

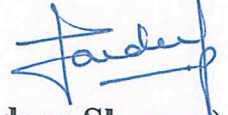
File No- J-11011/1/2016-RL
Government of India
Ministry of Rural Development
(NRLM Division)

6th Floor, Hotel Samrat
Kautilya Marg, Chanakyapuri
New Delhi

Dated: 1st August, 2017

Office Memorandum

The undersigned is directed to enclose a copy of the Guidelines of Aajeevika Grameen Express Yojana (AGEY) for kind information and further necessary action. The states are requested to submit project proposals for the implementation of AGEY in the states as per the approved guidelines to the Ministry at the earliest



(Sandeep Sharma)
Deputy Secretary-NRLPS (F&A)

Encls: as above

Distribution- SMD/CEOs of All state SRLM's

Copy for information to:-

1. PPS to JS(RL)
2. PS to Director (RL) & PA to Director (NRLPS)
3. Lead-SVEP

Aajeevika Grameen Express Yojana (AGEY)

Draft Guidelines

The Government of India has introduced a new sub-scheme under *Deendayal Antyodaya Yojana*-National Rural Livelihoods Mission (DAY-NRLM) entitled “*Aajeevika Grameen Express Yojana*” (AGEY) from the financial year 2017-18.

Objectives of AGEY:

The main objectives of AGEY are:

- (i) To provide an alternative source of livelihoods to members of SHGs under DAY-NRLM by facilitating them to operate public transport services in backward rural areas, **as identified by the States.**
- (ii) To provide safe, affordable and community monitored rural transport services to connect remote villages with key services and amenities (including access to markets, education and health) for the overall economic development of the area by making use of the supports available within the framework of DAY-NRLM.

Salient features:

Under the programme, the Community Investment Fund (CIF) provided to Community based Organisations (CBOs) under the existing provisions of DAY-NRLM scheme will be utilised to support the SHG members to operate the public transport services. The States will have the following two options to implement the scheme:

Option I:

- ✓ Vehicle will be financed by the Community Based Organisations (CBOs) out of its CIF corpus. The vehicle will be purchased and owned by CBO and leased to SHG member.
- ✓ The beneficiary SHG member will operate the vehicle on selected route and will pay a monthly lease rental to the CBO. Care will be taken to ensure that the monthly lease rental fixed is reasonable and supports viability of the enterprise for the SHG member and the cost of the vehicle is also recovered from the SHG member over a maximum period of 6 years.
- ✓ Interest will not be **charged while recovering the cost through lease rental.**
- ✓ Annual cost of insurance, road tax, permit cost and maintenance cost including replacement of tyres would be borne by the CBO. The maximum funding for such items shall not exceed Rs. 2.00 lakhs per vehicle per CBO for the duration of the

scheme **from 2017-18 to 2019-20. The expenditure on this account will be incurred by the CBOs, as per requirement.**

- ✓ The running cost of the vehicle and **routine** maintenance (i.e., fuel, oil, engine oil, servicing etc.) shall be borne by the SHG member.
- ✓ The decision regarding the ownership of the vehicle after the cost of vehicle is fully paid up through lease rental will be taken by the CBO which may include transfer of ownership of the vehicle to the SHG member for a consideration or sale of the vehicle to any other person.

Option II:

- ✓ CBO will provide an interest free loan from its CIF corpus to SHG member for purchase of the vehicle.
- ✓ SHG member will repay the loan over a maximum period of 6 years and bear all the costs connected with the operation of the vehicle, including annual cost of insurance, road tax, permit cost, maintenance cost and all other running costs of the vehicle (i.e., fuel, oil, etc.).
- ✓ After repayment of the loan, the ownership of the vehicle will be transferred to the SHG member.

Operational details:

1. AGEY will be initially implemented in 250 blocks on a pilot basis with each block provided up to six vehicles to provide transport service to habitations already connected by all-weather rural roads.
2. The State wise distribution of the number of blocks allocated to each State is given in Annexure-A.
3. The project blocks will be selected by the States from among the intensive blocks of NRLM where mature CBOs are already functioning. Backwardness, lack of transportation link and **sustainability** of service would be the guiding factors in the selection of blocks and routes. As this is a pilot phase, the programme may be rolled out in less difficult areas which have a greater scope of success. Blocks in which Start-up Village Entrepreneurship Programme (SVEP) and Mahila Kisan Shashaktikaran Pariyojana (MKSP) is being implemented may also be given priority in selection of blocks
4. The SRLMs will do a feasibility study and traffic survey in the selected blocks to identify the routes and the number and capacity of the vehicles which can be

operated on a sustainable basis. This study has to be done by any technically sound organisation with expertise in transport network planning. The cost of these studies can be met from the provision available for administrative expenses under DAY-NRLM.

5. Depending on traffic potential, the type of vehicle and its capacity will be determined by the CBO for each route. The choice of vehicle could be either e-rickshaw, 3-wheeler or 4-wheeler. The maximum cost of each vehicle shall be kept within a limit of Rs. 6.50 lakh.
6. The SRLMs shall coordinate with the State Transport Department for issue of permit to the vehicle under the scheme based on the findings of the traffic survey.
7. In order to avoid higher maintenance and operating cost only new vehicles shall be purchased. **No second-hand vehicle will be purchased for operating the scheme.**
8. The SHG member operating the vehicle shall ensure that all the necessary legal and statutory requirements for operating the vehicle such as valid permit, road tax payment, valid insurance policy, etc., are met. The CBO may also check the validity of these documents.
9. The lessee / operator shall run the vehicle on approved routes at pre-determined frequency as jointly agreed between the CBO and the operator based on financial viability and the need for transport link.
10. All vehicles under the scheme shall have a defined colour code and carry AGEY branding to ensure their identity and avoid diversion to other routes,
11. The charges per trip shall be fixed jointly by the operator and the CBO **subject to rules / regulations of the Transport Department of the State Administration.** The CBO may fix some discounted fare for girl children going to school or college.
12. SRLMs will arrange capacity building for their staff at State, District and Block levels for operating the scheme. The members of CBO owning the vehicle, the SHG member operating the vehicle and the driver of the vehicle shall also be provided adequate training in RSETIs and other partner organisations, as required. The training cost shall be met from the IB&CB component of NRLM.
13. Based on the transport survey and feasibility study, if any relaxation becomes necessary in the provisions of these guidelines in the case of **LWE districts and other difficult areas**, the proposals for such relaxation shall be submitted to the DAY-NRLM Empowered Committee for a decision.

Selection of beneficiaries:

The beneficiary selection will be through a transparent process keeping in view the poverty status **based on SECC data/criteria** and capability of the SHG member to operate and manage the service. Essential requirements are:

1. The SHG member selected must be literate.
2. Ideally the SHG member selected should possess a valid commercial driving licence to drive the vehicle.
3. Alternatively, she should be able to identify one of her family members possessing a valid commercial licence to serve as the driver or employ a person with a valid commercial driving licence as driver of the vehicle.
4. The salary of the driver shall be borne by the SHG member out of earning from the operation of the vehicle.

Roles and responsibility of stake holders:

1) Community Based Organisations (CBOs):

- ✓ To select the beneficiary and upload the information in the Transaction based MIS.
- ✓ Identify the vehicle jointly with SHG member based on traffic potential and viability of operations.
- ✓ To ensure that the vehicle runs regularly on the defined route on the defined timing and are not diverted to other routes. **CBO will also ensure that there is no sub-contracting of vehicle by the SHG member.**
- ✓ Fix charges per trip jointly with the operator with provision for discounted fare for girls going to school or college. Also ensure that the operator charges only the agreed rates from the passengers. **Fare discounts may also be allowed for differently-abled persons.**
- ✓ Ensure that all the legal and Statutory documents relating to the vehicle are kept updated and valid at all times.
- ✓ Ensure that the vehicle operator takes proper care of the vehicle and pays the agreed rent / repayments on time.

- ✓ Ensure that the VO members are trained in the management of transport vehicle on business lines. The training would be organised by the SRLM.

2) State Rural Livelihoods Missions:

- ✓ Select the block for implementation of the Scheme from among the intensive blocks of NRLM where well established CBOs are functioning.
- ✓ Ensure that a rural transport network study is done for the selected block and routes are selected based on the connectivity gaps. Also select the CBO for implementation. Help the CBO decide on the vehicle lease rental to factor in lower maintenance costs in the first 1-2 years when the vehicle is new and is covered under the manufacturer's warranty.
- ✓ Ensure that coordination and convergence is done with the State Transport Department to get the route permit allotted to the CBOs/SHG member/s based on the transport network study and also to provide other benefits available with the transport department to this scheme.
- ✓ Ensure that the State Transport Department give permit for carrying both passengers and goods by these vehicles subject to Motor Vehicle Regulations.
- ✓ Ensure that the office bearers of the CBO and the Vehicle operator are provided training in transport business management and driving and maintenance aspects of vehicle.
- ✓ Operate the scheme in a block in saturation mode to ensure that the scheme creates economical and social impact.
- ✓ Ensure that the operation of the vehicle is in the defined area and on the routes as specified by the CBO after the feasibility study.
- ✓ Handhold the CBO and the operator so that they are able to manage the service in an economically sustainable manner.
- ✓ Monitor the scheme and report progress to NRLM periodically and also upload details on NRLM-MIS.
- ✓ Issue state specific guidelines for the implementation of the project
- ✓ Appoint a State Nodal officer for the scheme who will ensure co-ordination, provision of technical support and successful implementation of the scheme.

Approval process:

The SRLMs will submit the Annual Action Plan for AGEY along with the Action Plan for DAY-NRLM for consideration of the NRLM Empowered Committee chaired by Secretary (RD). The EC will co-opt members from other Departments and Organisations dealing with Entrepreneurship development, as considered necessary.

For the year 2017-18 the States may submit a supplementary Annual Action Plan specifying the blocks selected, the estimated number of vehicles required and the number of villages to be covered for consideration of the Empowered Committee.

The State Governments/SRLMs will be fully responsible for operation of the scheme and the Central Government or Central scheme implementing agencies shall not be liable for any accidents or damages arising from operation of the transport services envisaged under the scheme.

Annexure-A

| State-wise allocation of Blocks under AGEY | | |
|---|-----------------------------|-----------------------|
| S.No. | Name of States / UTs | Number of AGEY Blocks |
| 1 | Andhra Pradesh | 6 |
| 2 | Bihar | 17 |
| 3 | Chhattisgarh | 18 |
| 4 | Goa | 1 |
| 5 | Gujarat | 7 |
| 6 | Haryana | 6 |
| 7 | Himachal Pradesh | 4 |
| 8 | Jammu & Kashmir | 6 |
| 9 | Jharkhand | 20 |
| 10 | Karnataka | 8 |
| 11 | Kerala | 4 |
| 12 | Madhya Pradesh | 19 |
| 13 | Maharashtra | 13 |
| 14 | Orissa | 21 |
| 15 | Punjab | 6 |
| 16 | Rajasthan | 9 |
| 17 | Tamil Nadu | 9 |
| 18 | Telangana | 5 |
| 19 | Uttar Pradesh | 24 |
| 20 | Uttarakhand | 4 |
| 21 | West Bengal | 8 |
| 22 | A&N Islands | 1 |
| 23 | Daman & Diu | 1 |
| 24 | D & N Haveli | 1 |
| 25 | Lakshadweep | 1 |
| 26 | Pondicherry | 1 |
| | sub-total (a) | 220 |
| | NORTH EASTERN STATES | |
| 1 | Arunachal Pradesh | 4 |
| 2 | Assam | 8 |
| 3 | Manipur | 2 |
| 4 | Meghalaya | 3 |
| 5 | Mizoram | 3 |
| 6 | Nagaland | 5 |
| 7 | Sikkim | 2 |
| 8 | Tripura | 3 |
| | sub-total (b) | 30 |
| | Grand Total | 250 |