

# The Ministry of New Renewable Energy (MNRE) - GEF - UNIDO Project

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***Source:*** PIB & UNIDO

The MNRE-GEF-UNIDO project has been conceived aiming to contribute to the **Global Environment Facility (GEF)** Climate Change Strategic Objective namely;

- Promoting investment in Renewable Energy (RE) technologies by transforming the market for solar energy for industrial heat applications in India through investment
- Market demonstration
- Development of appropriate financial instruments
- Development of technical specifications
- Capacity building and contributions to establish a favorable policy and regulatory environment.

The project will, therefore, assist in the commercialization of solar heat technologies, avoid GHG emissions and help India in its transformation towards low carbon development.

## **Objectives**

The GEF-UNIDO's project is designed to complement MNRE's support programme by helping to remove barriers associated with Concentrating Solar Thermal (CST) technology, its awareness, capacity building, market, and financial barriers.

**Duration:** The duration of the project is from January 2015 to December 2019.

## **Implementing Partners:**

- Ministry of New and Renewable Energy (MNRE)
- Government of India Indian Renewable Energy Development Agency
- National Institute of Solar Energy

### **Main features of the project**

- Promotion of CST technologies as clean energy solutions for industrial sectors
- Provide financial support to CST installations in the industrial sector by offering the soft-loan facility with IREDA.
- Support for improving the manufacturing of CST technologies Provide technical support to beneficiaries to enable installation & integration of the most suited CST technology in industries.
- Developing knowledge documents to facilitate a better understanding of the projects.
- Capacity building to improve the manpower involved in the CST sector.

### **Agreement between National Institute of Solar Energy (NISE) and the UNIDO-2019**

- An agreement was signed in August 2019 between the National Institute of Solar Energy (NISE) and the United Nations Industrial Development Organization (UNIDO) to initiate a skill development programme for different levels of beneficiaries in the solar thermal energy sector.
- NISE and UNIDO will engage national and international experts to bring the best practices by developing specialized training material.
- The agreement is part of the ongoing MNRE-GEF-UNIDO project implemented jointly by UNIDO and to support capacity building and skill development of technical manpower in the Concentrated Solar Thermal Energy Technologies (CST) which are being used to replace

conventional fossil fuels e.g. coal, diesel, furnace oil, etc. and save costs and emissions in the industrial process heat applications.

### **UNIDO-IREDA Soft-Loan Scheme**

UNIDO has partnered with IREDA (Indian Renewable Energy Development Agency) to develop and implement an innovative finance/loan scheme to further promote the deployment of Concentrating Solar Thermal(CST) projects in India for heating and cooling applications in selected industrial sectors to reduce energy consumption and Greenhouse Gas (GHG) emissions.

### **The highlights of the currently available financial incentives are as follows:**

- The beneficiary's or project developer's contribution would be 25%.
- The financial incentives provided for CST installation include CFA (Central Financial Assistance) from MNRE at 30% of the benchmark solar project cost and tax benefit from the government (depreciation benefit).
- Additional support is available from the UNIDO project in terms of technical feasibility and soft loan from IREDA.
- Bridge loans against subsidy and at normal interest rate would be available.
- Support is available also for improving the manufacturing of CST systems/components.
- Loan for the CST project would be provided at an interest subvention of 5% from the current rates using funds under the project.

### **About the United Nations Industrial Development Organization(UNIDO)**

- UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization, and environmental

sustainability.

- As of 1 April 2019, 170 States are Members of UNIDO. They regularly discuss and decide UNIDO's guiding principles and policies in the sessions of the Policymaking Organs.
- The mission of the United Nations Industrial Development Organization (UNIDO), as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in the Member States.