Scheme (CLCSS) of the Ministry of MSME provides subsidy for technology upgradation. More MSME units could be encouraged to avail of the benefits under CLCSS if government departments expedited decisions on subsidy claims by individual units. There is also need for flexibility in implementing subsidy schemes—as in the case of rice mills in Bihar, which were encouraged to adopt biomass gasifiers for power applications by modifying existing subsidy schemes.
- BEE confirmed its support to TERI in undertaking a project in the Firozabad glass cluster, which would focus on systems other than pot furnaces (as these are being covered under the TSP project).
- An estimated 100 new foundry units will come up in the Howrah cluster by the year 2014, with a total installed capacity of about one million tonnes. It is important to integrate energy efficiency aspects at the technology design stage itself to ensure that these new foundry units operate at highest possible efficiencies from day one.
- R&D-based technology solutions must be evolved at local level by working along with local institutions. An example is the Ahmedabad foundry cluster, where TERI has worked closely with GITCO as well as helped build the capacities of an LSP (a local fabricator) in order to provide energy-efficient solutions for local foundry units—namely, small size (18 inch) DBCs.