

Major Schemes of the Ministry of MSME to Generate Employment Opportunities and Marketing

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ABSTRACT

The M/o MSME organizes various schemes which are aimed at different purpose. The sample schemes which are presented in this article are: (a) Schemes for credit and financial assistance like PMEGP and Credit Trust Fund for MSEs ; (b) Schemes for Skill Development and Training like Promotion of Innovation, Rural Industries and Entrepreneurship ; (c) Schemes for Infrastructure Development, such as, Fund for Regeneration of Traditional Industries as well as Cluster Development Programme (CDP) ; (d) Schemes for Marketing Assistance like providing financial assistance to Khadi institutions under MPDA ; (e) Schemes for Technology Upgradation and Competitiveness like MSME Champions Scheme involving three Components like MSME Sustainable (ZED) ; MSME Competitive (Lean) and MSME (Innovative) ; (f) Other Schemes like UNIDO, GEF-5 Project and RAMP scheme which are spread across the country. These schemes for MSMEs are revised and updated in the month of February, 2024. Brief descriptions of these schemes are presented in this article.

Keywords : Schemes for MSMEs, PMEGP, MUDRA Yojana, CGTMSE, MSE-CDP, ESDP, ATI, Coir Vikas Yojana, PMS, IC Scheme, SC-ST Hub, ASPORE, Khadi Gramodyog Vikas, MSME in NER & Sikkim, PM Vishwakarma, Tool Rooms and Technical Institutions, MSME Champion Schemes, SRI Fund, RAMP Scheme.

INTRODUCTION

The Ministry of MSME runs various schemes aimed at financial assistance, technology assistance and upgradation, infrastructure development, skill development and training enhancing competitiveness

and market assistance of MSMEs. A detailed list of schemes is provided. These schemes are targeted at :

- providing credit and financial assistances,
- skill development training,
- infrastructure development,

- d) marketing assistance,
- e) technological and quality upgradation and,
- f) Other Services for the MSMEs across the country.

A snapshot of all the schemes is provided in this article

SCHEMES IMPLEMENTED BY M/O MSME AND ITS ORGANIZATIONS

The M/o MSME runs various schemes aimed at financial assistance, technology assistance and upgradation, infrastructure development, skill development and training, enhancing competitiveness and market assistance of MSME. A detailed description of the schemes is as follows.

2.1 Prime Minister's Employment Generation Programme (PMEGP)

The scheme aims to generate employment opportunities in rural as well as urban areas of the country through setting up of new self-employment ventures/projects/micro enterprises. Besides, the scheme also seeks to provide continuous and sustainable employment to all segment of traditional and prospective artisans and rural / urban unemployed youth in the country, so as to help arrest migration of rural youth to urban areas. The scheme also focuses to increase the wage earning capacity of artisans and contribute to increase in the growth rate of rural and urban employment. The Scheme is implemented by Khadi and Village Industries Commission (KVIC), as the nodal agency at the National level. At the State level, the Scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and banks. The objectives of the scheme are : i) The scheme aims to provide financial assistance to set up self-employment ventures and generate sustainable employment opportunities in rural as well as urban areas ; and (ii) To generate sustainable and continuous employment

opportunities for rural and unemployed youth as well as prospective traditional artisans and thereby halt occupational migration.

Further, 2nd Loan for up-gradation of the existing PMEGP/REGP/ MUDRA units has been executed. Its objectives are : (i) With an objective to assist existing units for expansion and upgradation, the scheme provides financial assistance to successful/well performing units ; and (ii) The scheme also caters to the need of the entrepreneurs for bringing new technology/ automation so as to modernize the existing unit.

2.2 Credit Guarantee Scheme for Micro & Small Enterprises (CGTMSE)

Guarantees are provided for extending collateral free lending to Micro and Small Enterprises through banks and financial institutions (including NBFCs). The Scheme covers collateral free credit facility (term loan and/ or working capital) extended by eligible lending institutions to new and existing micro and small enterprises up to Rs. 200 lakh per borrowing unit. The guarantee cover provided under this scheme varies from 75 % to 85 % depending upon the quantum of loan and type of beneficiary. A nominal amount towards an Annual Guarantee Fee for the credit facility sanctioned is charged on the outstanding loan amount. The objectives of the scheme is To encourage first generation entrepreneurs to venture into self-employment opportunities by facilitating credit guarantee support for collateral free / third-party guarantee-free loans to the Micro and Small enterprises (MSEs), especially in the absence of collateral. The schme is applicable for Micro and Small Enterprises.

2.3 Micro & Small Enterprises Cluster Development Programme (MSE-CDP) Scheme

Ministry of MSME is implementing Micro and Small Enterprises - Cluster Development Programme (MSE-CDP) for development of clusters. The objective of the scheme is to enhance the productivity and competitiveness of Micro and Small Enterprises

(MSEs) by extending financial assistance as Government of India (GoI) grant for establishment of Common Facility Centers (CFCs) in the existing clusters and for establishment of new / upgradation of existing Industrial Areas / Estates / Flatted Factory Complex. MSE-CDP is a demand driven scheme and Central Sector Scheme. The objectives of the scheme are : (i) To support the sustainability and growth of MSEs by addressing common issues such as improvement of technology, skills & quality, market access, etc. ; (ii) To create/upgrade infrastructural facilities in the new/ existing Industrial Areas/Clusters of MSEs ; (iii) To set up Common Facility Centres (for testing, training, raw material depot, effluent treatment, complementing production processes, etc) ; and . (iv) Promotion of green & sustainable manufacturing technology for the clusters.

2.4 Entrepreneurship Skill Development Programme (ESDP) Scheme

Entrepreneurship development is the process of improving the skills and knowledge of entrepreneurs, enhancing the capacity to develop, manage and organize a business venture while keeping in mind the risks associated with it. The O/o DC-MSME under "Development of MSMEs" vertical has launched the "Entrepreneurship and Skill Development Programme (ESDP)". The objective of the programme is to motivate young persons (Men and Women) representing different sections of the society. The ultimate objective is to promote new enterprises, build capacity of existing MSMEs and inculcate entrepreneurial culture in the country. This scheme (ESDP) is implemented across the length and breadth of the country. The objective of the scheme is To promote new enterprises, capacity building of existing MSMEs and inculcating entrepreneurial culture in the country. The purpose of the scheme is to widen the base of entrepreneurship by development, achievement, motivation and entrepreneurial skill to the different sections of the society.

2.5 Assistance to Training Institutions (ATI) Scheme

The assistance is provided to National level training institutions operating under the Ministry of MSME, namely, NI-MSME, KVIC, Coir Board, Tool Rooms, NSIC & MGIRI in the form of capital grant for the purpose of creation and strengthening of infrastructure and support for entrepreneurship development and skill development training programmes. Assistance is also provided to existing State level EDIs i.e. owned and controlled by a State Government/UT for creation or strengthening/expansion of their training infrastructure

Further, the amount of assistance will not exceed the actual amount for strengthening/ expansion of the infrastructure required by the training institutions of this Ministry. Scale of maximum assistance to the State level EDIs will be restricted to Rs.3.00 crore in each case. Assistance for skill development programmes will be provided as per the prescribed rates

2.6 Coir Vikas Yojana

Coir Vikas Yojana (CVY) is an Umbrella Scheme being implemented by Coir Board for the Development of Coir Industry all over the country. The objectives of the scheme are : (i) To enhance utilization of the raw material abundantly available in the country at economic levels of production. Coir Vikas Yojana (CVY) is an Umbrella Scheme being implemented by Coir Board for the Development of Coir Industry all over the country ; (ii) To increase income/returns to workers, entrepreneurs, exporters and other stake-holders of the industry ; (iii) Full utilization of the market potential of the products within the country and abroad and Industry related functional support services ; (iv) Development of improved equipments machinery, processes and new products ; (v) Promoting large scale investment in Coir Industry ; (vi) Development of skilled manpower for Coir industry, empowerment of rural women and Employment Generation ; (vii) Welfare measures for coir workers (viii) To upgrade the coir

industry through technological interventions and integration of various Digital Platforms.

Under this Umbrella Scheme, the Coir Board is implementing the sub schemes/ programmes, such as, i. science and Technology ; ii. Skill Upgradation and Mahila Coir Yojana ; iii. Export Market Promotion ; iv. Domestic Market Promotion ; v. Trade and Industry Related Functional Support Services ; and vi. Welfare Measures.

2.7 Procurement and Marketing Support (PMS) Scheme

The Procurement and marketing support scheme enlisted under schemes for MSMEs during February 2024. The objective of the scheme is The scheme aims to promote new market access initiatives like organizing / participation in National / International Trade Fairs / Exhibitions / MSME Expo, etc. held across the country and to create awareness and educate the MSMEs about the importance / methods/ process of packaging in marketing, latest packaging technology, import-export policy and procedure, GeM portal, MSME Conclave, latest developments in international / national trade and other subjects / topics relevant for market access developments. The components of the scheme are : Market Access, Capacity Building and Development of Retail Outlet.

2.8 International Cooperation (IC) Scheme

The International Cooperation scheme which has been initiated recently. The objective of the scheme is the scheme aims to build Capacity of MSMEs for entering export market by facilitating their participation in international exhibitions/fairs/conferences/ seminar/ buyer-seller meets abroad as well as providing them with actionable market-intelligence and reimbursement of various costs involved in export of goods and services. The Scheme provides opportunities to MSMEs to continuously update themselves to meet the challenges emerging out of changes in technology, changes in demand, emergence of new markets, etc.

The scheme covers the sub-components like, Market Development Assistance of MSMEs (MDA) ; Capacity Building of First Time MSE Exporters (CBFTE). ; and Framework for International Market Intelligence Dissemination (IMID).

2.9 National SC-ST Hub Scheme

The scheme is applicable for aspiring and existing SC/ST Entrepreneurs. The objective of the scheme is to provide professional support to Scheduled Caste and Scheduled Tribe Entrepreneurs to fulfill the obligations under the Central Government Public Procurement Policy for Micro and Small Enterprises Order 2012, adopt applicable business practices and leverage the Stand-Up India initiatives. The key benefits are : • 25% subsidy on purchase of plant & machinery/equipments or Rs. 25 lakh whichever is less. • Marketing and mentoring support through participation in exhibitions and vendor development programmes. • Reimbursement of fees charged for bank loan processing, testing services, membership of Export Promotion Council, membership in Govt. promoted eCommerce Portals, Single Point Registration Scheme of NSI. • Collection, collation and dissemination of information regarding SC/ST enterprises and entrepreneurs to CPSEs. • Free skill trainings and distribution of trade specific tool kits to trained candidates under the Skill Development programmes.

2.10 A Scheme for Promotion of Innovation, Rural Industries and Entrepreneurship (ASPIRE)

The ASPIRE scheme intends to Create jobs and reduce employment ; Promote entrepreneurship culture in India ; and Promote innovation to strengthen the competitiveness of MSME sector. The objectives of the scheme are : i. To set up a network of Livelihood Business Incubators (LBIs), predominantly in the rural and underserved areas, to promote innovation and accelerate entrepreneurship; To generate employment opportunities by facilitating formal, scalable micro-enterprise creation in the agro-rural sector ; To develop skill, up-skill, re-skill

unemployed, self-employed/ wage earners in new technologies in the agro-rural sector ; and iii. To provide skilled human capital to nearby industrial clusters and promote innovations for strengthen

2.11 Khadi Gramodyog Vikas Yojana

The Khadi gramodyog vikas yojana , the umbrella scheme has the two sub-schemes, such as, Khadi Vikas Yojana and Gramodyog Vikas Yojana. The major objectives of the scheme are : i. To increase productivity and wages of Khadi Artisans and secure livelihood ; ii. To improve Infrastructure for Khadi Production ; iii. Increased Khadi Production, Sales and Employment ; iv. Development of Village Industries and increase number of rural artisans ; v. To revive the traditional and inherent skills of rural artisans ; vi. To renovate and Modernize Sales Outlets ; and vii. To promote Marketing and Exports. The components of the Khadi Vikas Yojana are : Modified Market Development Assistance (MMDA) ; Interest Subsidy Eligibility Certificate Scheme (ISEC) ; Work-shed Scheme for Khadi Artisans ; Strengthening Infrastructure of Existing Weak Khadi Institutions and Assistance for Marketing Infrastructure ; and Other Components like, Centre of Excellence for Khadi Khadi Quality Assurance Marketing(Exhibition) Science & Technology (S&T). Add to this, the components of the Gramodyog Vikas Yojana are : Agarbatti Programme under Wellness and Cosmetics Industries (WCI) ; Leather Footwear Activity under Handmade Paper Leather & Plastic Industry (HMPLPI) ; Pottery Activity under Mineral Based Industry (MBI) ; Beekeeping Activity/ Honey Mission Programme under Agro-Based & Food Processing Industries (ABFPI) ; Waste Wood / Turn Wood Craft /Wooden Toy /Products of Panchgavya under Rural Engineering and New Technology ; Hand Made Paper and Fiber related activities under Hand Made Paper, Plastic and Leather Industry. ; Agro-Food Based Food Processing Industries ; and Service Industry.

2.12 Promotion of MSME in North-Eastern Region and SIKKIM

The purpose of the scheme is to provide the Common facilities for MSMEs to develop new products & processes including toolings ; To Developed infrastructure for entrepreneurs for establishing new units or expanding their units ; and To Support for creation of common infrastructures to boost tourism in North-Eastern Region & Sikkim. The objectives of the scheme are : i. The scheme envisaged for providing financial support mainly for augmenting Infrastructure development for enhancing the productivity, sustainability, competitiveness and growth by addressing common issues such as improvement of technology, skills & quality, market access etc. of Micro, Small and Medium Enterprises (MSMEs) ; ii. Creation of common facilities to supplement manufacturing, testing, packaging, R&D, product and process innovations and training for natural resources such as fruits, spices, agri, forestry, sericulture and bamboo etc. available in NER and Sikkim ; iii. To create/ upgrade infrastructural facilities in the new/existing Industrial Areas for MSMEs ; and iv. Development of tourism sector in NER and Sikkim by creation of common services such as kitchen, bakery, laundry & dry cleaning, refrigeration and cold storage, IT infra, potable water, display center for local products, center for cultural activities etc. in a cluster of home stays.

2.13 PM Vishwakarma - Enabling Artisans and Craftspeople to Build Enterprises

The purpose of the new PM Vishwakarma scheme is to enable artisans and craftspeople to build their enterprises. The objectives of the scheme are : i. To enable the recognition of artisans and craftspeople as Vishwakarma, making them eligible to avail all the benefits under the Scheme ; ii. To provide skill upgradation to hone their skills and make relevant and suitable training opportunities available to them ; iii. To provide support for better and modern tools to enhance their capability, productivity, and quality of

products and services ; iv. To provide the beneficiaries an easy access to collateral free credit and reduce the cost of credit by providing interest subvention ; v. To provide incentives for digital transactions to encourage digital empowerment of Vishwakarmas ; vi. To provide a platform for brand promotion and market linkages to help them access new opportunities for growth.

2.14 Tool Rooms and Technical Institutions - A Component of Infrastructure Development & Capacity Building scheme

Tool Room & Technical Institutions are concentrated on an integrated Development of the relevant sector of industries to help MSME. Total 18 MSME Tool Rooms & Technical institutions established PAN India serving in the relevant sector like General Engineering, foundry & forging, electronics, fragrance, glass, sports good and footwear etc. The key benefits of the scheme are : • To Improves access of MSMEs to tooling facilities for enhancement of their efficiency and providing industry ready manpower by conducting training programme. • To Process and Product development in relevant sector. • To Consultancy and job works in relevant sector.

2.15 MSME Champions Scheme

Ministry of MSME had been implementing Credit Linked Capital Subsidy and Technology Upgradation Scheme (CLCS-TUS) for promoting competitiveness amongst Micro, Small and Medium Enterprises (MSMEs) by the way of wastage reduction through Lean Manufacturing, support for Design improvement, building awareness on Intellectual Property Rights, Zero Defect Zero Effect (ZED) Scheme, digitally empowerment of MSME through Digital MSME and to promote & support untapped creativity of individual and to promote adoption of latest technologies in manufacturing as well as knowledge based innovation MSMEs through Incubation across India. MSME Champions scheme has been formulated through Standing Finance Committee (SFC) by merging all 6 components of erstwhile Technology

Upgradation Scheme (TUS) for a period of 5 years i.e. 2021-22 to 2025-26. It is a holistic approach to unify, synergize and converge various schemes and interventions with a single purpose. The end objective is to pick up clusters and enterprises and modernize their processes, reduce wastages, sharpen business competitiveness and facilitate their National and Global reach and excellence. There are 3 components under the new MSME Champions scheme, the details of which are : 1) - MSME-Sustainable (ZED) 2) - 3) - MSME-Competitive (Lean) 4) - Digital MSME - Yet to be launched MSME-Innovative (for Incubation, IPR, Design) (The Digital MSME will be interlinked with all the other components of the MSME Champions Scheme.)

The ZED Certification envisages promotion of Zero Defect Zero Effect (ZED) practices amongst MSMEs so as to: • Encourage and enable MSMEs for manufacturing of quality products using latest technology, tools & to constantly upgrade their processes for achievement of high quality and high productivity with the least effect on the environment. • Develop an Ecosystem for ZED Manufacturing in MSMEs, for enhancing competitiveness and enabling exports. • Promote adoption of ZED practices and recognizing the efforts of successful MSMEs. • Encourage MSMEs to achieve higher ZED Certification levels through graded incentives. • Increase public awareness on demanding Zero Defect and Zero Effect products through the MSME Sustainable (ZED) Certification. • Identify areas to improve upon, thereby assisting the Government in policy decisions and investment prioritization.

The objectives of the MSME (Innovative) (Incubation, IPR and Design) are : • To promote all forms of innovations in the complete value chain from developing ideas into innovative applications through incubation and design interventions. • To provide appropriate facilities and support for development of concept to market, design competitiveness and protection & commercialization of Intellectual

creations of MSME sector. • To promote a culture of innovation and creative problem solving through knowledge sharing and collaboration amongst industry, academia, government institutions, research laboratories etc. • To serve as a connecting link between industrial/academia leaders and innovators, in order to encourage new product development and hand-holding. • To focus on developing affordable innovations that can benefit a large number of people and at the same time being commercially viable and sustainable.

The objectives of the MSME (LEAN) scheme are : The objective of the scheme is to enhance the Domestic and Global Competitiveness of MSMEs through the application of various Lean Techniques That inter-alia includes: Reduction in: • Rejection Rates • Product and Raw Material Movements • Product Cost Optimization of: • Space Utilization • Resources like Water, Energy, Natural Resources etc. Enhancement of: • Quality of Products and Process • Production & Export Capabilities • Workplace Safety • Knowledge & Skill Set • Innovative Work Culture • Social & Environmental Accountability • Profitability • Introduction & Awareness to Industry 4.0 • Digital Empowerment.

2.16 Self Reliant India (SRI) Fund

India has embarked upon the path of self reliant economic growth for achieving its aspiration of becoming an economic superpower. Towards this end, one of the initiatives taken by the Government of India is the launch of the Self Reliant India (SRI) Fund. The Fund structure is designed in a manner that it will leverage the strength of the private sector in providing growth capital to viable MSMEs having a definite growth plan.

The Fund aims to provide capital support to the Daughter Funds for onward provision to MSMEs as growth capital, through equity, quasi-equity and debt to achieve the objectives, such as, : Supporting faster growth of MSME businesses, thereby igniting the economy & creating several employment

opportunities. Supporting enterprises which have the potential to graduate beyond the MSME bracket and become National/International champions. Supporting MSMEs which will help make India self-reliant by producing relevant technologies, goods and services.

2.17 Raising and Accelerating MSME Performance (RAMP)

RAMP is a World Bank supported Central Sector Scheme aimed at improving access of MSMEs to market, finance and technology upgradation by enhancing the outreach of existing MoMSME schemes. The programme also aims at strengthening institutions at the Central and State level, and enhancing Centre- State collaboration. RAMP scheme would enhance the performance of MSMEs by promoting technology upgradation, innovation, digitization, market access, credit, greening initiatives, etc through active participation of the State Governments. The objectives of the scheme are : Accelerating Centre- State collaboration in MSME promotion and development Enhancing effectiveness of existing MoMSME schemes for technology upgradation Strengthening Receivable Financing Market for MSMEs Enhancing effectiveness of Credit Guarantee Trust for Micro & Small Enterprises (CGTMSE), and promoting guarantee for greening initiatives of MSEs, and women owned MSEs Reducing incidence of delayed payments to MSEs.

CONCLUSION

The Ministry of MSME has designed and executed various schemes, such as, Scheme for providing Credit and Financial Assistance to MSMEs ; Schemes for Skill Development and Training ; Schemes for Infrastructure Development ; Scheme for Marketing Assistance ; Scheme for Technology Upgradation and Competitiveness; Other schemes of the MSMEs across the country. The description of each scheme are presented in this article. Ultimately these MSME schemes are aimed at providing credit and financial

assistances to various agencies, skill development training, infrastructure development, marketing assistance, technological and quality upgradation, and other services for the MSMEs across the country. These schemes are applicable for Individual MSMEs through State Government / Agencies. For more information and regular updates, visit: www.msme.gov.in

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