

Sops in Works for MSMEs' Green Journey

Govt weighs emission reduction targets, tech innovations, creating pool of skilled workforce to help decarbonise

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New Delhi: The government plans to offer fiscal incentives and provide regulatory relaxations to help micro, small and medium enterprises (MSMEs) go green and adopt technologies that can help decarbonise, officials said.

The measures being considered include setting up emission reduction targets, promoting green fuel and technological innovations, and creating a pool of skilled workforce that could help the sector decarbonise, they said.

This is part of the government's vision to decarbonise hard-to-abate sectors, including steel, coal and MSME in line with its 2070 net zero target, officials said.

Official think-tank Niti Aayog has held several rounds of consultations with the stakeholders



and a road map to decarbonise the MSME sector could be put in place by mid-February, one of the officials told ET.

MSMEs account for 10-15% of to-

tal industrial emissions in India. Their contribution to total CO2 emissions in the country is 3-4%.

"The major chunk of carbon emissions stem from pumps, mo-

tors, boilers and energy production from fossil fuels," said Anil Bhardwaj, secretary general of Federation of Indian Micro and Small & Medium Enterprises (Fisme).

"The mitigation efforts, therefo-

ROAD MAP BY MID-FEB
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re, need to be directed towards energy efficiency, use of alternate fuels, greening the grid, adoption of a circular economy, and also adoption of emerging technologi-

es in their processes," he added.

The MSME ministry will also come up with a green scheme, covering aspects such as creating an e-marketplace for recyclables, setting up material recovery facilities, and establishing a data-centric approach.

ET had earlier reported that the green scheme outlay could be around ₹15,000 crore and the scheme envisages the Bureau of Energy Efficiency (BEE) measuring emission levels from these enterprises and creating a reference point for emission levels for comparison.

MSMEs contribute over 30% to India's GDP and more than 45% to total exports from India.

The sector is highly energy and emission-intensive, prompting the government to look for green alternatives to reduce their carbon footprint and high-dependence on fossil fuels.