

Mahalir Thittam – Restructuring of Panchayat Level Federations - Structure of Panchayat Level Federation (PLF) Membership Qualifications, Administrative structure of Federation, duties and responsibilities, Formation of Social Audit Committee, Bank Accounts and Maintenance of Registers, Income and Expenditure and Formation of Habitation Level Forums and its functions – Approval of Detailed guidelines

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Rural Development and Panchayat Raj (CGS-3) Department

G.O.(Ms) No. 125

Dated: 21.7.2008.

Read:

1. G.O.Ms.No.116 SW & NMP Department, dated: 31.7.2002.
2. G.O Ms No. 132 Rural Department & Panchayat Raj (CGS-I) Department, dated 20.07.2007.
3. G.O Ms No. 177, Rural Department & Panchayat Raj (CGS-II) Department, dated 05.12.2006.
4. G.O Ms.No. 104, Rural Department & Panchayat Raj (CGS-I) Department, dated 19.06.2007
5. From the Managing Director, TNCDW Ltd D.O.Lr.No. 1719/B/2008 dated 7.7.2008.

**ORDER:**

In the Government Order first read above, orders prescribing norms for formation of Panchayat Level Federation and Block level Federation, its Membership, imparting Training, Functions, Systems & Procedures to be followed in the Federation, were issued.

2. The Honourable Minister for Rural Development and Local Administration has announced on the floor of the Assembly that "PLFs will be restructured and will be registered so as to give them legal status". Based on the announcement, the Managing Director, Tamil Nadu Corporation for Development of Women Limited in his letter 5<sup>th</sup> read above, has sent a proposal stating that many PLFs continue to be weak due to various reasons and variation of number of Self Help Groups (SHGs) and number of habitations in the Village Panchayats of Tamil Nadu, there is an imperative need to restructure the present PLFs and requested orders of Government to restructure the PLFs.

3. The Government after careful consideration of the proposal of the Managing Director, Tamil Nadu Corporation for Development of Women Limited issue the following changes to the Government Order first read above in relation to restructuring of Panchayat Level Federation.

- (i) The Panchayat Level Federation of Self Help Groups will be at two levels i.e at Habitation level and at Panchayat Level. The Government order that at Habitation Level a Habitation Level Forum (HLF) and at Panchayat Level a Panchayat Level Federation (PLF) of SHGs shall be formed. The structure of the Panchayat Level Federation of SHGs, the qualification and membership, PLF and Habitation Level Forums of SHGs, and their Administration and other activities etc. are prescribed in the detailed guidelines annexed to this order. The units mentioned as above shall be formed and function accordingly.
- (ii) All the reorganized PLFs shall register under Tamil Nadu Societies Registration Act 1975.
- (iii) The Government authorize the Principal Secretary to Government, Rural Development & Panchayat Raj Department to amend the guidelines based on the operational requirement, in consultation with the Managing Director, Tamil Nadu Corporation for Development of Women Limited.

(By Order of the Governor)

**K.ASHOK VARDHAN SHETTY,**  
PRINCIPAL SECRETARY TO GOVERNMENT

## ANNEXURE

**Detailed Guidelines on Structure and Activities of Panchayat Level Federations (PLFs) and Habitation Level Forums (HLFs)**

**1. Institutional structure for the PLF:**

The federation of the SHGs will be at two levels i.e at habitation level and at Panchayat Level. Each habitation with atleast 5 SHGs will constitute a Habitation Level Forum (HLF) with representation from every credit rated SHG. Each Village Panchayat with atleast 10 SHGs will have a Panchayat Level Federation. In case the number of SHGs in the Village Panchayat is less than 10 there will be no PLF and the SHGs may join the nearest PLF of their choice.

The PLF will have an Executive Committee (EC) and a General Body. All the members of federated SHGs will constitute the General Body of PLF. Executive Committee of PLF will be constituted with representatives from Habitation Level Forums and both PLF and HLF will have office bearers to discharge their functions effectively.

**2. Eligibility criteria for PLF membership:**

SHGs which are 6 months old and have passed the first credit rating are eligible to become members of PLF. All types of SHGs that are functioning as per norms (except youth SHGs) in a Village Panchayat irrespective of their promoters can become members of PLF.

**3. Habitation Level Forums (HLF):**

This forum will act as a bridge between the Panchayat Level Federation and the individual Self Help Groups. This will provide a platform for active participation of SHGs, particularly in panchayats with many habitations and large number of SHGs.

Single habitation Village Panchayats with less than 20 SHGs will have only PLF and there is no necessity to form Habitation Level Forum. In case of Single habitation Village Panchayats with more than 20 SHGs, one HLF can be formed for every 20 SHGs. In multi-habitation Village Panchayats, each habitation with minimum 5 SHGs will have a HLF. In case the number of SHGs in a habitation is less than 5, there will be no HLF and the SHGs have to join the nearest HLF of their choice.

The HLF will be constituted in the following pattern:

Village Panchayat	Number of SHGs in a habitation	Number of HLFs in a habitation
Village Panchayat with single habitation	Less than 20	No HLF.
	Above 20	One HLF for every 20 SHGs can be formed
Village Panchayat with multiple habitations	Less than 5	No HLF
	5 to 20	One HLF
	21 & above	One additional HLF for every 20 more groups can be formed.

**a) HLF Members:**

HLF will be constituted with one representative from each SHG which has passed the first credit rating in the habitation. The term of the HLF members will be 2 years. At least 50% of the HLF members should be from the poor. The members from the families included in the BPL list will be considered as target poor. In Vazhndhu Kaattuvom Blocks, the identified PIP population comprising poor, very poor and vulnerable categories will be considered as target population.

**b) HLF Meetings:**

The HLF will meet at least once in a month. The quorum of the meeting will be minimum 50% of its members.

**c) HLF Office Bearers:**

Each HLF will have 2 office bearers viz., Secretary and Treasurer of which at least one should be from target poor. The term of the HLF office bearers will be 2 years. The same person cannot become the office bearer for more than two terms. The office bearers should be rotated every two years in such a way that all SHGs in the habitation are represented as office bearers. In this way, all SHGs in the habitation will get an opportunity to be office bearers of the HLF by rotation.

**d) Role of Habitation Level Forum:**

The main role of the PLF will be to act as a bridge between the PLF-EC and SHG members and to disseminate information about PLF – Executive Committee decisions. Assessing the capacity building needs of SHGs and making requisition to PLF/Village Poverty Reduction Committee (VPRC), furnishing periodical progress reports to the PLF, preparing Micro Credit Plan for the habitation and monitoring loan repayment performance of SHGs are the other responsibility of the PLF.

**4. Panchayat Level Federations:**

**a) General Body (PLF-GB):**

All members of the federated SHGs in the Village Panchayat will constitute the General Body of the PLF

**b) General Body Meetings:**

The General Body Meeting will be held four times in a year (on 26<sup>th</sup> January, 1<sup>st</sup> May, 15<sup>th</sup> August and 2<sup>nd</sup> October) on the dates when Grama Sabhas are held. The quorum of the meeting will be representation of 50% of Self Help Groups federated and attendance of 20% of all SHG members. The President of the PLF will preside over the General Body meetings. In her absence, one of the SHG members selected by the members present will preside over the General Body.

**c) Executive Committee of the PLF (PLF – EC):**

The PLF – Executive Committee will have minimum 11 members representing all HLFs. Minimum 10 members will be women SHG members representing all HLFs and one member will be a disabled SHG member representing disabled SHG members in the village. Atleast half of EC members should be from BPL / Participatory Identification of Poor (PIP) category. PLF – EC will be constituted as follows:

i) In Panchayats with single habitation:

<b>Number of SHGs in Village Panchayat</b>	<b>Size of PLF - EC</b>
Less than 10 SHGs	No PLF
More than 10 SHGs	Minimum 10 Women SHG members + 1 co opted disabled member

ii) PLF – EC in Panchayats with multiple habitations:

Each HLF will send their representatives to PLF – EC in the following pattern:

Number of SHGs in the habitation	Number of representatives to PLF
5 – 10 SHGs	2 representatives
11 – 20 SHGs	3 representatives
21 – 40 SHGs	4 representatives
More than 40 SHGs	5 representatives

The General Body of the PLF will elect EC members in case the panchayat has only one habitation. In case of multiple habitations, all SHG members of a habitation will elect PLF EC members to represent their habitation. At least half of the EC members nominated by the habitation should be from BPL / Poor – Very Poor category. Wherein the size of PLF – EC falls below 11 due to lesser number of habitations and / or due to lesser number of SHGs, then the General Body members of PLF will nominate the remaining number of representatives in the Annual General Body Meeting. The GB will also decide from where the additional representatives will be drawn. The term of PLF – EC members will be 2 years. The retiring members are eligible to get re-elected.

#### **d) Office Bearers:**

The PLF will have four office bearers namely President, Secretary, Joint Secretary and Treasurer. The PLF – GB will select the office bearers from among the EC members. At least two office bearers should be from target poor (BPL / PIP list) and either the Secretary or the Treasurer should be from the target poor. The term of PLF office bearers will be 2 years. The same person cannot be the office bearer for more than two terms. A maximum of two of the out going Office Bearers are eligible to get re-elected and function as office bearers. The office bearers should be rotated every two years in such a way that all the habitations in the Panchayat are represented as office bearers. No person should hold the position of office bearer in more than two institutions at village level (excluding SHG).

#### **e) PLF - EC Meeting**

The PLF – EC will conduct meetings at least once in a month. The quorum of the meetings will be minimum 50% of the members,

#### **f) PLF Elections**

Election of office bearers of the PLF-EC will be conducted in the General Body convened on 15<sup>th</sup> August. Detailed guidelines about elections will be issued separately.

### **5. Roles & Responsibilities:**

#### **a) Panchayat Level Federation:**

The main responsibilities of the PLF are mobilising all eligible women into Self Help Groups, strengthening and furthering the activities of the SHGs, information dissemination among SHGs, preparation of Capacity Building Plan and arranging for grading, credit rating and credit linkages in right time. They should extend support to the SHGs in maintenance of accounts and audit, to undertake income generating activities and conflict resolution among SHGs. They should take up such activities that would benefit the SHGs and their members but cannot be taken up by individual SHGs apart from networking with Government agencies and other external institutions like insurance companies for women development.

#### **b) Responsibilities of PLF-GB:**

The PLF GB will be responsible for election of PLF office bearers election of PLF – EC members, substitution / replacement of PLF-EC members who are not attending 3 consecutive EC meetings, approval of Annual Action Plan and approval of budget

**c) Responsibilities of PLF-EC:**

The main responsibilities of the PLF-EC are Certification of NGO claims on Group formation, monitoring and training, maintenance of common assets of PLFs and infrastructure for the benefit of SHGs. They can enter into agreement with Mahalir Thittam / VPRC to discharge SHG related activities. They are responsible for periodic internal grading of member SHGs, Monitoring the credit rating of SHGs, monitoring the loan repayment of SHGs, monitoring the performance of community SHG trainers and procure services like micro-insurance for the SHG members.

**d) Responsibilities of PLF Office Bearers:****President:**

The President will preside over the General body meetings and Executive Committee meetings of PLF. She will represent the PLF in different forums.

**Secretary:**

The Secretary will convene the EC meetings atleast once in a month. She will maintain the minutes book and operate PLF accounts jointly with the treasurer. She will represent the PLF in different forums along with / in the absence of the President. She will authenticate reports, agreements for and on behalf of the PLF. She will be responsible for sending progress reports to VPRC or Mahalir Thittam.

**Joint Secretary:**

She will carry out the functions of the Secretary in her absence.

**Treasurer:**

The Treasurer will be responsible for maintenance of books of accounts and registers, maintenance the petty cash of the PLF, periodical audits and placing the report before the General Body for approval. She will operate PLF accounts jointly with the Secretary and authenticate reports, agreements for and on behalf of the PLF along with the Secretary.

**6. Sub committees:**

PLF can discharge wide range of activities for the betterment of its members and village. For this purpose the following subcommittees may be constituted by PLF GB

1. SHG Formation and Strengthening Sub Committee
2. Credit linkage monitoring Sub Committee
3. Livelihoods Sub Committee
4. Sub Committee on Social issues.

The size of sub-committees will be 5. Out of which, 2 will be the PLF – EC members and other 3 members will be nominated by PLF –GB from among federated SHG members. Atleast 3 out of these 5 members should be from the target poor.

**7. Social Audit committee:**

A Social Audit Committee will be constituted by PLF – GB to monitor the activities of PLF. The size of Social Audit Committee will be 5. All 5 members will be selected from among federated SHG members who are not part of PLF – EC or HLF office bearers. Atleast 3 out of these 5 members should be from target population. This committee will report its findings, recommendations etc., to PLF – GB periodically. In Vazhndhu Kaattuvom Project Panchayats, the existing Social Audit Committee will perform the functions of social audit and a new social audit committee will not be formed.

**8. Bank Accounts:**

Each PLF will have a Bank account which will be jointly operated by the Secretary and Treasurer of the PLF based on the resolutions of the PLF – EC. The HLF will not have a Bank account as no financial transactions are expected at the level of the HLF.

**9. Registers to be maintained by the PLF:**

The following registers will be maintained by the PLF-EC:

- (1) Attendance & Resolution Register
- (2) Membership Register
- (3) Cash Book
- (4) General Ledger
- (5) Loan Ledger
- (6) Asset Register

The General body of the PLF will maintain only a minutes cum attendance register. The HLF will maintain minutes cum attendance register and the Loan Tracking Register. However, the list and form of registers to be maintained by PLF and HLF will be finalized later.

**10. Maintenance of Books of Accounts:**

PLF can appoint one SHG women member as a book keeper. The service conditions will be decided by general body.

**K. ASHOK VARDHAN SHETTY,**  
PRINCIPAL SECRETARY TO GOVERNMENT.