

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

LOK SABHA
STARRED QUESTION NO. *289
TO BE ANSWERED ON: 12.03.2026

MoU BETWEEN INDIA AND BRAZIL

*289. ADV. CHANDRA SHEKHAR:

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

- (a) whether, pursuant to the India-Brazil MoU signed on 21 February 2026, any specific and time-bound targets have been set for outcomes such as the number of MSMEs accessing green finance, joint projects to be undertaken, export gains, emission reductions and competitiveness improvements;
- (b) if so, the details thereof and the concrete steps including creation of dedicated funds, incentives, capacity-building measures or bilateral mechanisms, proposed to be taken to translate the MoU's green transition objectives into actionable green lending;
- (c) the manner in which these initiatives align with (i) RBI data indicating 17 per cent year-on-year MSME credit growth to 65.2 lakh crore as of September 2025, (ii) NITI Aayog's Roadmap for Green Transition of MSMEs (January 2026) and (iii) the World Bank's March 2025 MSME Finance Gap Report estimating a USD 5.7 trillion global finance gap;
- (d) whether the MoU envisages measures to enhance uptake of the MSME Sustainable (ZED) Certification Scheme, particularly for low-carbon and Zero Defect Zero Effect practices and to link ZED certification with improved access to green finance, additional incentives and training; and
- (e) the steps being taken to prioritise underserved segments, including women-led and micro-enterprises to ensure equitable distribution of benefits in view of the estimated USD 1.9 trillion finance shortfall faced by women-owned MSMEs globally?

ANSWER

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI JITAN RAM MANJHI)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO THE PARTS (a) to (e) of LOK SABHA STARRED QUESTION NO. *289 FOR ANSWER ON 12.03.2026 ASKED BY ADV. CHANDRA SHEKHAR REGARDING MoU BETWEEN INDIA-BRAZIL.

(a) to (e): The MoU between India and Brazil was signed with the objective of strengthening bilateral cooperation for the development and promotion of MSMEs in both countries. The MoU envisages cooperation in identified sectors and projects. Under the ambit of MoU, both countries have agreed to cooperate on mutually agreed terms with the objective of enhancing joint collaboration for the development and promotion of MSMEs.

The MoU aims to create enabling conditions to support MSMEs in areas including but not limited to advancing the green transition, integration into global value chains by improving productivity, and strengthening their capacity for sustainable development. These areas of cooperation are expected to be progressively realised through subsequent joint collaborations.

Under the ambit of the MoU, a Joint Committee is intended to be constituted for monitoring implementation of the MoU and overseeing basic areas of cooperation agreeable to both sides. The MoU shall remain in effect for a period of five (5) years which may be renewed for further period of five (5) years, as mutually agreed upon by both parties.

The Government of India is promoting sustainable and inclusive development. This include support for adoption of green technologies, circular economy practices, improved access to collateral-free credit, promotion of sustainable manufacturing practices, and facilitation of MSMEs' participation in global markets and value chains. Some of the initiatives taken up by the Ministry of MSME are: (i) MSE-Green Investment and Financing for Transformation (MSE-GIFT) Scheme which provides interest subvention and risk-sharing support to facilitate adoption of green technologies by MSEs; (ii) Micro and Small Enterprises – Scheme for Promotion and Investment in Circular Economy (MSE-SPICE) encourages adoption of circular economy practices by MSEs through credit-linked capital subsidy, awareness generation and information dissemination. The scheme provides financial assistance for investment in plant and machinery to promote resource efficiency and sustainable production; (iii) the Credit Guarantee Scheme for Micro and Small Enterprises (CGS-MSE) provides access to collateral-free loans through credit guarantee support, thereby helping bridge the financing gap faced by MSEs; (iv) to promote sustainable manufacturing practices, the Zero Defect Zero Effect (ZED) Scheme encourages MSMEs to improve competitiveness and environmental sustainability. MSMEs are incentivized to get ZED Certification including free certification for women owned MSMEs; (v) the International Cooperation scheme helps MSMEs to access global markets and integrate into the global value chains by facilitating participation in international exhibitions, trade fairs, and business delegations; and (vi) under the Capacity Building of First Time Exporters (CBFTE) component of IC scheme, MSEs are encouraged to become exporters by facilitating them to register with Export Promotion Councils, reimbursing export insurance premium and testing and quality certification charges.

To ensure inclusive growth of MSMEs and equitable access to opportunities for underserved segments, including women-led and micro enterprises, Ministry has been promoting SC-ST and women entrepreneurs through various schemes and initiatives including credit guarantee coverage, employment generation, and market linkages. The Government has mandated 4% and 3% public procurement targets from SC-ST and Women owned Enterprises respectively. The National SC-ST Hub (NSSH) scheme aims to mainstream their economic activities through capacity building of SC-ST entrepreneurs to participate in the public procurement process. It also supports up-gradation of technology and machinery through the Special Credit Linked Capital Subsidy Scheme. To address the finance shortfall, the Government under CGT-MSE scheme has approved 1,39,39,040 guarantees amounting to Rs. 13,16,741 crores for the period from financial year 2000-01 to financial year 2025-26 (up to 28.02.2026), out of which 30,74,531 guarantees amounting to Rs. 2,06,883 crores have been provided to women owned MSEs. This is in alignment with the Viksit Bharat vision for promoting women led development.
