Accelerating Adoption of Solar Rooftop by MSME Sector

A joint initiative of SBI and the World Bank in partnership with the Ministry of MSME and Ministry of New and Renewable Energy

Date: 2nd March, 2021  Duration: 18:00-19:30 hrs
India is well on track to achieve its commitment under the Paris Agreement on Climate Change. It has already reduced its emissions intensity by more than half of what it pledged to achieve by 2030. Among other measures contributing to this improvement in emission intensity is the phenomenal growth of renewable energy in the country’s electricity mix. The increase is driven by the national renewable energy targets of 175 GW by 2022; of this, 40 GW is expected to come from Solar Rooftop.

So far, around 6 GW of Solar Rooftop capacity is installed – three-fourth of this is installed in commercial and industrial buildings. Significant efforts are required to achieve the targeted capacity addition, including focusing on consumer segments that have seen limited Solar Rooftop adoption. One such consumer category is Micro, Small, and Medium Enterprises (MSME), where the current penetration of solar rooftop is only around 800 MW against the significant realizable potential of 16 GW.
MSMEs are the backbone of the Indian economy – they contribute 30% of the GDP and roughly half of the exports through its 63 million units. It is estimated that electricity cost comprises up to 20% of the operating expenses of MSMEs. Solar Rooftop can significantly reduce the operational costs of MSMEs, thereby increasing their competitiveness. The low penetration of Solar Rooftop in MSMEs is due to several barriers, for instance, high upfront installation costs, inability to access debt due to low or no credit rating, regulatory uncertainty, and low awareness. Addressing these barriers can encourage adoption of solar rooftops by MSMEs.

In partnership with the Government of India, the World Bank is making efforts to create an enabling ecosystem for accelerating solar rooftop growth in the country. The World Bank is collaborating with the State Bank of India to implement a $648 million financing and technical assistance program for Solar Rooftops. Through the program, concessional debt financing is provided for commercial and industrial consumers. The program has been instrumental in kick-starting the Solar Rooftop market in India.

Furthermore, in cooperation with the Ministry of MSME, the World Bank is preparing a credit enhancement scheme for solar rooftops in the MSME sector to address the perceived credit risks of payment delays and defaults by MSMEs. Thus, enabling lending to the solar rooftop developers and MSME consumers thereby creating a market.

The event aims to raise awareness of the MSMEs on the existing WB- SBI Solar Rooftop lending program so that MSMEs could avail the program's benefits. It also aims to share and discuss the current thinking on the proposed credit enhancement scheme. Solarizing MSMEs can be a cornerstone for greening the economy by decarbonizing their power consumption while increasing their competitiveness and supporting GOI's self-sufficient "Atmanirbhar Bharat" Initiative.
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**Agenda (draft) – virtual event**

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<th>Time</th>
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| 18:00 -18:45 hrs | Introduction to the World Bank - SBI Solar Rooftop Financing Program  
**Mr. Natarajan Sundar,**  
Deputy Managing Director & Chief Credit Officer, State Bank of India  
**Mr. Amit Jain and Ms. Mani Khurana**  
Senior Energy Specialist, The World Bank  
Welcome Address by  
**Mr. B.B. Swain,** Secretary, Ministry of Micro, Small and Medium Enterprises, Government of India  
**Mr. Indu Chaturvedi,** Secretary, Ministry of New and Renewable Energy, Government of India  
**Mr. Junaid Ahmad,** Country Director, The World Bank India  
Keynote Address by  
**Mr. Dinesh Kumar Khara,**  
Chairman, State Bank of India |
| 18:45 -19:00 hrs | Inaugural Address by  
**Mr. Nitin Jairam Gadkari,**  
Hon’ble Minister of Micro, Small, and Medium Enterprises and the Minister for Road Transport & Highways, Government of India |
| 19:00 -19:30 hrs | Panel discussion:  
Accelerating the adoption of Solar Rooftop by MSMEs  
**Mr. Sandeep Varma,** CEO, CGTMSE  
**Mr. Sanjeev Aggarwal,** CEO, Amplus Solar  
**Mr. Satheesh Kumar Sundararajan,** Lead Specialist, The World Bank  
**Mr. Ameya Bijoor,** Partner, Encourage Capital  
**Mr. Amit Jain,** Senior Energy Specialist, The World Bank (moderator) |
| 19:30 hrs | Concluding Remarks  
**Mr. Ateesh Kumar Singh,** Joint Secretary, Ministry of Micro, Small and Medium Enterprises, Government of India |