



Guidelines and Best Practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment

Oleg Dzioubinski

Regional Adviser
Sustainable Energy Division

7th Green Energy

Investments Forum

Athens, 7 October 2020



Introduction

Objectives of the Study

ENERGY



United Nations Economic Commission for Europe (UNECE) is one of the partners implementing UNDA project “Global Initiative towards post-Covid-19 resurgence of the MSME sector.” The overall goal of the project is to strengthen the capacity and resilience of micro-, small and medium enterprises (MSMEs) in developing countries and economies in transition to mitigate the economic and social impact of the global COVID-19 crisis.

Introduction

Objectives of the Study

ENERGY



- UNECE has developed Guidelines and Best Practices for MSMEs in delivering energy efficient products and in providing renewable energy equipment after the COVID-19 crisis.
- MSMEs have an above average representation in the sectors most affected by the COVID-19. These sectors are transport, manufacturing, construction, wholesale and retail trade, air transport, accommodation and food services, real estate, professional services, and other personal services.

General impact of COVID-19 crisis on MSMEs

ENERGY



✓ Impact of the COVID-19 crisis:

- Shutdown impacts
- Supply chain disruptions
- Demand depression

Impact of working environment on MSMEs as a result of the COVID-19 crisis

ENERGY

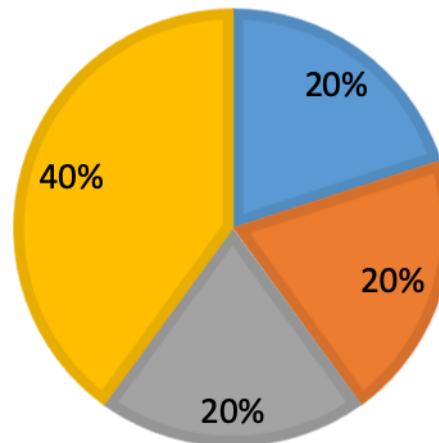


- ✓ More than half of the MSMEs experienced over 30% loss in their sales mainly due to the government-imposed lockdowns preventing MSMEs from conducting business

Source: International Trade Council's (ITC) report "COVID-19: The Great Lockdown and its Impact on Small Business"

Percentage loss in sales for MSME and self-employed

■ 80-100% loss ■ over 50% loss ■ over 30% loss ■ below 30% loss



Impact of working environment on MSMEs as a result of the COVID-19 crisis

ENERGY



- The manufacturing sector, which is more integrated in supply chains than the service sector, faced a decline of around 30% in output
- Manufacturers of building materials, metals and electrical equipment are among the most affected by breakdowns in supply links
- Service industries have been hit the hardest, with the strongest impact on travel, tourism, recreation, food services, arts, and retail trade

IT-based solutions for equipment operations monitoring

Spain

ENERGY



- **Company: AEInnova**
- **Number of employees: 11-20**



<https://aeinnova.com>

Background:

AEInnova company – based in Spain, founded in 2014. Currently involved in researching and developing Waste Heat Recovery (WHR) systems including thermoelectric energy generation offering cutting-edge technology capable of improving energy efficiency and reducing environmental impact

IT-based solutions for equipment operations monitoring

Spain

ENERGY



- **Company: AEInnova**
- **Number of employees: 11-20**

Case study:

COVID-19 lockdown did not make strong impact in terms of R&D work. However, the production of new units of WHR systems was affected by lockdown because of the labour shortage and logistics problems. During this time, the company applied for funding under the Horizon 2020 programme and received over € 500 thousand for the project. Company also introduced IT-based solutions for monitoring the operation of ventilators used in the treatment of COVID-19.

Wooden wind turbine tower

Sweden

ENERGY



- **Company : Modvion**
- **Number of employees: 11-50**



<https://www.modvion.com>

Background:

Gothenburg-based company Modvion develops large-scale applications in laminated wood. By replacing emission-intensive materials such as steel and concrete, wooden structures offer significant reductions in greenhouse gas emissions. The company's current focus is on wind turbine towers made from wood, where Modvion's patented module system offers reduced manufacturing costs and more efficient transportation of high towers to installation sites.

Wooden wind turbine tower

Sweden

ENERGY



- **Company : Modvion**
- **Number of employees: 11-50**

Case study:

COVID-19 lockdown has impacted and delayed certain development and implementation projects of the company in the areas in and around Gothenberg. Logistics disruption has led to a situation where procurement of material has been hampered. However, the company secured a € 6.5 million investment from the European Investment Bank (EIB) through the EIC Accelerator Programme. This investment helped the company install its first Modvion wooden wind tower outside Gothenberg during the lockdown.

Measures taken by MSMEs during the pandemic lockdown

ENERGY



No	Measures taken	Western Europe	Eastern and South-Eastern Europe	Russian Federation, Central Asia and the Caucasus
1	Communication through social media or other platforms on internet	(+)	(+)	(-)
2	Increase of on-line and sales	(+)	(+)	(+)
3	Provision of value-added services	(+)	(+)	(+)
4	Fixed growth strategy	(+)	(-)	(-)
5	Accessing only easier markets	(+)	(-)	(-)
6	Raising IPO	(-)	(-)	(-)
7	Work from home	(+)	(+)	(-)
8	Providing paid online training services	(+)	(+)	(+)
9	Strengthening R&D portfolio	(-)	(-)	(-)
10	Applying for International funding programs	(+)	(+)	(+)
11	Increasing focus on aligning with COVID related activities	(+)	(+)	(-)

Selected Guidelines for MSMEs recovery strategy development



ENERGY

Possible components of the companies' post-pandemic recovery strategy actions:

- **Increased participation in various relevant on-line based platforms**
- **Participation in virtual trade fairs at local and international level**
- **Trainings and capacity building**
- **Access to local and international financing**

Selected Conclusions

ENERGY



- Many MSMEs have adjusted to the new normal of remote working conditions and social distancing
- Various funding programmes are available – they can be used to financially stabilize MSMEs
- Delaying the non-essential and non-priority projects to some future date is a way for crisis mitigation
- Some MSMEs have repackaged their products and have rebranded themselves as health-tech companies aimed to fight the pandemic

Recommendations to Governments for developing policy measures

ENERGY



Selected financial incentives schemes:

- Temporary tax waivers and tax breaks for MSMEs
- National programmes to support MSMEs through loans, including soft loans, loan guarantees, deferment of loan repayment, wage subsidies, and special credit lines
- Support direct payments for MSMEs to improve cashflow and reduce delays in payments
- Support through grants and low- or no-interest loans to the MSMEs working on low carbon technologies in the clean energy sector to facilitate green economic recovery
- Establish a specialized clean energy financial institution to enable MSMEs as a driving force to a clean and green economic recovery

Recommendations to Governments for developing policy measures

ENERGY



Selected policy measures to avoid workforce layoffs:

- Offer employee development programmes (e.g., for digitalization)
- Support temporary downsizing (e.g., through wage subsidies)
- Provide financial support to laid-off workforce.

Recommendations to Governments for developing policy measures

ENERGY



Selected policy measures to support new businesses:

- Secure future innovations through mid- and long-term policy measures linked to larger policy objectives (e.g., sustainability and/or digital transformation)
- Lay foundations for post-crisis recovery (e.g., incentivize investors to provide additional growth capital)
- Nurture knowledge diversity and entrepreneurial culture
- Boost positive business climate for consumption and innovation



Full report available at:

http://www.unece.org/fileadmin/DAM/energy/se/pdfs/g_eee/Guidelines_MSME_EE-RE_Final.pdf (English)

http://www.unece.org/fileadmin/DAM/energy/se/pdfs/g_eee/Workshop_MSMEs_September_2020_online/Guidelines_MSME_final26-08-20_RUS.pdf (Russian)



Thank you!

Oleg Dzioubinski

Regional Adviser

UNECE Sustainable Energy Division

oleg.dzioubinski@un.org