



Abstract

Mahalir Thittam - Formation of Slum Level Federation of Self Help Groups in urban areas – proposal – Approved – Orders Issued.

Rural Development and Panchayat Raj (CGS-3) Department

G.O.(Ms) No.61

Dated : 26.5.2010

Read:-

1. G.O.Ms.No. 116, Social Welfare and Nutritious Meal Programme (SW3) Department, dated 31.07.2002.
2. G.O.Ms.No.465, Rural Development and Panchayat Raj (CGS3) Department, dated 23.07.2009.
3. From the Managing Director, Tamil Nadu Corporation for Development of Women Limited ,D.O.Lr.No.118/D1/2010 dated 19.5.2010.

ORDER:-

In the Government Order first read above, orders prescribing norms for Formation of Panchayat Level Federation and Block Level Federation were issued.

2. The Hon'ble Deputy Chief Minister has announced in the floor of the Assembly that for the benefit of the Self Help Groups in urban areas the State, Slum Level Federations of Self Help Groups will be formed in urban areas during the year 2010-11.

3. The Managing Director, Tamil Nadu Corporation for Development of Women Limited in his letter third read above, has sent a proposal for formation of Slum Level Federation of Self Help Groups in Urban Slum areas as announced by the Hon'ble Deputy Chief Minister in the para second above. He has further requested the Government to authorize the Principal Secretary to Government, Rural Development and Panchayat Raj Department to amend the guidelines based on the operational requirements in consultation with the Managing Director, Tamil Nadu Corporation for Development of Women Limited and also to issue necessary orders for formation of Slum Level Federations of Self Help Groups in Corporation areas and Municipalities.

4. The Government examined the proposal of the Managing Director, Tamil Nadu Corporation for Development of Women Limited carefully and accordingly issue orders for the Slum Level Federations in Urban areas as detailed below:-

Slum Level Federation (SLF) in urban areas

In order to enable women living below poverty line to join Self Help Groups movement a special thrust has been given in the last four years to the formation of new women Self Help Groups in urban slums and as on 31.03.2010 over 38,000 Self Help Groups have been formed in urban slums. There are 10 Corporations, 148 Municipalities and 561 Town Panchayats in the State and in these Urban Local Bodies there are 3,578 notified slums and 4,022 un notified slums. In the Government order first read above, orders were issued to form Ward Level Federations (WLF) / Area Development Society (ADS) in urban areas which still remained a non starter. Hence for effective inclusion of the poor in the Self Help Group movement Slum Level Federation (SLF) of Self Help Groups shall be formed in urban areas focusing on slums.

(1) Institutional structure for the Slum Level Federation (SLF):

The institutional structure of Slum Level Federation will have two levels namely Cluster Level Forum (CLF) and Slum Level Federation (SLF).

a) Cluster Level Forum (CLF)

- In Corporation area, each Street or Lane or Area or Cluster of houses with a minimum of 10 credit rated Self Help Groups will have a **Cluster Level Forum** with representation from every credit rated Self Help Group.
- In Municipalities, each Street or Lane or Area or Cluster of houses with a minimum of 5 Credit rated Self Help Groups will have a **Cluster Level Forum** with representation from every credit rated Self Help Group.

b) Slum Level Federation (SLF)

- In Corporation area, an average of 1000 urban slum houses will have one **Slum Level Federation**. In case the number of credit rated Self Help Groups in the demarcated Slum area is less than 20 there will be no Slum Level Federation and the Self Help Groups may join the nearest Slum Level Federation of their choice.
- In Municipalities, an average of 500 urban slum houses will have a **Slum Level Federation**. In case the number of credit rated Self Help Groups in the demarcated Slum area is less than 10, there will be no SLF and the Self Help Groups may join the nearest Slum Level Federation of their choice.

While demarcating areas for formation of Slum Level Federations, distance between the slums may be taken into consideration. In case of isolated slums with less than the prescribed limit of households, decision of forming Slum Level Federations can be taken on case to case basis.

In Town Panchayat areas federation of Self Help Groups will be formed as per the Guidelines issued in G.O. Ms. No.125, Rural Development and Panchayat Raj (CGS-3) Department, dated 21.07.2008 and in G.O.Ms.No.135, Rural Development and Panchayat Raj (CGS-3) Department, dated 14.08.2008, which are applicable to rural areas in the State.

c) General Body and Executive Committee

- The Slum Level Federation (SLF) will have an Executive Committee and a General Body.
 - All the members of federated Self Help Groups will constitute the General Body of SLF.
 - Executive Committee of Slum Level Federation will be constituted with representatives from Cluster Level Forum (CLF).
- Both Cluster Level Forum (CLF) and Slum Level Federation (SLF) will have office bearers to discharge their functions effectively.

(2) Eligibility criteria for Slum Level Federation (SLF) membership:

Self Help Groups which are 6 months old and have passed the first credit rating are eligible to become members of Slum Level Federation (SLF). All types of SHGs that are functioning as per norms (except youth SHGs) in a Slum irrespective of their promoters can become members of Slum Level Federation.

(3) Cluster Level Forum (CLF)

In order to increase the participation of SHG members in the activities of the Federation it is proposed to form Cluster Level Forum (CLF) at Street or Lane or Area or Cluster of houses level. This forum will act as a bridge between the Slum Level Federation and the individual Self Help Group. This will provide a platform for active participation of Self Help Groups.

3.1 Constitution of Cluster Level Forum (CLF):

Cluster Level Forum (CLF) will be constituted in the following pattern in the urban areas.

a) Corporation areas

- One Cluster Level Forum in Street or Lane or Area or Cluster of houses with 10 to 20 successfully credit rated Self Help Groups.
- One additional Cluster Level Forum for every twenty Self Help Groups 2 Self Help Groups in Street or Lane or Area or Cluster of houses with more than 20 successfully credit rated Self Help Groups.

- No Cluster Level Forum in Street or Lane or Area or Cluster of houses with less than 10 successfully credit rated Self Help Groups. The Self Help Groups may join the nearest CLF of their choice.

Guidelines for Formation of CLF in Corporation area

Number of successfully credit rated Self Help Groups in Street or Lane or Area or Cluster of houses	Number of CLFs in the Area
Less than 10	No CLF
10 to 20	One CLF
21 & above	One CLF for 20 Self Help Groups and one additional CLF for every 20 more groups

b) Municipalities

- One Cluster Level Forum in Street or Lane or Area or Cluster of houses with 5 to 20 successfully credit rated Self Help Groups.
- One additional Cluster Level Forum for every 20 successfully credit rated Self Help Groups in Street or Lane or Area or Cluster of houses with more than 20 successfully credit rated Self Help Groups.
- No Cluster Level Forum in Street or Lane or Area or Cluster of houses with less than 5 successfully credit rated Self Help Groups. The Self Help Groups may join the nearest CLF of their choice.

Guidelines for Formation of CLF in Municipalities

Number of successfully credit rated SHGs in Street or Lane or Area or Cluster of houses	Number of CLFs in the Area
Less than 5	No CLF
5 to 20	One CLF
21 & above	One CLF for 20 Self Help Groups and one additional CLF for every 20 more groups.

3.2. Cluster Level Forum members:

- Cluster Level Forum will comprise of one representative from each successfully credit rated Self Help Group.

- The term of the Cluster Level Forum members will be 2 years.
- At least 50% of the Cluster Level Forum members should be poor .The family members who are in the Below Poverty Line (BPL) list are poor.

3.3 Cluster Level Forum Office Bearers:

- Each Cluster Level Forum will have 2 office bearers viz., President and Secretary of which at least one should be in the BPL List.
- The term of the Cluster Level Forum 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 Self Help Groups in the Cluster Level Forum are represented as office bearers. In this way, all Self Help Groups in the cluster will get an opportunity to be office bearers of the Cluster Level Forum by rotation.

3.4 Cluster Level Forum meetings:

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

3.5 Role of Cluster Level Forum:

- To act as a bridge between the SLF-EC and Self Help Group members and disseminate information about SLF – EC decisions.
- Assessing the capacity building training needs of the Self Help Groups and forward the same to Slum Level Federations.
- Furnishing periodical progress reports to the Slum Level Federations.
- Preparing Micro Credit Plan for the cluster and monitor loan repayment performance of Self Help Groups.

(4) Slum Level Federations (SLF):

4.1 General Body (SLF-GB):

All members of the federated Self Help Groups in the demarcated Slum Area will constitute the General Body of the Slum Level Federation.

a) Meetings of General Body:

- The General Body will be held twice a year (on 26th January and 15th August).

- The quorum will be 50% of federated Self Help Groups and attendance of 20% of all SHG members.
- The President of the Slum Level Federation will preside over the General Body meetings. In her absence, one of the SHG members who is present on the day will be selected to preside over the General Body.

4.2 Executive Committee of the SLF (SLF – EC):

- The SLF – EC will have minimum 11 members.
- Minimum 10 members will be women SHG members representing all Cluster Level Forums and one member will be a Differently Abled Self Help Group member.
- At least 50% of the EC members should be poor from the BPL.

a) Selection of EC Members by CLF

Each Cluster Level Forum will send their representatives to SLF – EC in the following pattern:

In Corporation Areas:-

Number of SHGs in the CLF	Number of representatives to SLF-EC
10– 14 SHGs	2 representatives
15–20 Self Help Groups	3 representatives

In Municipalities :-

Number of SHGs in the CLF	Number of representatives to SLF – EC
5– 10SHGs	2 representatives
11–20 Self Help Groups	3 representatives

b) Selection process of EC Members

- All members of the member Self Help Groups in the cluster level forum will elect their representatives for PLF EC. At least half of the EC members nominated from the Cluster should be in the list of BPL.
- The General Body of the Slum Level Federation will directly elect EC members in case where the Slum has no Cluster Level Forum. Minimum 50% of the representative selected by the Forum as EC Member should be poor from the BPL .

- Wherein the size of Slum Level Federation – EC falls below 11 due to lesser number of Clusters and / or due to lesser number of SHGs, then the General Body members of SLF will nominate the remaining number of representatives in the Annual General Body Meeting.
- The term of SLF – EC members will be 2 years. The retiring members are eligible to get re-elected.

4.3 Office Bearers:

- The Slum Level Federations will have four office bearers namely President, Secretary, Joint Secretary and Treasurer.
- The SLF – GB will select the office bearers from among the EC members. In the selection of office bearers the following conditions are to be ensured
 - Atleast two office bearers should be from the BPL List.
 - Either the Secretary or Treasurer should be from the BPL List.
- The term of Slum Level Federation office bearers will be 2 years. The same person cannot be the office bearer for more than two terms.
- While selecting the new set of office bearers, the GB should ensure that not more than 2 members are re-elected.
- The office bearers should be rotated every two years in such a way that all the clusters in the Slum Federation are represented as office bearers. In this way, SHGs from every cluster will get an opportunity to be office bearers of the Slum Level Federation by rotation.
- A Single person cannot be selected as office bearers for more than two post in SIF except Self Help Groups.

4.4. Meetings of Executive Committee :

- The SLF – EC will conduct meetings atleast once in a month.
- The quorum of the meetings will be minimum 50% of the members.

(5) Roles & Responsibilities:

5.1 Roles of Slum Level Federation (SLF):

- Mobilising all eligible women into Self Help Groups.
- Strengthening and furthering the activities of the Self Help Groups
- Information dissemination among Self Help Groups

- Preparation of Capacity Building Plan.
- Arranging for grading, credit rating and credit linkages in right time.
- Availing bulk loans from nationalized bank and other reputed financial institutions and on lend it to member Self Help Groups
- Support for accounting and auditing of Self Help Groups.
- Support for income generating activities
- Taking up such activities that would benefit the Self Help Groups and their members but cannot be taken up by individual Self Help Groups
- Conflict resolution among the member Self Help Groups.
- Networking with Government agencies and other external institutions like insurance companies for women development.

5.2 Role of SLF – General Body:

The GB will be responsible for the following:

- Election of SLF – EC members.
- Election of office bearers of the Slum Level Federation
- Substitution / replacement of SLF-EC members who are not attending 3 consecutive EC meetings.
- Approval of Annual Action Plan
- Approval of Budget.

5.3 Responsibilities of SLF-Executive Committee:

- Certification of NGO claims on Group Formation, Monitoring and Training
- Management of common assets and infrastructure for the benefit of Self Help Groups
- Entering into agreement with Mahalir Thittam to discharge Self Help Group related activities
- Responsible for periodic internal grading of member Self Help Groups
- Availing bulk loans from Nationalized Bank and other reputed Financial Institutions and on lend it to member Self Help Groups, by entering into suitable agreements with them

- Monitoring the loan repayment performance of Self Help Groups
- Monitoring the performance of community SHG trainers
- Monitoring the credit rating of Self Help Groups
- To procure services like Micro-Insurance for the Self Help Group members.

5.4 Responsibilities of SLF Office Bearers:

a) President:

- Presiding over the General body meetings and Executive Committee meetings.
- Representing the Slum Level Federations in different forums.

b) Secretary:

- Convening SLF-EC meetings atleast once in a month.
- Maintenance of minute book.
- Sending reports required by Tamil Nadu Corporation for Development of Women Limited.
- Operating SLF accounts jointly with the treasurer
- Representing the Slum Level Federations in different forums along with / in the absence of the President.
- Authenticating reports, agreements, contracts for and on behalf of the Slum Level Federations.
- Authorized signatory for entering upon agreement with Nationalized Banks and other reputed Financial Institutions for availing bulk loans.

c) Joint Secretary:

- Carry out the functions of the Secretary in her absence.

d) Treasurer:

- Maintenance of books of accounts and registers
- Maintaining the petty cash of the SLF
- Ensuring periodical audits and placing the report before the General Body for approval
- Authenticating reports, agreements for and on behalf of the Slum Level Federations along with the Secretary

- Authorized signatory along with Secretary for entering upon agreement with Nationalized Banks and other reputed Financial Institutions for availing bulk loans.

(6) Sub Committee:

- SLF can discharge wide range of activities for the betterment of its members and for this purpose various subcommittees may be constituted from among the members
 - Self Help Group Formation and Strengthening Sub Committee
 - Credit linkage and loan repayment Sub Committee
 - Livelihood Sub Committee
 - Sub Committee on Social issues.
- The size of sub-committees will be 5. Of which, 2 will be the SLF – EC members and other 3 members will be nominated by SLF –GB from among federated SHG members.
- Atleast 3 out of the 5 members should be from target population.

(7) Social Audit committee :

- In addition to the above sub-committee a Social Audit Committee will be constituted by SLF – GB to monitor the activities of SLF and CLFs.
- The size of Social Audit Committees will be 5. All 5 members will be selected from among federated Self Help Group members who are not part of Slum Level Federations and Cluster Level Forum.
- At least 3 out of the 5 members should be from the poor from the BPL.
- This committee will report its findings, recommendations etc., to SLF – GB periodically.

(8) Bank Accounts:

- Each Slum Level Federations will have up to 4 Bank accounts, which will be jointly operated by the Secretary, and Treasurer of the Slum Level Federations based on the resolutions of the Slum Level Federations – EC.
- The Cluster Level Forum will not have a Bank account as no financial transactions are expected at the level of the Cluster Level Forum.

(9) Registers to be maintained by the Slum Level Federations:

- It is proposed that a set of registers will be maintained by the Slum Level Federations.

The following registers will be maintained by the Slum Level Federation -EC:

- (1) Attendance & Resolution register,
 - (2) Membership register,
 - (3) Cash Book,
 - (4) General Ledger,
 - (5) Loan Ledger and
 - (6) Asset Register.
 - (7) Bulk Loan Register
- The General body of the Slum Level Federation will maintain only a minutes cum attendance register.
 - The Cluster Level Forum will maintain minutes cum attendance register and the Loan Tracking Register.

(10) Maintenance of Books of Accounts :

- Slum Level Federations can appoint one Self Help Group women member preferably below the age of 35, as a book keeper. Slum Level Federation - GB will decide the terms and conditions of her service.

(11) Registration of Slum Level Federation:

- All SLFs will be registered under the Tamilnadu Societies Registration Act, 1975.

(12) Grading of Slum Level Federation:

In order to closely monitor the growth of the Slum Level Federations, it is necessary to grade them against certain parameters which will help Tamil Nadu Corporation for Development of Women Limited to assess their performance and credit worthiness and to identify areas which require improvement. The Government in G.O.Ms.No:465, Rural Development and Panchayat Raj (CGS-3) Department, dated 23.07.2009 have issued guidelines for grading Panchayat Level Federations which have completed six months from the date of registration. The grading parameters cover participation, inclusion, governance, transparency, credit discipline and community development initiatives. These successfully graded PLFs become eligible for availing external credit linkages also. Hence to bring uniformity among the federation of Self Help Groups in rural and urban areas, the G.O.Ms.No:465, Rural Development and

Panchayat Raj (CGS-3) Department, dated 23.07.2009 shall be made applicable to Slum Level Federations in urban areas also.

5. The Government also authorize the Principal Secretary to Government, Rural Development and Panchayat Raj department to amend the guidelines based on the operational requirements 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.

To
The Managing Director,
Tamil Nadu Corporation for Development of Women Limited,
Chennai – 600 032.
The Commissioner of Rural Development and Panchayat Raj,
Chennai – 600 015.
All District Collectors. ()
All Project Officers (Mahalir Thittam) ()
(through Managing Director, Tamil Nadu Corporation for
Development of Women Limited)
The Accountant General, Chennai – 600 018.
The Pay and Accounts Officer, Chennai – 600 035.

Copy to:-

Senior Personal Assistant to Hon'ble Deputy Chief Minister,
Chennai – 600 009.
Finance (RD) Department, Chennai – 600 009.
Personal Secretary to Principal Secretary to Government,
Rural Development and Panchayat Raj Department,
Chennai – 600 009.
Rural Development and Panchayat Raj (Budget & Co-ordination) Department,
Chennai – 600 009.

//Forwarded/By Order//

Section Officer.