

NITI Aayog



NITI Aayog releases report on “Achieving Efficiencies in MSME Sector through Convergence of Schemes”

Strategic framework to streamline MSME schemes and improve outreach

Scheme convergence to unlock greater efficiency in MSME sector

Empowering MSMEs by streamlining scheme implementation, strengthening inter-ministerial coordination, and enhancing service delivery

A Centralized Digital Portal for MSMEs

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NITI Aayog today released a comprehensive report titled “**Achieving Efficiencies in MSME Sector through Convergence of Schemes**”, outlining a strategic roadmap to strengthen the effectiveness of government support for India’s Micro, Small and Medium Enterprises (MSMEs). The report was launched by Dr. Arvind Virmani, Member, NITI Aayog & Sh B. V. R. Subrahmanyam, Chief Executive Officer, NITI Aayog.

The report presents a detailed blueprint to **improve outcomes for MSMEs** by streamlining scheme implementation, strengthening inter-ministerial coordination, and enhancing the delivery of financial, skill, marketing, and innovation support. It evaluates existing Government of India schemes and programmes for the MSME sector, assesses the current level of convergence among them, and identifies best practices from central, state, and international experiences. Based on this assessment, the report offers **actionable recommendations to unlock convergence opportunities** and undertake corrective measures to improve efficiency, outreach, and impact of MSME schemes.

Need for Convergence

The Ministry of MSME currently administers 18 schemes spanning critical support areas such as credit assistance, skill development, marketing support, innovation and R&D, technology and quality upgradation, and infrastructure development. While these initiatives have played a significant role in

MSME growth, overlapping objectives and fragmented implementation across ministries often lead to duplication, inefficiencies, and limited outreach. The report underscores that effective convergence and rationalisation of schemes can simplify access for beneficiaries, ensure better translation of resources into outputs and outcomes, and reduce duplication and confusion, thereby amplifying overall impact.

Framework for Convergence

The report recommends a **two-pronged approach to convergence**, comprising information convergence and process convergence.

- *Information convergence* focuses on integrating government-generated data at the central and state levels to improve coordination, enable informed decision-making, and strengthen governance outcomes.
- *Process convergence* aims at aligning and unifying schemes to reduce redundancies, streamline operations, and improve service delivery. This includes merging similar schemes, combining common components, and fostering collaboration across ministries and states to create a cohesive MSME support ecosystem.

Key recommendations

- **Centralized Portal for MSMEs:** The report proposes an **AI-powered centralized digital platform** integrating MSME schemes, compliance, finance, and market intelligence. Drawing on global best practices, the portal would feature information, process, compliance, and market research modules, supported by AI chatbots, dashboards, and mobile access for real-time support to MSMEs.
- **Convergence of Cluster Development Schemes:** Integration of the Scheme of Fund for Regeneration of Traditional Industries (SFURTI) with the Micro and Small Enterprises – Cluster Development Programme (MSE-CDP). It proposes a dedicated sub-scheme for traditional industries, a unified governance structure under MSE-CDP, and consolidated funding with earmarked resources to preserve crafts, arts, and endangered traditional industries while improving scale and efficiency.
- **Convergence of skill development programmes:** The report proposes rationalising of skill initiatives into a three-tier structure covering entrepreneurship and business skills, MSME technical skills, and training for rural and women artisans. This approach merges overlapping schemes, improves coordination among institutions, and retains targeted programmes to promote traditional crafts, inclusion, and entrepreneurship.
- **Marketing Assistance Wing:** To streamline MSME marketing support, the report proposes a dedicated Marketing Wing with domestic and international components. The domestic wing would facilitate MSME participation in national exhibitions, trade fairs, and buyer-seller meets, while the international wing would support global market access through overseas trade fairs, B2B events, and buyer-seller meets.
- **Msme Innovative & A Scheme For Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE):** The report recommends integrating ASPIRE into MSME Innovative as a special category for agro-rural enterprises. Existing ASPIRE funds can continue, while future MSME Innovative budgets earmark a share for agro-rural incubators. This integration broadens access to advanced incubation without restricting

The report also highlights the importance of safeguarding targeted initiatives such as the National SC/ST Hub and the Promotion of MSMEs in the North Eastern Region (NER). Large flagship programmes like PMEGP and PM Vishwakarma are recommended to remain independent, given their

scale and strategic economic significance.

To optimise resources and reduce administrative redundancies, the report advocates a strategy of **cautious convergence** merging schemes with overlapping objectives while preserving the distinct focus of targeted programmes. Where full merger is not feasible, it recommends enhanced collaboration through joint workshops and shared capacity-building for administrators. Throughout the convergence process, the report stresses the need to safeguard beneficiary interests, carefully manage transitions, and rigorously track outcomes to ensure sustained impact.

Access the full report here: https://niti.gov.in/sites/default/files/2026-01/Achieving_Efficiencies_in_MSME_Sector_Through_Convergence_of_Schemes.pdf

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