

#### **VII.A.4. Financial Analysis of Tree Plantations on Village Commons by Tree Growers' Cooperatives: A Case Study in Gujarat**

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In India, there are vast tracts of village commons that have been almost barren for ages. These lands are most suitable for tree plantations. Realising this, a lot of investment is being made by the Government of India, international donor agencies and non-governmental organisations (NGOs) in various tree plantation projects all over India to rehabilitate the degraded private lands and village commons/public lands. In view of the scarcity of capital in the country and the possibility of replication of such plantation projects in areas not benefited by these recent developments so far, it becomes imperative to determine the financial feasibility of such projects. In this paper, an attempt has been made to assess the financial feasibility of tree plantations carried out by tree growers' cooperatives (co-ops) formed under the auspices of the National Tree Growers' Co-operative Federation (NTGCF) for rehabilitation of degraded village common lands. To determine the financial feasibility and capital value of plantations on village common lands, the project evaluation techniques and land expectation value (Le) method, respectively, were used. The case study revealed that plantations raised by the co-ops were financially viable and the co-ops had produced enough capital on village commons, which had been laying unutilized and barren until a few years ago and that co-ops had high potential as an instrument of promoting the afforestation of India's degraded village common lands. It was also, found that the financial institutions could play an important role in financing the formation of co-ops in different parts of the country having substantial chunks of village common wastelands but lacking financial resources for carrying out the plantation.