

COST BENEFIT ANALYSIS

Name of Project: - Upgradation of road from Thial to Chountra Mata KM 6TH RD 500 to KM 19TH RD 500.

Purpose:- This cost benefit analysis is being undertaken for proposed diversion of forest land (5.6 ha.) being affected due to construction of proposed road Thial to Chountra Mata Road in the Union Territory of Jammu and Kashmir.

Table A: Cases under which cost benefit analysis for forest diversion required

S.NO.	Nature of Proposal	Applicable /Not Applicable	Remark
1.	All categories of proposals involving forest land upto 20 hectares in plains upto 5 hectares in hills	Not Applicable	These proposals may be considered on a case to case basis and value judgment.
2.	Proposal for defense installation purposes and oil prospecting (prospecting only)	Not Applicable	In view of national priority accorded to these sectors, the proposals would be critically assessed to help ascertain that the utmost minimum forest land is diverted for non forest use.
3	Habitation ,establishment of industrial units, tourist lodges complex and other building construction	Not Applicable	These activities being detrimental to protection and conservation of forest, as a matter of policy, such proposals would be rarely entertained.
4.	All other proposals involving forest land more than 20 hectares in plains and more than 5 hectares in hills including roads, transmission lines, minor, medium and major irrigation project, hydro project, mining activity ,railway lines, location specific installation like micro wave station, auto repeater centers, TV tower etc.	Applicable	These are cases where a cost benefit analysis is necessary to determine when diverting the forest land to non-forest use in the overall strategic point of view and public interest.

Table B: Estimation of Cost of forest diversion

S.NO.	Parameters	Cost	REMARK
1.	Ecosystem services losses due to Proposed forest diversion	NPV of the forest land which is being diverted i.e. forest land = 5.6 ha. x 12.9285 lac = Rs 72.3996 lac Total Cost = Rs 72.3996 lac	Cost has been decided as per norms of state govt. and will be paid by user agency.
2.	Loss of animal husbandry productivity including loss of fodder	Nil Productivity of livestock will not be affected due to construction and widening of existing highway. This road is also a strategic road connecting line of control with Indo-Pak border. Therefore loss of animal husbandry productivity including loss of fodder will also be nil.	
3	Cost of human resettlement	Nil No, as are not habitat hence, there is no displacement of any oust sees in the project and therefore there would be no resettlement.	
4.	Loss of public facilities and administrative infrastructure (Road, building, school, dispensaries, electric lines, railways etc) on forest land which would require forest land if these facilities were diverted due to the project.	Nil As existing road is being widened with new construction in bypasses and tunnel with double lane specifications.	
5.	Possession value of forest land diverted.	Nil	
6.	Cost of suffering to outees.	Nil Loss of house /Habitat/Structure is NIL. hence not applicable	
7	Habitat Fragmentation cost	Nil	

S.NO.	Parameters	Cost	Remark
8.	Compensatory afforestation and soil & moisture conservation cost	Compensatory Afforestation cost 32.416 lacs (approx. 5.79 lac/ha.) Soil and moisture conservation cost included in compensatory afforestation cost.	
	Total Loss (Against the proposed forest land diversion)	Rs 104.8156 Lacs	
All proposals involving forest land more than 5 Ha. (expect for defense and building construction related cases) shall include a cost –benefit analysis, as per the format.			



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