



# MSME Sustainable (ZED) Certification Scheme

## Why in News?

Ministry for Micro, Small and Medium Enterprises has launched the [MSME \(Micro, Small and Medium Enterprises\) Sustainable \(ZED-Zero Defect Zero Effect\) Certification Scheme](#).

## What is the Scheme?

### ▪ About:

- This Scheme is **an extensive drive to enable and facilitate MSMEs adopt ZED practices** and motivate and incentivize them for ZED Certification while also encouraging them to become [MSME Champions](#).
- MSME Sustainable (ZED) Certification can be attained in Three Levels after registering and taking the ZED Pledge:
  - Certification Level 1: **BRONZE**
  - Certification Level 2: **SILVER**
  - Certification Level 3: **GOLD**
- After taking the ZED Pledge, **the MSME can apply for any Certification Level if it feels that it can fulfil the requirements mentioned in each level.**
- The intent of taking a **ZED Pledge is to take a “pre-commitment” or a solemn promise by MSMEs to uphold the values of Zero Defect Zero Effect** in their practices and to urge them to move ahead on the journey of ZED.

### ▪ Subsidy:

- Under the Scheme, **MSMEs get subsidy as per the following structure, on the cost of ZED certification:**
  - **Micro Enterprises: 80%**
  - **Small Enterprises: 60%**
  - **Medium Enterprises: 50%**
- A provision of up to **Rs. 5 lakhs (per MSME) will be made available for handholding and consultancy support for MSMEs** under ZED Certification for assisting them to move towards Zero Defect Zero Effect solutions.
- The MSMEs can also avail themselves of several **other incentives offered for ZED Certification by States & UTs, Financial Institutions etc.** and can also apply for free Certification under the [MSME KAWACH \(COVID-19 Support\) initiative](#).

### ▪ Components of the Scheme:

- Industry Awareness Programmes/Workshop.
- Training Programmes.
- Assessment & Certification.
- Handholding.
- Benefits/Incentives.
- PR campaign, Advertising & Brand Promotion
- Digital Platform.

### ▪ Benefits:

- Through the journey of ZED Certification, **MSMEs can reduce wastages substantially, increase productivity, enhance environmental consciousness, save energy, optimally use natural resources, expand their markets, etc.**

## What is Zero Defect Zero Effect Scheme?

- **About:**
  - **Launched in 2016** by the Ministry of MSME, the scheme is an integrated and comprehensive certification system.
  - The scheme **accounts for productivity, quality, pollution mitigation, energy efficiency, financial status, human resource** and technological depth including design and **IPR (Intellectual Property Rights)** in both products and processes.
  - Its mission is to develop and implement the 'ZED' culture in India based on the principles of Zero Defect & Zero Effect.
- **Zero Defect:**
  - The Zero-defect concept is focusing on the customer.
  - Zero non-conformance or non-compliance
  - Zero waste
- **Zero Effect:**
  - Zero **air pollution**, liquid discharge, solid waste
  - Zero wastage of natural resources
- **Objective of the Scheme:**
  - To **develop an Ecosystem for Zero Defect Manufacturing in MSMEs.**
  - To **promote adaptation** of quality tools/systems and energy efficient manufacturing. Enable MSMEs for manufacturing of quality products.
  - To **encourage MSMEs to constantly upgrade their quality** standards in products and processes.
  - To **develop professionals** in the area of ZED manufacturing and certification.
  - To support the **'Make in India' campaign.**

## What are the Other Initiatives to Promote MSMEs Sector?

- [Prime Minister's Employment Generation programme \(PMEGP\)](#)
- [Scheme of Fund for Regeneration of Traditional Industries \(SFURTI\)](#)
- [A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship \(ASPIRE\)](#)
- [Interest Subvention Scheme for Incremental Credit to MSMEs](#)
- [Credit Guarantee Scheme for Micro and Small Enterprises](#)
- [CHAMPIONS portal](#)

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