

Monitoring Purchase from Micro & Small Enterprises in India

Measuring the impact of GPP

Asia-pacific GPP Network

Date: 7.06.2022

SMEs are Central to Achieve Environmental Sustainability and Inclusive Growth

- SMEs play a key role in national economies around the world
 - Contributing approx. 33% of GDP in emerging economies
- Have more capacity to create employments as compared to their counterpart
 - Accounting for 70% employment in OECD & 45% in emerging economies
- Reducing footprints of MSMEs is critical for green transformation of economy
- SMEs contribute to economic diversification and resilience
- SMEs behind the radical innovation as they can work outside dominant paradigms

Important Provisions in the Act

- Objective: To facilitate promotion, development and competitiveness of MSMEs
- Classification of enterprises

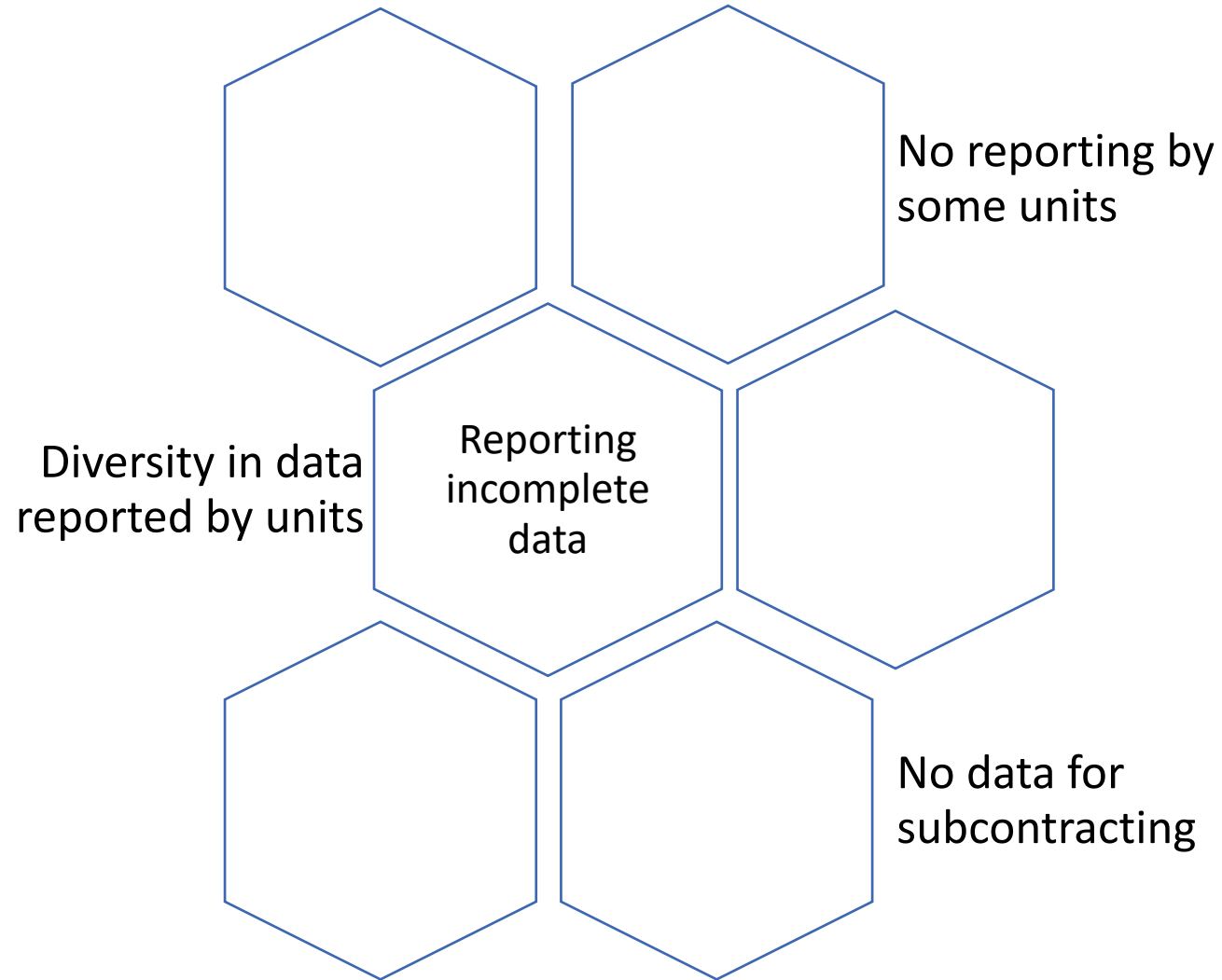
Type	Investment in Plant & Machinery	Turn Over
Micro	<= 10 million	< 50 million
Small	< 100 million	< 500 million
Medium	< 500 million	< 2500 million

- Skill development, technological upgradation, marketing assistance & infrastructure facilities, Cluster development
- Credit Facilities
- Procurement preference policy
- Timely payment to MSMEs
- Council for dispute resolution

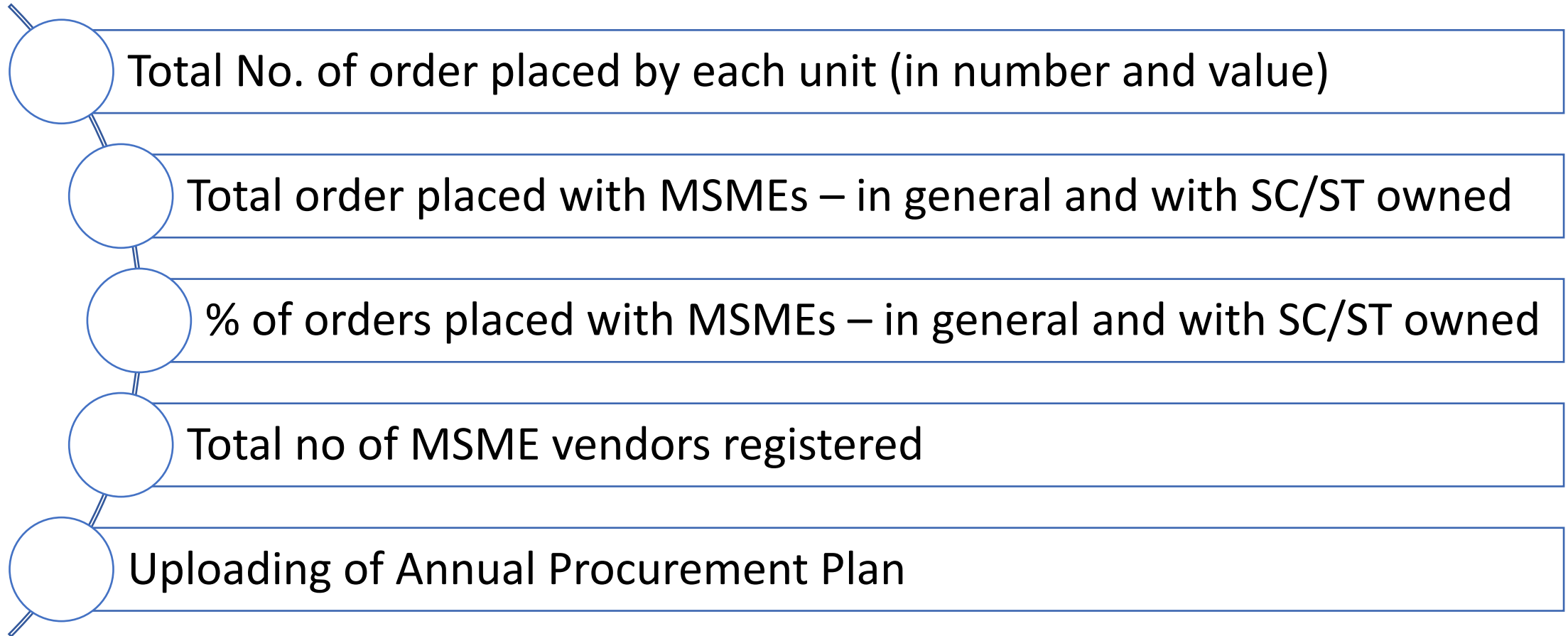
MSMEs Order March 2012

- Minimum of 20% (now 25%) mandatory procurement from MSMEs from 1st April 2015
- Out of 20%, a 20% sub-target of procurement from MSMEs owned by Scheduled Caste & Scheduled Tribes (Women) entrepreneurs
- Price preference of 15% to MSMEs vendor
- Vendor development Programme and Buyer-Seller Meets
- Publication of Annual Procurement Programme
- Review Committee headed by Secretary MSMEs
- Exemption from payment of tender cost, EMD
- Deployment of e-procurement system for bringing transparency
- Reservation of 358 items for procurement from MSMEs
- Setting up a Grievance Cell in the Ministry of MSMEs

Weaknesses During 1st Reporting Period (2012-13)



Indicators for 2nd Reporting Period 2013-14

- 
- Total No. of order placed by each unit (in number and value)
 - Total order placed with MSMEs – in general and with SC/ST owned
 - % of orders placed with MSMEs – in general and with SC/ST owned
 - Total no of MSME vendors registered
 - Uploading of Annual Procurement Plan

Integration with e-Procurement System

Tender No.	72225311	Dept/Rly	DSD/SBI/WESTERN RLY	Closing Date/Time	11/06/2022 11:00
Tender Title	Purple chiffon finish paint asian paint			Tender Type	Limited [Indigenous]

GEN. | **T&C** | **ELIGIBILITY** | **COMPLIANCE** | **DEVIATION** | **PERFORM.** | **DOCS.** | **RESPONSIVE** | **FIN.OFFER** | **SUBMIT**


Bidder's File Reference *

Ownership and Industry Type of Bidder (M/s VINAY ENTERPRISE-AHMEDABAD (1015539))

Nature of Business (as per IREPS Registration)	Proprietor	
Industry Type	<input type="text" value="--Select--"/> MSE Medium or Large Industry Others (Non-MSE)	Upload Document
Owned by SC / ST		Upload Document
Owned by Women	<input type="text" value="--Select--"/>	Upload Document

* Please provide correct & complete information and documentary evidence, else the benefits available for eligible categories may be denied.

Integration with e-procurement System (cont.)



Indian Railways E-Procurement System

Your Request ID: 1143688

[BASIC DETAILS](#) [CONSTITUTION](#) [APPROVALS](#) [STATUTORY](#) [UPLOAD DOCUMENT](#) [SIGN & SUBMIT](#)

Registrations and Approvals

If you are registered in any of the categories listed below, please confirm your registration details. This is not a mandatory requirement, however, you will not be able to avail the benefits associated with such registration (such as exemption from submission of tender document cost, earnest money etc.) if the required details, and all the supporting documents have not been provided and verified.

Note: This tab is not required to be filled in by foreign firms.

Registration Category	<input type="text" value="MSE"/>	Sub-Category	<input type="text" value="UDYAM Registration Certificat"/>
Validity Start Date	<input type="text"/>	Validity End Date	<input type="text"/>
Monetary Limit	<input type="text"/>		
Categories of Items (In brief)	<input type="text"/>		

Characters left: 500

- UDYAM Registration Certificat
- Select
- Coir Board
- Directorate of Handicraft and Handloom
- District Industries Centre**
- Khadi and Village Industries Board
- Khadi and Village Industries Commission
- National Small Industries Corporation
- UDYAM Registration Certificate
- Udyog Aadhar Memorandum

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Reporting During 2nd Reporting Period

Indicators	FY 2012-13	FY 2013-14***
Total procurement (crore*)	84,490.17	71,955.66
Total procurement from MSEs (crore and % over the total)	12,930.62 (15.3%)	10,997.65 (15.3%)
Total procurement from SC/ST owned MSEs (crore and % over the total)	419.93 (0.5%)	79.83 (11.0%)

*** Provisional data, as the monitoring has not been concluded yet.

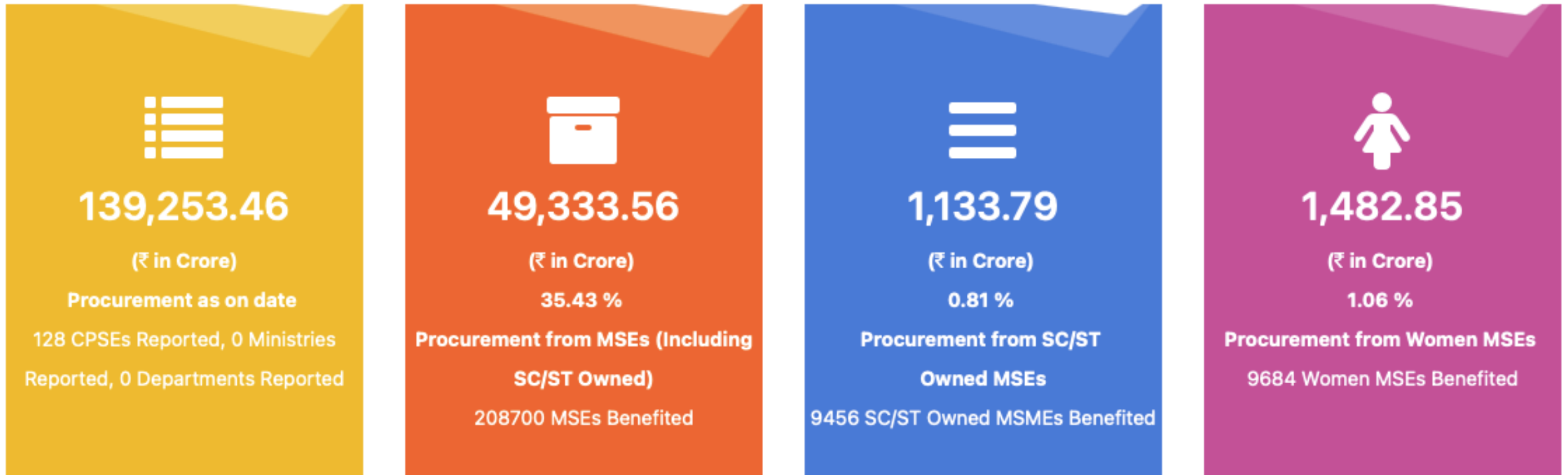
Measurement During 2nd Reporting Period

Procurement details	FY 2012-13	FY 2013-14
Total procurement (crore*)	36,026.09	37,823.46
Total procurement (excluding Railway Board and Directorate General for Supplies and Disposals [DGS&D]** (crore)	18,759.01	20,326.15
Total procurement from MSEs (crore)	2,101.18	2,482.55
Percentage from MSEs (%)	5.8%	6.6%
Percentage from MSEs [excluding Railway Board and DGS&D] (%)	11.2%	12.2%

* A crore equals 10 million Indian rupees [INR].

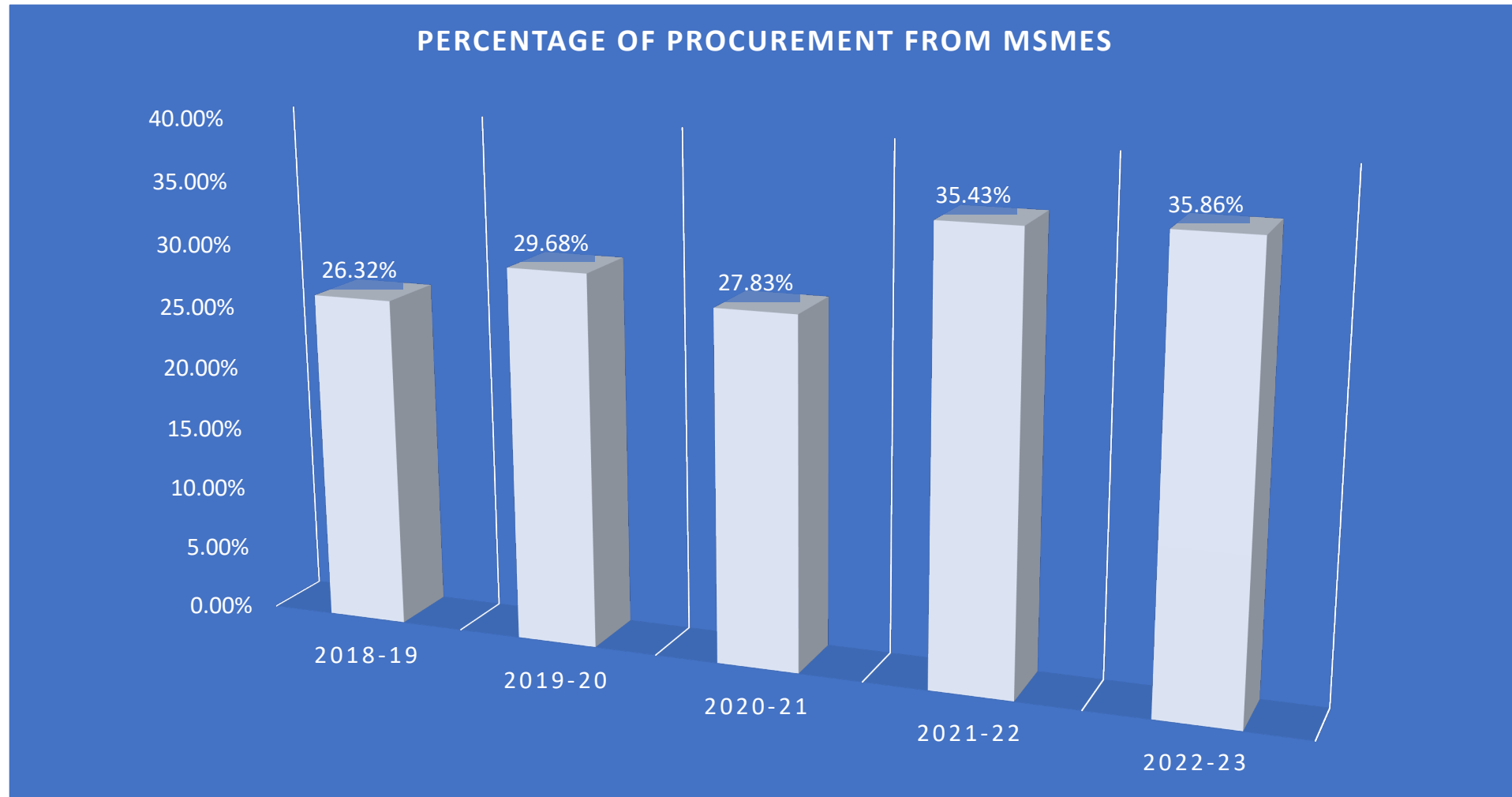
** Purchases from these departments of Indian Railways include items such as diesel fuel, steel, rolling stock, wheels and axles, for which no MSEs vendors are available on the Indian market.

MSME Sambandh: Public Procurement Policy Monitoring Portal



Procurement From Central Ministries / Departments / CPSEs For FY 2021-22

Procurement from MSMEs During Last Five Years



Key Learning of the Case Study

1

Political support plays a key role in monitoring sustainability benefits: Any ministry can take lead

2

Mandatory reporting requirements with clear instructions gives unambiguous signal to stakeholders

3

Need to ensure consistent and comparable data for benchmarking progress

4

Integration of indicators with e-procurement system is vital for establishing monitoring system

Thank you for your kind attention!

Sanjay Kumar, Ministry of Railway

Keep in touch...

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Blog: <http://sustainableprocurement.blogspot.in/>

LinkedIn: Asia-Pacific GPPEL Forum

FB: <https://www.facebook.com/groups/ProcureGreen/>