

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYASABHA
UNSTARRED QUESTION No.121
TO BE ANSWERED ON 22.07.2024

CLIMATE CHANGE AWARENESS AND FINANCING FOR MSMEs

121. DR. FAUZIA KHAN:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether Government has implemented initiatives to create awareness among MSMEs regarding climate finance structures and policies considering the financial literacy within the sector;
- (b) if so, the details of the programme and the outcomes-achieved and anticipated;
- (c) if not, the reasons therefor;
- (d) whether mechanisms are established to facilitate access to climate finance for MSMEs, considering the limited formal financing structure currently utilized by only a small percentage of business; and
- (e) if, so, the details thereof?

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a): Yes. Ministry of Micro, Small and Medium Enterprises has launched two sub-schemes under RAMP Programme namely (i) MSE Green Investment and Financing for Transformation Scheme (MSE GIFT Scheme) and (ii) MSE Scheme for Promotion and Investment in Circular Economy (MSE SPICE Scheme) on 20th December, 2023.

(b) & (c): (i) The MSE Green Investment and Financing for Transformation Scheme (MSE GIFT Scheme) intends to help MSMEs adopt green technology with interest subvention and credit guarantee support. The scheme involves a total outlay of Rs.478 crore for 3 years (2023-24 to 2025-26) with Interest Subvention outlay of Rs.350 crore, Risk sharing fund of Rs.125 crores and Information Education and Communication (IEC) component of Rs.3 crores. The overall objective of the scheme is to provide support to the MSEs in accessing institutional finance at a concessional rate for adopting clean/green technologies and help them to transform into green and sustainable business operations.

(ii) The MSE Scheme for Promotion and Investment in Circular Economy (MSE SPICE Scheme) is the first scheme in the Government of India to support circular economy projects. The primary goal of the scheme is to promote resource efficiency, reduce environmental impact and enhance the competitiveness of MSEs in India. The scheme involves a total outlay of Rs.472.50 Crore for the period 2023-24 to 2026-27 with components of Credit Linked Capital Subsidy of Rs.450 Crore, Awareness Generation and Demand Creation of Rs.15 crores and Information Education and Communication (IEC) component of Rs.7.50 crores.

(d) & (e): Yes. Small Industries Development Bank of India (SIDBI) has been nominated as Implementing Agency for both the sub-schemes i.e. (i) MSE-GIFT and (ii) MSE-SPICE.
