



सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
MINISTRY OF
MICRO, SMALL &
MEDIUM ENTERPRISES

75
Azadi Ka
Amrit Mahotsav



MSME Sustainable (ZED) Certification Scheme

GUIDELINES 2022



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ज्येष्ठ सचिव एवं विकास प्रमुख
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भारत सरकार
सूक्ष्म, लघु एवं मध्यम उद्यम मंत्रालय
GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL & MEDIUM ENTERPRISES

MESSAGE

Zero Defect Zero Effect (ZED) has the potential to become a movement to bring about a revolution in the MSME segment to enhance their global competitiveness.

The MSME Sustainable (ZED) Certification Scheme of our Ministry will not only provide a roadmap to global competitiveness for Indian MSMEs but will also have economic and social impacts in terms of capacity building of MSMEs. The aim of this initiative is that the goods being manufactured by the MSME sector have zero recall from the market at the same time has zero effect on environment. It also has a lot of social benefits in terms of training of labor, creation of knowledge, increased labor productivity, lower input costs to other industries, and introduction of new production equipment/ methods in manufacturing and development of quality conscious work culture in society.

This Scheme comes with immense benefits & incentives for our MSMEs, including assistance on COVID-19 management, and is expected to be open for MSMEs of the service sector in the future.

I solicit the MSMEs' participation in this scheme to take advantage of the incentives and benefits provided and move toward a position of eminence in the global marketplace.

(Shailesh Kumar Singh)

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MESSAGE

The best solution for a country like India to enhance the competitiveness of its industry is to upgrade its regulations to international standards both in terms of product requirements as well as conformity assessment procedures. Pending such an upgradation in any sector, there would be a need to set up a system of certifying to the higher international standards adopted by the developed countries.

Further, to increase the share of manufacturing sector in GDP it is imperative to provide opportunities where the MSMEs can provide goods and services of high quality and have the facility to export their goods and services. At the same time, it is essential that foreign buyers and investors have faith in goods and services being provided by Indian Manufacturers will be of high quality.

This is where a model like ZED will have a crucial role to play where it intends to be a connect between the two and provide the much-needed trust factor and simultaneously be aligned with the "vocal for local" mantra.

The MSME Sustainable (ZED) Certification Scheme, which is based on a Conformity Model for each Certification Level (Bronze, Silver & Gold), will assist the MSMEs to gradually build its capacities and reach the desired level of competence in a structured manner. There are defined assessment parameters based on which the unit will be assessed & rated and subsequently provided handholding. This model will gauge the manufacturer's maturity in a number of areas, identify the areas of improvement and assist MSMEs in becoming the CHAMPIONS they deserve to be.

The Ministry is launching this Scheme with a bouquet of incentives and benefits from Ministries, States/UTs and other stakeholders, including MSME KAWACH (support for MSME preparedness to mitigate COVID-19 risks), which will pull our MSMEs towards a quality driven ecosystem.


(Ateesh Kumar Singh)

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ABBREVIATIONS

BEE	Bureau of Energy Efficiency
BIS	Bureau of Indian Standards
DICs	District Industries Centres
IA	Implementing Agency
ISO	International Standard Organisation
KAWACH	Knowledge Acquisition through WASH for an Accelerated COVID 19 Handling
MoMSME	Ministry of Micro, Small and Medium Enterprise
MSME	Micro, Small and Medium Enterprise
MSME-DIs	MSME-Development Institutes
NMIU	National Monitoring and Implementing Unit
NPC	National Productivity Council
PMAC	Project Monitoring and Advisory Committee
PMU	Project Monitoring Unit
QCI	Quality Council of India
WASH	Workplace Assessment for Safety & Hygiene
ZED	Zero Defect Zero Effect

INTRODUCTION

As the MSMEs are amongst the strongest drivers of economic development, innovation and employment, it becomes imperative to strengthen their ecosystem. The Government of India envisioned Zero Defect & Zero Effect (ZED) initiative to enhance MSME competitiveness, make them sustainable and transform them as National and International Champions.

2

ABOUT MSME SUSTAINABLE (ZED) CERTIFICATION

MSME Sustainable (ZED) Certification is an extensive drive to create awareness amongst MSMEs about Zero Defect Zero Effect (ZED) practices and motivate and incentivise them for ZED Certification while also encouraging them to become MSME Champions. 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. MSMEs will also be motivated to adopt best practices in work culture, standardization of products, processes and systems etc. in order to enhance their global competitiveness and sustainability. The ZED Certification aims at enhancing the competitiveness of an MSME by assessment, modification through guidance, handholding, managerial and technological intervention – not just certification.

The ZED Certification is proposed to be implemented in 2 Phases:

PHASE 1 Manufacturing MSMEs

For Manufacturing MSMEs with UDYAM Registration. This phase will focus largely on maximizing inclusion of manufacturing MSMEs and taking them through the journey of ZED

PHASE 2 Service Sector MSMEs, ZED Exports

Inclusion of Service Sector MSMEs. This phase will also strive to integrate those MSMEs (manufacturing and Service Sectors) who are registered under a State Government protocol/ system but not on UDYAM. From this phase onwards, additional information regarding MSME operations/ performance may be collected so as to create a National MSME Competitiveness Index.

It is also envisaged to provide funding to the ZED Certified MSMEs to obtain international certifications like CE and others, as necessary for international market and further, making provisions to align ZED Certification with the international certifications for its global acceptance.

Scheme Validity: The financial support, incentives, benefits & other provisions contained in the scheme here in will be valid till March 31, 2026.

2.1 Objectives

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 recognising 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

2.2 MSME Sustainable (ZED) Certification Components

1. Industry Awareness Programmes/ Workshop: MSMEs will be made aware of the MSME Sustainable (ZED) Certification through nation-wide awareness programmes (online and/or face-to-face, as appropriate) with the assistance of stakeholders like Industry Associations, Implementing Agencies, MSME-DIs, District Industries Centres (DICs), Large Enterprises/ OEMs, BEE.

2. Training Programmes: Stakeholders like the MSME Officers, Assessors and Consultants will be trained on the MSME Sustainable (ZED) Certification to enable an effective implementation by partners like QCI, BIS, NPC.

3. Assessment & Certification: MSMEs will be assessed (desktop verification, remote assessment, onsite assessment; as applicable) and awarded relevant Certification Level for which they have applied for after fulfilling the requirements of that Level.

4. Handholding: MSMEs will be provided handholding to help them achieve higher ZED Certification levels and also towards technology

upgradation for moving towards zero effect solutions/pollution control measures/cleaner technology.

5. Benefits/Incentives: Graded incentives will be announced by the Ministry of MSME for MSMEs so as to motivate them to achieve higher ZED Certification levels. These incentives will also include assistance to MSMEs in their preparedness & response to COVID-19 pandemic, called MSME KAWACH (Knowledge Acquisition through WASH for an Accelerated COVID-19 Handling) which is based on the WASH (Workplace Assessment for Safety & Hygiene) Standard.

6. PR campaign, Advertising & Brand Promotion: For popularizing the MSME Sustainable (ZED) Certification and brand promotion of ZED, a nation-wide publicity will be done.

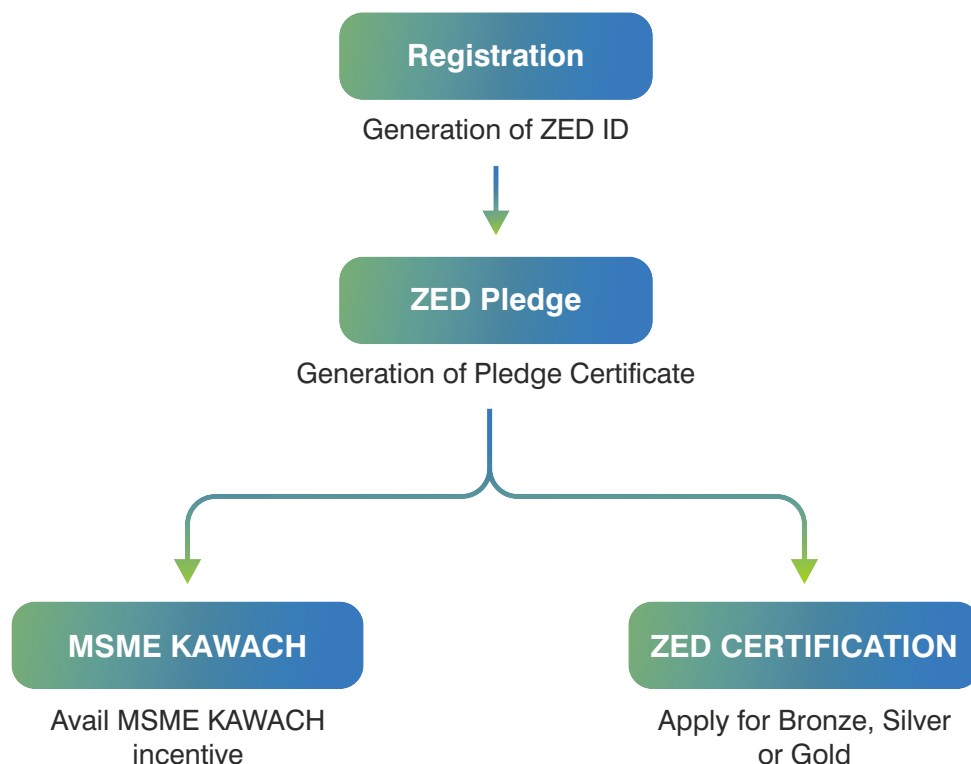
7. Digital Platform: MSME Sustainable (ZED) Certification process will be e-enabled through a single window digital platform and minimum use of paper.

2.3 ZED Certification Levels

MSME Sustainable (ZED) Certification can be attained in THREE Levels after registering and taking the ZED Pledge:

ZED Pledge

- Certification Level 1: **BRONZE**
 - Certification Level 2: **SILVER**
 - Certification Level 3: **GOLD**
- a. Every MSME that embarks on the journey of ZED will have to take a “ZED Pledge” before applying for a ZED Certification Level (Bronze, Silver, Gold).
- b. Certification on WASH Standard & other capacity building measures through MSME KAWACH will be available to MSMEs immediately after taking ZED Pledge.
- c. 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.



2.4 Eligibility

All MSMEs registered with the UDYAM registration portal (of the MoMSME) will be eligible to participate in MSME Sustainable (ZED) Certification and avail related benefits/incentives.

2.5 Stakeholders & Their Expected Role

a. Ministry of MSME

The Ministry of MSME shall create an enabling environment and assist its partners in achieving the above-mentioned objectives by:

1. Providing the approved guidelines for the development of various strategies and frameworks
2. Monitoring and evaluation of MSME Sustainable (ZED) Certification implementation
3. Creating a PMU/NMIU for smooth operations and coordination
4. Identifying and partnering with Implementing Agencies for implementation of MSME Sustainable (ZED) Certification
5. Co-ordinating with various Ministries/ Departments/States and other stakeholders regarding the MSME Sustainable (ZED) Certification Scheme, including obtaining relevant consents/approvals wherever needed
6. Ensuring nation-wide Media/PR activities for wide publicity of the MSME Sustainable (ZED) Certification
7. Instituting incentives for ZED Certified MSMEs

b. Quality Council of India (QCI)

QCI will co-ordinate with MoMSME to enable effective implementation of MSME Sustainable (ZED) Certification by:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Developing MSME Sustainable (ZED) Certification model and framework, digital platform, E-learning modules, etc.
3. Developing mechanism for Assessment, Certification and Handholding
4. Desktop verification of MSMEs, wherever required
5. Training of Stakeholders on the MSME Sustainable (ZED) Certification

6. Collaborating with BIS to create MSME Sustainable (ZED) Certification as an international standard in the second Phase
7. Performing as an Implementing Agency

c. Organisations under the administrative control of MoMSME & the office of DC-MSME

These organisations (such as MSME-DIs, Technology Centres, Testing Centres, NIMSME and others) will enable effective implementation of the MSME Sustainable (ZED) Certification by:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Creating a mechanism for widespread dissemination of information on this initiative through its offices and assist in maximizing awareness & outreach of the MSME Sustainable (ZED) Certification Guidelines to enrol MSMEs on the ZED journey
3. Assisting the Ministry in capacity building of the Industry
4. Assisting the Ministry in institutionalizing incentives for ZED Certified MSMEs

d. Bureau of Indian Standards (BIS)

BIS will assist the MoMSME in the following:

1. Nominating a Nodal Officer for effective coordination with the Ministry
2. Participation in various committees to enable model development, processes finalization etc.
3. Assisting in international recognition of the ZED Certification
4. Undertaking training of stakeholders like Assessors, Master Trainers and Consultants

e. Implementing Agencies

Ministry of MSME will identify and partner with Implementing Agencies such as BIS, NPC, Industry Associations who will:

1. Nominate a Nodal Officer for effective coordination with the Ministry

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2. Develop a mechanism of dissemination of these guidelines in a manner that the MSMEs understand them well and adopt them to improve their systems and processes
3. Develop a mechanism to assess the level of on-ground adoption of these guidelines
4. Assist in providing handholding to desirous MSMEs to help them achieve a higher ZED Certification Level
5. Any other task as advised by the Ministry

f. State Governments

1. Nominate a Nodal Officer for effective coordination with the Ministry
2. Activate all DICs & related divisions/offices under its administrative control/purview and sensitize them on MSME Sustainable (ZED) Certification with the assistance of Implementing Agencies
3. Create a mechanism for widespread dissemination of information on this initiative through its divisions/offices in the State and assist the Ministry of MSME in maximum awareness & outreach of the MSME Sustainable (ZED) Certification guidelines and urging the MSMEs to go for ZED Certification
4. Assist the Ministry in capacity building of the Industry in their State

5. Incorporate ZED Certification guidelines as a part of their respective Industrial policy
6. Extend graded benefits (that come under the purview of the State) to MSMEs which obtain a ZED Certification

g. Industry Associations

1. Disseminate information amongst its MSME members and assist the Ministry in creating awareness & outreach of the ZED Scheme
2. Motivating MSMEs to apply for a ZED Certification Level
3. Assist the Ministry in capacity building of the Industry

h. Micro, Small & Medium Enterprises

1. Undergo Awareness Programmes & Training for a better understanding of the MSME Sustainable (ZED) Certification guidelines
2. Exhibit intent and commitment towards improving their systems and processes so as to achieve higher ZED Certification Levels

i. Other Ministries & Departments

1. Explore benefits/incentives relevant to their respective Ministry/Department for MSMEs who obtain ZED Certification
2. Explore extending preference in procurement to ZED Certified MSMEs

3

MSME SUSTAINABLE (ZED) CERTIFICATION ACTIVITIES

3.1 Awareness & Training

The activities in this component will leverage the already existing partnerships of the Ministry of MSME with other public/private organisations and

also explore to forge new partnerships so as to enable a more conducive environment for MSMEs which are on the ZED Journey.

Following activities have been planned to be organised by the above stakeholders, as decided by the Ministry:

S.No	Type of Programme	Deliverables	Amount limit
1.	Industry Awareness Programmes /Workshops / Registration Camps	Half day workshop. Minimum 50 participants. Minimum 20 (new) Pledges.	Webinar: Rs. 40,000/- Face to Face: Rs. 70,000/-
2.	Training of officials of MSME-DIs, MSME-Testing Centres, Technology Centres, Design Incubation Centres, IPFC, etc.	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (May be prorated for both modes)
3.	Consultants/Assessors/Master Trainers' Training	5-Day training programme ~20-25 participants per training	Virtual: Rs. 60,000/- per day Face to Face: Rs. 1 Lakh per day (May be prorated)

3.2 International Benchmarking and Learning Best Practices and Foreign Travels/ Delegations, International Trainings relating to MSME Sustainable (ZED) Certification

Adoption of world class practices for ZED is a must for the envisaged MSME Sustainable (ZED) Certification aiming at creation of a world class ecosystem of continuous improvement to sustain Zero Defect and Zero Effect manufacturing. To facilitate learning of relevant world class practices, proposal(s) relating to the activity will be prepared

by NMIU/IAs, which will be considered on case to case basis on its merit. The delegation will submit a report regarding the findings of the visit which is to be shared with stakeholders. The PMAC may decide the finer details and financial implications.

3.3 Online Systems

The MSME Sustainable (ZED) Certification process will be e-enabled in order to make the MSME journey on ZED more robust and meaningful. This will include web interface as well as mobile applications, as required. The complete Digital

Platform will be developed & managed by Quality Council of India (QCI) including data hosting, security and other recurring services with a provision to amend/modify or scale-up the digital systems as and when required.

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The online systems will include following:

- a. Development/up-gradation of e-Platform for online handling of applications, ZED assessments, awareness & training, handholding, data security etc.
- b. Linkage with other knowledge portals of the Government for MSMEs & other stakeholders' Capacity Building (including e-learning modules aligned with the MSME sector) while

leveraging the strength of the Ministry's Media Cell, wherever possible.

- c. Online service support and maintenance for the Online System.

The online system will be scalable and provisions shall be made for interoperability with other platforms in the future or any other modifications that may be needed. All data so captured under this scheme will be under the ownership of the MoMSME, Government of India.

3.4 Assessment & Certification

3.4.1. Accreditation of Assessment Agencies

- a. QCI will create detailed guidelines on accreditation of Assessment Agencies and eligibility criterion for Assessors.
- b. Assessment Agencies will require to get accreditation from QCI at their own cost for MSME Sustainable (ZED) Certification Scheme.
- c. A mechanism may be developed where the repository of the trained and qualified Assessors is available on the dashboard.

3.4.2. Assessment of MSMEs

- a. The assessment process will be created by QCI and the assessment allocation criteria will be developed by QCI.
- b. Eligible MSMEs who have taken the ZED Pledge will apply for a ZED Certification Level and fulfil/complete/provide all information/documentation that is needed for that Level.
- c. Verification/Assessment, as applicable, will be conducted against the requirements defined in the MSME Sustainable (ZED) Certification Model as per the defined process.
- d. Once the applicant MSME demonstrates conformance to the requirements of the certification level, the MSME will be recommended for the award of Certification.

3.4.3. Award of Certification

- a. QCI will establish a mechanism for the issue of Certifications
- b. The list of MSMEs who have taken the ZED Pledge and achieved any ZED Certification Level will be displayed on the ZED portal

3.4.4. Cost of Certification

- a. Certification Level 1: **BRONZE**: Rs. 10,000/-
- b. Certification Level 2: **SILVER**: Rs. 40,000/-
- c. Certification Level 3: **GOLD**: Rs. 90,000/-

The above cost includes cost of verification, assessment, certification and monitoring, and taxes, as applicable.

3.4.5. Subsidy on Cost of Certification

Any number of Units registered under one Udyam Registration can apply for subsidy under this Scheme. Each Unit (under one Udyam Registration) will need to apply for Certification separately to avail subsidy/benefits/incentives.

- a. MSMEs will be given financial assistance/subsidy for obtaining for a ZED Certification Level.
- b. An MSME unit will get subsidy as per the following structure, on the cost of certification:
 - i. Micro Enterprises: 80%
 - ii. Small Enterprises: 60%
 - iii. Medium Enterprises: 50%

Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in NER/Himalayan/LWE/Island territories/aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

MSMEs may opt for upgrading their Certification Level at any point of time before the expiry of validity of their existing ZED Certification. Cost and subsidy will remain the same for the applied Level.

- c. A limited-purpose joining reward of Rs. 10,000/- will be offered to each MSME once they take the ZED Pledge which needs to be utilized within a defined time period for the purpose defined as per the following modalities:
 - i. This joining reward may be used by an applicant MSME only once while applying for a ZED Certification (Bronze, Silver, Gold).
 - ii. If the joining reward is used for any Certification, then the cost of the reward will be first deducted from the cost of Certification and then the Subsidy may apply if applicable. For example, if an MSME uses the reward for applying for Bronze Certification, the effective cost to MSME becomes zero, while in case an MSME applies for the Silver or Gold Certification, the reward amount will be adjusted in the Certification Cost and the subsidy will apply on the balance amount as per the type of the MSME (Micro, Small or Medium).
 - iii. This joining reward will be valid only for 1 year after taking the ZED Pledge.

3.4.6. Payment of Beneficiary Contribution

MSMEs opting for any ZED Certification will have to pay only their contribution upfront as per the subsidy framework after adjustment of the joining reward amount as applicable. It may be noted that any amount once paid through the ZED Portal will be non-refundable, non-transferable and cannot be adjusted for any other activity in this scheme or any other scheme of GoI.

3.4.7. Certification Process

ZED Certification can be attained on 3 levels after taking the ZED Pledge:

ZED Pledge (as per Annexure 1)

- Certification Level 1: **BRONZE**
 - Certification Level 2: **SILVER**
 - Certification Level 3: **GOLD**
- a. After taking the ZED Pledge, an MSME can apply online for any Certification Level (Bronze, Silver, Gold) and would need to conform to all the requirements of the level applied for, in order to obtain the Certification.
 - b. Every MSME embarking on the journey of ZED must submit an Undertaking (as per Annexure 2).
 - c. In case of a non-conformity, the applicant MSME would be given an opportunity to close the non-conformity(ies), in a defined time period, in order to be eligible for the desired level/Certification.
 - d. The Final ZED Certificate will be issued based upon the findings and recommendation of the Accredited Assessment Agencies.

Ministry of MSME reserves the right to visit & inspect any MSME after Certification, which has availed any subsidy, benefit or incentives under this Scheme.

The process flow and requirement for each level is highlighted in subsequent pages.

Certification Level 1: Bronze

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates (if any), operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply with & fulfil all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents for verification, which may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Photos of fire safety systems

DECLARATION

The applicant MSME will sign an online self-declaration stating that the information uploaded is true and that they fulfil all the requirements as per Annexure 3.

CERTIFICATION

Upon verification of the uploaded documents, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3

years. The applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.

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FINANCIAL ASSISTANCE IN TESTING/ SYSTEM/PRODUCT CERTIFICATION

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:

1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/ Organisation will also be eligible for the said Financial Assistance

Certification Level 2: SILVER

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates, operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply

with & fulfil all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents to enable the next step of onsite assessment. The Documents will be verified (including Quality/Product Certificate validation). The documents may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Relevant Quality / Product Certifications

REMOTE ASSESSMENT BY QCI ACCREDITED ASSESSMENT AGENCY

Once the relevant information is furnished and documents are uploaded & verified, the remote assessment will take place. The remote assessment requirements/checklist (as per Annexure 3) will already be made available to the applicant MSME through the portal.

FULFILLMENT OF REQUIREMENTS

Once all the requirements are complied with, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3 years. A Surveillance assessment will be conducted after 18 months of Certification. The

applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.

FINANCIAL ASSISTANCE IN TESTING/ SYSTEM/PRODUCT CERTIFICATION

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:

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1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/ Organisation will also be eligible for the said Financial Assistance

Certification Level 3: GOLD

CERTIFICATION PROCESS



BASIC INFORMATION

While applying for this Level, the applicant MSME will be asked to submit basic information about the MSME on the online portal. This information will be related to (but not limited to) the details about the product(s) manufactured, Quality Certificates, operational processes, customer information, etc.

UNDERTAKING OF COMPLIANCES

The applicant MSME will certify that they comply with & fulfil all relevant & applicable regulatory &

statutory norms/licenses pertaining to the functioning of the MSME unit.

DOCUMENTS UPLOAD & VERIFICATION

MSME shall upload relevant documents to enable the next step of onsite assessment. The Documents will be verified (including Quality/Product Certificate validation). The documents may be as follows (but not limited to) **as per Annexure 3:**

Photos of the products(s)	Photos of the shop-floor
Photos of product labelling/product description	Relevant Quality / Product Certifications

ONSITE ASSESSMENT BY QCI ACCREDITED ASSESSMENT AGENCY

Once the relevant information is furnished and documents are uploaded & verified, the on-site assessment of relevant parameters that need to be assessed will be undertaken. The onsite assessment requirements/checklist (as per Annexure 3) will be made available to the applicant through the portal.

FULFILLMENT OF REQUIREMENTS

Once all the requirements are complied with, recommendations for award of Certification will be made and a Certificate will be issued.

VALIDITY OF ZED CERTIFICATE

The certificate provided will be valid for a period of 3 years. A Surveillance assessment will be conducted after 18 months of Certification. The applicant will have to apply afresh after expiry of the certificate as per the validity of the scheme.

INCENTIVES

The MSME will be able to avail incentives as announced by the Ministry of MSME.

HANDHOLDING / CONSULTANCY

The MSME may also avail handholding/ Consultancy in order to achieve the next Certification Level.

MSME Sustainable (ZED) Certification Scheme

GUIDELINES 2022

FINANCIAL ASSISTANCE IN TESTING/ SYSTEM/PRODUCT CERTIFICATION

In case the MSME wishes to apply for any Testing, Management System or Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the following conditions:

1. The product testing must be through a Laboratory that is accredited by the National Accreditation Board for Testing & Calibration Laboratories (NABL).
2. The Management System Certification must be through a Certification Body that is accredited by the National Accreditation Board for Certification Bodies (NABCB)
3. The Product Certification must be through Bureau of Indian Standards (BIS)
4. The subsidy will be 75% of the total cost of Testing/System/Product Certification, with the maximum ceiling of subsidy being Rs. 50,000/-
5. The subsidy will be applicable on only one Testing OR one Quality OR one Product Certification after achieving this Level
6. The Certification pertaining to Testing, Management Systems or Product, obtained through a Government Agency/Organisation will also be eligible for the said Financial Assistance

MSME Sustainable (ZED) Certification Scheme GUIDELINES 2022

Surveillance

A surveillance assessment (after a period of 18 months of achieving ZED Certification) will be conducted by QCI's Accredited Assessment Agencies as a part of the ZED Certification. The surveillance assessment will only be applicable to those MSMEs which have achieved Silver & Gold Certification levels.

The surveillance assessment will be conducted as a remote assessment for both Silver & Gold levels and the cost of the assessment will be as under:

- a. ZED Silver Level: Rs. 10,000/-
- b. ZED Gold Level: Rs. 20,000/-

The MSMEs will be given financial assistance/subsidy for the surveillance assessment as per the following structure:

- i. Micro Enterprises: 80%
- ii. Small Enterprises: 60%
- iii. Medium Enterprises: 50%

Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in North Eastern Region/ Himalayan/ LWE/Island territories/ aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

The mechanism of surveillance assessment will be developed by QCI.

3.4.8. Renewal after expiry of ZED Certificate

MSMEs can go for Renewal of their ZED Certification level in order to continue availing associated benefits/incentives as per the validity of the Scheme.

3.5 Handholding through Consultancy

MSMEs with minimum Bronze certification are eligible to apply for handholding support. A provision of up to Rs. 5 Lakhs (per MSME) has been made available for handholding and consultancy support for MSMEs under ZED Certification for assisting them to move towards Zero Defect Zero Effect solutions. Out of this, an amount upto Rs. 2 Lakhs to be utilized for handholding support (as needed) through consulting organizations and up to Rs. 3 Lakhs may be utilized towards technology upgradation for moving towards zero effect solutions/pollution control measures/cleaner technology. The utilization of the Financial Support of upto Rs. 3,00,000/- for moving towards zero effect solutions will be subject to Consultant's recommendations, verification by respective MSME-DI and approval by the PMAC.

The Ministry will subsidize the handholding support and technology upgradation financial support for

moving towards zero effect solutions, as follows:

- Micro Enterprises: 80%
- Small Enterprises: 60%
- Medium Enterprises: 50%

Additional Subsidy:

1. There will be an additional subsidy of 10% for the MSMEs owned by Women/SC/ST Entrepreneurs OR MSMEs in North Eastern Region/Himalayan/LWE/Island territories/ aspirational districts.
2. In addition to above, there will be an additional subsidy of 5% for MSMEs which are also a part of the SFURTI OR Micro & Small Enterprises - Cluster Development Programme (MSE-CDP) of the Ministry.

3.6 Marketing, Promotion & Branding

The Ministry will ensure nation-wide publicity of the ZED Certification.

3.7 Incentivizing the MSMEs for adoption of ZED Certification

To encourage nation-wide adoption of the ZED Certification by MSMEs, several benefits & incentives have been instituted by the Ministry.

- a. MSME KAWACH:** After taking ZED Pledge, MSMEs can avail support for their preparedness to mitigate COVID 19 risks and continue operations safely in terms of capacity building and Certification based on WASH Standard (Annexure 4)
- b. Financial Assistance in Testing/Quality/Product Certification:** In case the MSME wishes to apply for any Testing, System or

Product Certification, a subsidy on the cost of Certification will be extended to the MSME, subject to the prescribed conditions as mentioned in each Certification Level Process Flow.

- c. Graded Incentives:** MSMEs can avail graded incentives as prescribed for the three ZED Certification Levels. Wherever possible, the incentives provided by States will be linked through API integration with the ZED portal to ensure interoperability. These incentives are evolving and can be found on the ZED website www.zed.msme.gov.in.

4

IMPLEMENTATION ARRANGEMENTS

4.1

A Project Monitoring and Advisory Committee (PMAC) set up in the O/o DC (MSME) will look after the planning, screening / identification of interventions / projects and such other functions

as may be necessary to ensure effective implementation of the scheme. All proposals under the scheme will be received by IAs and submitted to PMAC.

The constitution of PMAC will be as follows:

1.	AS & DC (MSME)	Chairman
2.	Joint Secretary, O/o DC (MSME)	Vice Chairman
3.	EA (IFW)/Representative	Member
4.	Representatives of expert agencies	Member
5.	ADC/JDC In-charge of MSME-DIs/TCs at O/o DC (MSME)/Representative	Member
6.	Representative of PMU	Member
7.	Representative of Industry Associations	Member
8.	Representative of Implementation Agencies of the Scheme	Member
9.	Special invitees/experts/consultants	Member
10.	Director/Nodal officer handling scheme in MoMSME	Member – Secretary

4.2

The Ministry of MSME will implement the ZED Certification with the assistance of Implementing Agencies and will institute suitable monitoring & fund-flow mechanism. Details of the same will be decided by the PMAC. The PMAC will have overall responsibility for policy formulation for scheme

implementation and monitoring agency. It will be empowered to take all key decisions related to the scheme and also approve minor modifications for operational expediency. PMAC will hold its meeting as and when required.

ANNEXURE 1:

ZED PLEDGE

ZEDPLEDGE

(This will be an online pledge/commitment)

Owner/Partner Name: _____

Enterprise Name: _____ Udyam Registration No. _____

Unit Address: _____

ZED ID: _____

(The above details will be extracted from the Udyam Registration)

We undertake to conform to the values of Zero Defect Zero Effect in our enterprise and ensure that our processes shall be environmentally sound and socially responsible with safe and high quality products.

We will give back, in every way we can, to our people, our community and to our planet.

ANNEXURE 2: UNDERTAKING

(This will be an online undertaking)

Owner/Partner Name: _____

Enterprise Name: _____ Udyam Registration No. _____

Unit Address: _____

ZED ID: _____

(The above details will be extracted from the Udyam Registration)

I/We understand that the ZED Certification is voluntary and recognize the authority of the Ministry of MSME, Government of India, in issuance of any Certificate.

By proceeding I/We certify that my/our Enterprise/Unit complies with & fulfils all relevant & applicable regulatory & statutory norms/licenses pertaining to the functioning of this manufacturing unit. If not, then efforts will be taken to fulfil those regulatory/statutory requirements by me/us. If at any stage the Enterprise/Unit is found to be non-compliant with any relevant/applicable regulatory & statutory norms, the competent authority will have the right to recall/withdraw any or all reports or Certifications awarded.

ANNEXURE 3:

ASSESSMENT PARAMETERS

ZED Certification Parameters- Manufacturing					
S. No.	Parameters	Bronze	Silver	Gold	Parameter Exemptions for existing Certifications
1	Leadership				
2	Swachh Workplace				
3	Occupational (Workplace) Safety				ISO 45001
4	Measurement of Timely Delivery				
5	Quality Management				ISO 9001
6	Human Resource Management				
7	Daily Works Management				MSME-Competitive (Lean) (Advance Lean Certification)
8	Planned Maintenance & Calibration				
9	Process Control				
10	Product Quality & Safety (Testing/Certification)				
11	Material Management				
12	Energy Management				ISO 50001
13	Environment Management				ISO 14001
14	Measurement and Analysis				
15	Supply Chain Management				
16	Risk Management				
17	Waste Management (Muda, Mura, Muri)				MSME-Competitive (Lean) (Advance Lean Certification)
18	Technology Selection & Upgradation				
19	Natural Resource Conservation				
20	Corporate Social Responsibility				

Note:

- Exemptions shall be allowed on the relevant parameters, only if the ISO certifications are awarded under the National Accreditation Body of India (NABCB) or by an Accreditation Body which is signatory to the respective Multilateral Recognition Arrangement (MLA) of International Accreditation Forum (IAF).
- Exemptions shall be allowed on the relevant parameters, only if the Lean certification is obtained from the Implementing agencies under the MSME Competitiveness (Lean) Certification Scheme of Ministry of MSME.

ANNEXURE 4: MSME KAWACH

(Knowledge Acquisition through WASH for an Accelerated COVID 19 Handling)

To extend support to MSMEs for COVID-19, an initiative called "MSME KAWACH" has been instituted under the ZED Certification Scheme. MSME KAWACH is based on the WASH Standard (Annexure 5) which has been developed by QCI, leading to WASH Certification. The MSMEs can avail the components of MSME KAWACH as part of ZED incentives.

Objectives

- Assist MSMEs in their preparedness to mitigate COVID 19 risks and continue operations safely
- Ensure safety & health of employees/customers and identify vulnerable areas within the MSME unit and beyond
- Verify compliance with the government orders (including States/UTs) related to COVID-19
- Ensure business continuity in operations to serve customers and protect businesses

MSME KAWACH Components:

- a. Self-assessment:** Will provide a detailed understanding to the MSME of the SOPs/ Guidelines/Key-elements to be followed on COVID-19. This will help the MSMEs to carry out a quick self-assessment to identify gaps, if any, and make improvements.
- b. Capacity building:** Will build capacities of MSMEs and its staff on the SOPs/guidelines issued, through virtual trainings/ webinars and through e-learning modules
- c. Desktop Assessment:** Will check on-ground implementation of the SOPs/Guidelines and identify opportunities for improvement, if any, desktop assessment will be conducted, leading to WASH Certification

WASH Certification Process



Benefits

- Increased outreach of the initiative and its dissemination for maximum adoption to build trust amongst the stakeholders about their safety
- Development of mechanism of assessment for MSMEs to verify the extent of preparedness through adoption of this initiative
- A holistic assessment on the preparedness of the MSME's system and processes related to COVID-19 Safety & Hygiene risks in order to identify opportunities for improvement & take appropriate actions
- Capacity building of MSMEs equipping them better to adopt measures related to COVID 19 risks

Cost of Certification:

The MSME KAWACH initiative will be made available to ZED registered MSMEs free of cost.



ANNEXURE 5:

MSME KAWACH ELEMENTS

1. Management Commitment
2. Regulatory and other requirements
3. Business Continuity
4. Risk Management
5. Communication
6. Hygiene and Safety
7. Preventive Measures
8. Training and Awareness
9. Waste Management
10. Ventilation
11. Public Interaction
12. Supply Chain
13. Transport Management
14. Documentation Requirements
15. Control of Discriminatory Practices

Exclusions:

- Areas under Quarantine or those workplaces that need an expert medical/related assessment/advise
- Statutory and other Requirements specific to other subjects, such as those for quality, social responsibility, environmental, security or financial management etc.



सूक्ष्म, लघु और मध्यम उद्यम मंत्रालय
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