



Vol. 46, No. 1, pp 124-134, 2018

Indian Journal of Soil Conservation

Online URL : <http://indianjournals.com/ijor.aspx?target=ijor:ijsc&type=home>



Financial analysis of a participatory integrated livelihood security project in foothills of North Western Himalayas

B.L. Dhyani^{1,3}, Ambrish Kumar¹, D. Mandal¹, Bankey Bihari¹, M. Murganandam¹, Charan Singh¹ and M. Madhu²

¹ICAR-Indian Institute of Soil and Water Conservation (IISWC), Dehradun-248195, Uttarakhand; ²ICAR-IISWC, Koraput, Odisha.

³E-mail: dhyanibld@rediffmail.com

ARTICLE INFO

Article history:

Received : September, 2017

Revised : March, 2018

Accepted : March, 2018

ABSTRACT

Rain dependent farming in North Western Himalaya (NWH) is in a vicious cycle of livelihood insecurity-resource degradation. This vicious cycle was unchained by putting participatory knowledge generated on resource conservation, production and local institutional mechanism in action during 2007-08 to 2013-14 in four villages of NWH. Tool-kit approach was adopted for boundary work, implementation and monitoring of the project data and analysis. Results showed that food deficit villages (before project) were converted in food surplus after the project except pulses. The project generated ₹ 523 24 lakh Net Present Value (NPV) with a Benefit Cost (B:C) ratio of 2.59, and investment made can be recovered by 4 years at 10% discount rate considering 30 year period of analysis. Sensitivity analysis revealed that the project can sustain firmly under any odd situation of (i) rise in cost by 10%, (ii) decrease in benefits by 10% and (iii) reduction in project period by 50%, individually and their all possible combinations together. It is evident from the value of economic evaluation criteria; NPV of ₹ 203.26 lakh, B:C ratio 1.64:1, 6 years payback period and 48.3% Internal Rate of Return (IRR) under worst situation when all the assumed eventualities occur together. It can be concluded that such projects are financially sound investment venture and be replicated in other villages in the region. Natural resource management activities worked as catalyst in achieving sustainable livelihood security under rain dependent farming situation. Good boundary work for proactive participation of all stakeholders at all the three stages of project (planning, implementation and evaluation), jointly setting boundary objectives, strategies; and finally putting local institutional mechanism in place towards ensuring benefit flow in perpetuity that holds the key for success of rain dependent agricultural projects

Key words:

Livelihood security,

Boundary work,

Relevance-importance-constraint analysis,

Force-field analysis (FFA),

Financial analysis