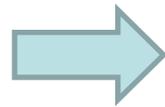


Promoting Energy Efficiency investments of Small and Medium Enterprises (SMEs) in India

SMEs in India

- ❑ In India, SMEs constitute **80% of enterprises in the industrial sector.**
- ❑ SMEs employ over 70 million people and account for **40- 45% of industrial production.**
- ❑ SMEs are often not achieving energy efficiency (EE) improvements.



Significant potential for GHG emission reductions and productivity increases through EE improvements



JICA: SEMs Energy Saving Project (Phase I & II : 2008 ~ 2014)

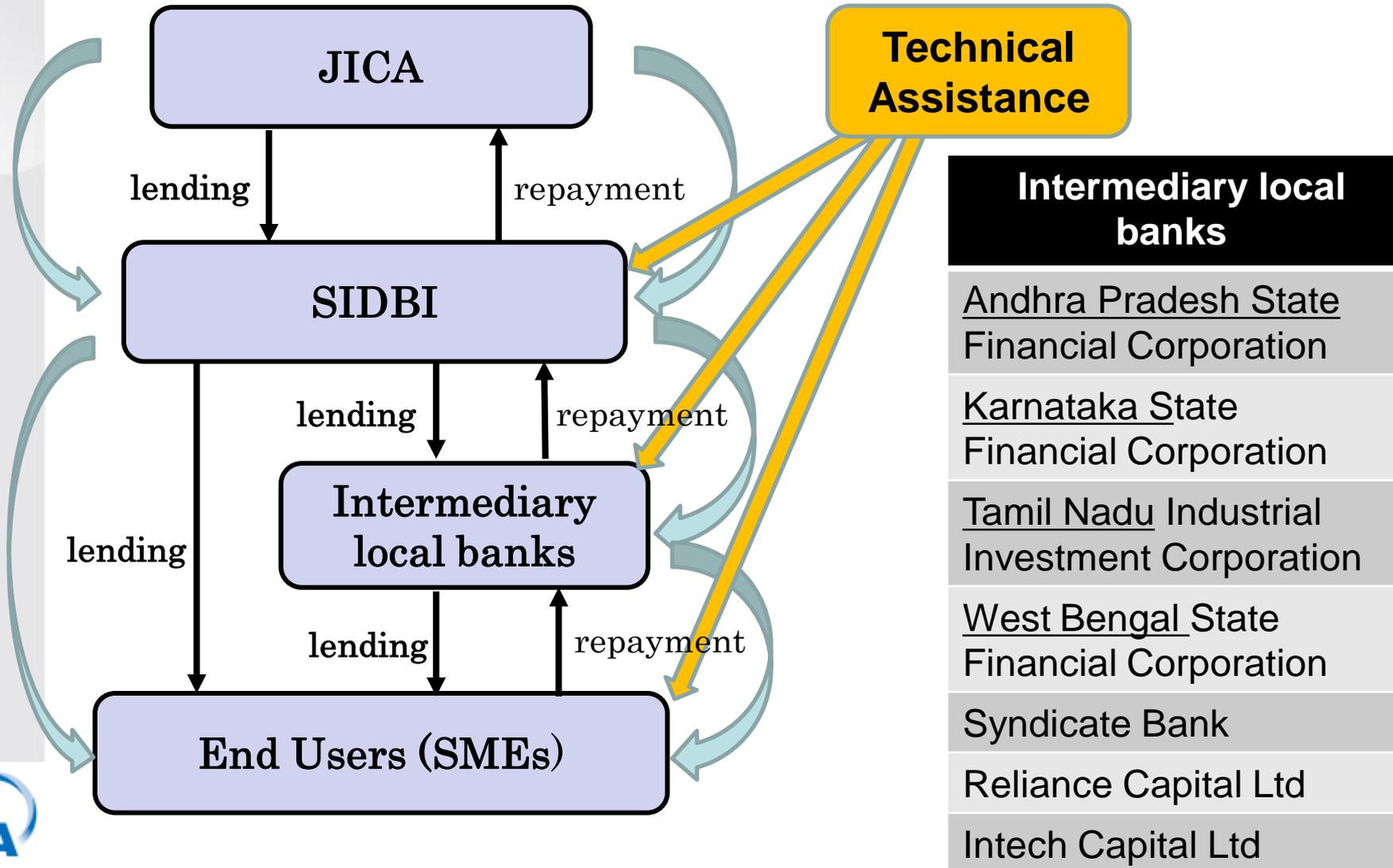
Project Objective

Financing investments in energy efficiency (EE) improvements of SMEs in India

Project Description

- JICA extends **concessional loans** to **Small Industries Development Bank of India (SIDBI)**
- SIDBI provides on-lending loans either **directly or through local banks** to finance investments in EE improvements
- JICA provides **technical assistance** for capacity development of both end users and local banks

Conceptual diagram of the project



Performance data

Indicators	Phase I & II
Number of end-users	6,378
Amount of loans extended (US\$)	599 million
Estimated annual GHG emission reduction (ton CO ₂ eq/year)	0.56 million
Estimated annual electricity saving (kWh/year)	616 million

"Energy Saving Equipment List"

prepared by technical assistance

For each Eligible Equipment, following info. is described;

- (1) Energy Saving Potential
- (2) Other Advantages
- (3) Specifications (ISO, ASME, etc.)
- (4) Fiscal Incentives by the government
- (5) Equipment Suppliers

Lessons learned (1)

Partnership with local financial intermediaries was effective.

- SMEs are many, dispersed, and difficult to reach.
- Making use of network of intermediary local banks assisted outreach to SMEs.

Lessons learned (2)

Activities to raise awareness of SMEs about EE is essential.

- "Industry cluster" approach was effective.

Awareness-raising activities were organized for various "industry clusters".

Focus group discussions were held with industry associations, energy auditors and accountants who help SMEs.