

**GOVERNMENT OF INDIA  
MICRO, SMALL AND MEDIUM ENTERPRISES  
LOK SABHA**

UNSTARRED QUESTION NO:3852  
ANSWERED ON:06.08.2014  
KHADI REFORM AND DEVELOPMENT PROGRAMME  
Antony Shri Anto

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

- (a) whether the Government is implementing any scheme called Khadi Reforms and Development Programme (KRDP) to revitalise the Khadi and Village Industries sector;
- (b) if so, the details including the major programmes being organised under KRDP and the funds spent in this regard during each of the last three years and the current year;
- (c) whether the Government is monitoring the progress of KRDP; and
- (d) if so, the details thereof including the impact made by the KRDP on Khadi and Village Industries?.

**Answer**

MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI KALRAJ MISHRA)

(a): Yes, Madam.

(b): The Government has launched 'Khadi Reform and Development Programme (KRDP)' which aims to revitalize the khadi sector with enhanced sustainability of khadi, increased incomes and employment for spinners and weavers, increased artisans' welfare and achieve synergy with village industries. Under KRDP, funds to the tune of US\$ 150 million from Asian Development Bank (ADB) are being provided to the Government of India to be released to Khadi and Village Industries Commission (KVIC) as 'grants-in-aid' under budgetary allocation through the Ministry of MSME as per the activities given below:

Sr. No.	Activity	Cost (US\$ in million)
1.	Khadi Sector Reforms (Khadi Mark, market linked pricing, rationalized Support to khadi, organizational reform, IT and associated capacity building, raw material procurement and assessment)	20
2.	Marketing {Marketing organization (MO), 20 new sales outlets under MO, up-gradation of 4 sales outlets in each of 300 khadi institutions}	57
3.	Capacity and Equipment (Revitalizing Khadi Institutions - Production, equipment, capacity building etc., New khadi ventures, comprehensive capacity building of trainers and training institutions of KVIC and synergies with Village Industries)	61
4.	Contingency	12
	Total	150

Under KRDP, 300 khadi institutions have been identified for reform assistance and provision for upgradation of Central Sliver Plants of KVIC and setting up of a Marketing Organization (MO) through private participation has also been made for market development activities like market survey, design inputs, brand building, 'Khadi Mark' promotion, development of clusters in five traditional village industries, opening of new sales outlets in metropolitan cities and State capitals and renovation and modernisation of institutional sales outlets. An amount of Rs. 96 crore (first tranche) was released to KVIC in 2009-10 and Rs. 29.29 crore has been spent by KVIC till 30.06.2014. No funds were released under KRDP to KVIC in the last three years and current year due to non-fulfillment of enabling conditions stipulated in policy matrix for release of funds under 2nd and 3rd tranche.

(c)&(d): KRDP are closely monitored & reviewed at the level of implementing agency i.e KVIC and the Ministry. Efforts for systemic improvement in the light of implementational problems are a continuous process. 'Khadi Mark' has also been introduced under KRDP to guarantee the genuineness and purity of khadi sold in the market. Improvement in sale of KVI products is expected by introduction

of 'Khadi Mark'.