

COST BENEFIT ANALYSIS

PARAMETERS FOR EVALUATION OF LOSS OF FORESTS MOEF GUIDELINES

Table - B: Estimation of Cost of Forest Diversion

<i>S. No.</i>	<i>PARAMETERS</i>	<i>REMARKS</i>
1.	Ecosystem services losses due to proposed forest diversion	<p>Economic value of loss of eco-system services due to diversion of forests shall be the net present value (NPV) of the forest land being diverted as prescribed by the Central Government (MoEF& CC).</p> <p>Note: In case of National Parks the NPV shall be ten (10) times the normal NPV and in case of Wildlife Sanctuary the NPV shall be five (5) times the normal NPV or otherwise prescribed by the ministry or any other competent authority.</p>
2.	Loss of animal husbandry productivity including loss of fodder.	The land proposed for diversion is road/canal sides notified by Government of Gujarat as protected Forest. No activity is being /has been carried out except road side plantation therefore no loss of animal husbandry productivity including loss of fodder will take place.
3.	Cost of human resettlement	No, resettlement is involved in land proposed for diversion in Forest areas
4.	Loss of public facilities and administrative infrastructure (Roads, building, school, dispensaries electric	No loss of public facilities is involved in the proposed project

	lines, railways etc.) on forest land or which would require forest land if these facilities were diverted due to the project	
5.	Possession value of forest land diverted	30% of environmental cost (NPV) due to loss of forests or circle rate of adjoining area in the district should be added as a cost component as possession value of forestland whichever is maximum.
6.	Cost of suffering to oustees.	Not applicable
7.	Habitat Fragmentation Cost	While the relationship between fragmentation and forest goods and services is complex, for the sake of simplicity the cost due to fragmentation has been pegged at 50% of NPV applicable as a thumb rule.
8.	Compensatory afforestation and soil & moisture conservation cost	The actual cost of compensatory afforestation and soil & moisture conservation and its maintenance in future at present discounted value

PARAMETERS FOR EVALUATION OF BENEFIT,


NOTWITHSTANDING LOSS OF FOREST

Table - C: Existing guidelines for estimating benefits of forest - diversion in CBA

<i>Nature of Proposal</i>		
<i>S. No.</i>	<i>Parameters</i>	<i>Remarks</i>
1.	Increase in productively attribute to the specific project.	The proposed project will create infrastructure which will provide fully

		access controlled uninterrupted free flow of traffic under Bharatmala scheme. The project will result in fast economic growth to the region as it will connect commercial capital of India and industrial town of Gujarat from providing connectivity to the NH8E (Dwarka - Porbander) and NH8A (Ahmedabad - Gandhidham).
2.	Benefitsto economy due to the specific project	<p>The Bharat mala Highway will provide uninterrupted free flow of traffic and shall result in</p> <ol style="list-style-type: none"> 1. Saving in Travel time, Cost& Natural resources (Fuel). 2. Saving in foreign exchange due to less consumption of fuel. 3. Increase in income of truck, Bus, Taxi etc. Owners as they will be able to communicate maximum distance in short time 4. Reduction in accidents as it will provide safe travel, 5. Will act as catalyst to the industrial development
3.	No. of population benefited due to specific project	Population of Gujarat
4.	Economic benefits due to of direct and indirect employment due to the project	Direct and indirect employment will be generated during construction and operation period.
5.	Economic benefits due to Compensatory afforestation	Benefits from such compensatory forestation accruing over next 50 years monetised and discounted to the present

		<p>value should be included as benefits of compensatory afforestation.</p> <p>*For benefits of CA the guidelines of the Ministry for NPV estimation may be consulted.</p>
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