

# National Scheduled Tribes Finance Development Corporation (NSTFDC)

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**In news :** Recently, the Minister of Tribal Affairs announced the alliance of NSTFDC and KVIC for the implementation of the Prime Minister Employment Generation Program (PMEGP).

## About the National Scheduled Tribe Finance Development Corporation (NSTFDC)

**Establishment:** NSTFDC was set up in 2001 under the Ministry of Tribal Affairs Government of India with head office in New Delhi.

The main objects of the Corporation is to work for socio-economic and educational upliftment of Scheduled Tribes(STs), to provide better self-employment avenues so that they can become economically independent and self-reliant.

## Objectives

- To identify economic activities of importance to the Scheduled Tribes so as to generate self employment and raise their level of income.
- To Upgrade skills and processes used by the Scheduled Tribes by providing both institutional and on the job training.
- To make the existing States/U.T Scheduled Tribes Finance and Development Corporations(SCAs) and other developmental agencies engaged in the economic development of Scheduled Tribes more effective.
- To assist SCAs in project formulation implementation of NSTFDC assisted Schemes and imparting training to their personnel.

- To provide financial support for meeting the working capital requirement of the Central / State government owned agencies for undertaking procurement and marketing of minor forest produces agricultural products and other products grown/made or collected by the Scheduled Tribes.
- To innovate, experiment and promote rather than replicate the work of the existing institutions.

### **Management:**

The corporation is managed by a Board of Directors with representatives from

- Central Government, State Channelizing Agencies (SCA)
- National Bank for Agricultural and Rural Development (NABARD)
- Industrial Development Bank of India (IDBI)
- Tribal Cooperative Marketing Development Federation of India Ltd. (TRIFED) and
- Three eminent persons representing Scheduled Tribes.

### **Activities of NSTFDC**

- The Corporation undertakes a wide range of activities for socio-economic and educational upliftment of the STs by devising and implementing financial assistance schemes exclusively for the tribal.
- These schemes are for providing loans to the poor STs at concessional rates of interest and on soft terms & conditions.
- For helping tribal students to pursue higher education, loans are offered which are subsidized by the Ministry of Human Resources Development.
- The Corporation also provides grants for conducting training and skill development programs for tribal youth so that they can enhance their employability /productivity or can take-up entrepreneurial activity.

## **Various Schemes of NSTFDC**

The prominent schemes of NSTFDC are Term Loan, Adivasi Mahila Sashaktikaran Yojana – an exclusive scheme for Scheduled Tribe women, Adivasi Shiksha Rinn Yojana – Education Loan scheme, Micro Credit Scheme for Self Help Groups (SHGs) – comprising Scheduled Tribes as its members, Tribal Forest Dwellers Empowerment Scheme and Teak Growers Scheme

## **Financial Assistance**

It extends concessional finance assistance to individuals or groups of STs for undertaking Income Generation Activities for their economic empowerment. The financial assistance is extended through State Channelising Agencies (SCAs), certain PSU Banks, RRBs and NCDC having refinance agreement with NSTFDC for eligible STs upto Double the Poverty Line Income limit which at present is Rs. 98,000/- p.a. for rural areas and Rs. 1,20,000/- p.a. for urban areas.

## **Functions of NSTFDC**

- To generate awareness amongst the STs about NSTFDC concessional schemes.
- To provide assistance for skill development and capacity building of beneficiaries as well as officials of SCAs.
- To provide concessional finance for viable income generation scheme through SCAs and other agencies for socio-economic development of eligible Scheduled Tribes.
- To assist in market linkage of tribal produce.

## **About Prime Minister's Employment Generation Programme(PMEGP):**

- PMEGP is a central sector scheme administered by the Ministry of Micro, Small and Medium Enterprises (MoMSME).
- Launched in 2008-09, it is a credit-linked subsidy scheme which promotes self-employment through setting up of micro-enterprises, where subsidy up to 35% is

provided by the Government through Ministry of MSME for loans up to ₹25 lakhs in manufacturing and ₹10 lakhs in the service sector.

### **Implementation:**

- National Level- Khadi and Village Industries Commission (KVIC) as the nodal agency.
- State Level- State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks