



# **ITC Limited Social Investments Programme**

## **Impact Studies Executive Summary**

<b>Theme</b>	<b>Social Forestry</b>
<b>Title</b>	Impact Assessment of ITC's Social Forestry Programme
<b>State (s)</b>	Andhra Pradesh
<b>District (s)</b>	7 mandals of West Godavari
<b>Evaluation Agency</b>	AGRIWATCH
<b>Period of Study</b>	January – March 2016

## Executive Summary

### Objective(s):

Assess if a commercially viable land-use option was promoted as a diversification strategy to hedge risks against crop failures arising from seasonal uncertainties and if the wealth generated from the programme set in motion a virtuous cycle of economic growth for farmers.

### Key Findings:

1. Project beneficiaries have achieved higher economic growth since implementation of the programme with a 77% increase in annual income. The beneficiaries have 128% higher annual income than the control farmers in the post-intervention stage.
2. Per acre earning of farmers who adopted the agro-forestry model have attained 25% higher income as compared to those adopting the block model after intervention and 18% more than the field crop.
3. Corresponding to the increase in income, the expenditure of project beneficiaries has increased 50% from pre-intervention levels and is 162% higher than the control farmers. The absolute spending of beneficiaries has increased in all the heads, especially on more capital intensive investments like agriculture inputs, equipment or livestock.
4. The programme has had a positive social impact with an increase in expenditure on education and health by 60% and 38% respectively since implementation of the programme. 42% of the respondents also stated that there has been an improvement in their social status after adopting social forestry.

### Areas for Improvement:

1. ITC needs to ensure that timely training is being provided to farmers, especially those undertaking the agro-forestry model. The training module needs to provide updated information on plantation and protection techniques of both eucalyptus trees and the agricultural crops.
2. The quality of saplings needs to be verified by ITC due to a large number of complaints that the saplings died or the crop failed in the initial stage. 19% of those interviewed complained of the same and diverted to agricultural crop production.
3. The farmers stated that the saplings are provided too early leading to crop failures because of extreme heat and water constraints. Timing of distribution of saplings needs to be changed to June-July instead of March-April, so that sowing can coincide with rains.
4. There is a huge time lag between farmers being instituted as beneficiaries and creation of Village Sangha. A timelier formation of Sangha needs to take place to enable productive discussions within farmers and solve the issues they face right at the beginning of the programme.
5. There needs to be a serious intervention by ITC at the Sangha level to ensure the creation and use of a revolving fund as per the programme design. Most of the farmers are unaware of the design of the revolving fund and its utility. The developmental concerns of the community can be addressed through this fund especially construction of latrines as demanded by the farmers.
6. Since irrigation is a major problem in this area leading to lower productivity of the crops, ITC could merge their programme with other government schemes to provide irrigation facilities.

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*In case you would like to know more on the study please write to us at: [itcmsk@itc.in](mailto:itcmsk@itc.in)*