



Government of Karnataka

(Public Works, Ports and Inland Water Transport Department)

KARNATAKA STATE HIGHWAYS IMPROVEMENT PROJECT

No: EE/KSHIP/BGM/2016-17/

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Sub: Diversion of 4.388 ha. Of Forest land for the purpose of improvement of road from Pattadakallu to Kamatagi (via Aihole) link 21F at Siddanakolla, Benakanawari, Huvinahalli and Ramthal village of Hungund Taluk, Bagalkot District reg.

BENEFIT-COST ANALYSIS:-

A benefit-cost analysis is a systematic evaluation of the economic advantages (benefits) and disadvantages (costs) of a set of investment alternatives.

The objective of a benefit-cost analysis is to translate the effects of an investment into monetary terms and to account for the fact that benefits generally accrue over a long period of time while capital costs are incurred primarily in the initial years. The primary transportation-related elements that can be monetized are travel time costs, vehicle operating costs, safety costs, ongoing maintenance costs, and remaining capital value (a combination of capital expenditure and salvage value). For some kinds of projects, such as bypasses, travel times and safety may improve, but operating costs may increase due to longer travel distances. A properly conducted benefit-cost analysis would indicate whether travel time and safety savings exceed the costs of design, construction, and the long-term increased operating costs.

Benefit-cost analyses have been used as a tool by project managers to help evaluate preliminary concepts during early planning studies, to evaluate alternatives and select a Preferred Alternative as part of project environmental documentation, and to evaluate potential design and construction staging options as part of detailed design and/or construction. A benefit-cost analysis provides monetary measure of the relative economic desirability of project alternatives, but decision-makers often weigh the results against other non-monetized effects and impacts of the project, such as environmental effects.


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