



Zero Defect Zero Effect Scheme

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Why in News

According to the recent data, as many as **23,948 Micro, Small and Medium-sized Enterprises (MSMEs)** had registered with intent to adopt the principle of the **Zero Defect Zero Effect Scheme (ZED)**.

Key Points

- **About the Scheme:**
 - **Launched in 2016 by the Ministry of MSME**, the scheme is an integrated and comprehensive certification system.
 - The **scheme accounts for productivity, quality, pollution mitigation**, energy efficiency, financial status, human resource and technological depth including design and IPR in both products and processes.
 - Its mission is to **develop and implement the 'ZED' culture in India** based on the principles of Zero Defect & Zero Effect.
 - **Zero Defect:**
 - The Zero defect concept is focusing on the customer.
 - Zero non-conformance or non-compliance
 - Zero waste
 - **Zero Effect:**
 - Zero **air pollution**, liquid discharge, solid waste
 - Zero wastage of natural resources
- **ZED Certification\Rating:**
 - The Rating is a **weighted average of the marks** obtained on each parameter.
 - The MSMEs will be assessed & rated on defined enabler & outcome parameters on operational level indicators and organisational level indicators at the operational level.
 - Based on the assessment, the MSME will be **ranked as Bronze-Silver-Gold-Diamond-Platinum enterprises**.
 - There are **50 parameters for ZED rating** and additional 25 parameters for ZED Defence rating under ZED Maturity Assessment Model.

- **Objective of the Scheme:**

- **To develop an Ecosystem** for Zero Defect Manufacturing in MSMEs.
- **To promote adaptation of quality tools/systems** and energy efficient manufacturing. Enable MSMEs for manufacturing of quality products.
- **To encourage MSMEs to constantly upgrade** their quality standards in products and processes.
- **To develop professionals** in the area of ZED manufacturing and certification.
- To support the **'Make in India' campaign**

- **Implementation Agency of the Scheme:**

Quality Council of India (QCI) has been appointed as the National Monitoring & Implementing Unit (NMIU) for implementation of ZED.

The **Quality Council of India (QCI)** is a non-profit organization registered under the **Societies Registration Act of 1860**.

MSMEs & Indian Economy

- They are the **growth accelerators of the Indian economy**, contributing about 30% of the country's **Gross Domestic Product (GDP)**.
- **In terms of exports**, they are an **integral part of the supply chain** and contribute about 48% of the overall exports.
- MSMEs also **play an important role in employment generation**, as they employ about 110 million people across the country.
- Interestingly, **MSMEs are intertwined with the rural economy** as well, as more than half of the MSMEs operate in rural India.



Source: PIB