


Cost Benefit Analysis

Table-A: Cases under which a cost - Benefit analysis for forest diversion are required

S. NO	NATURE OF PROPOSAL	APPLICABLE / NOT APPLICABLE	REMARKS
1	All categories of proposals involving forest land up to 20 Ha in plane area up to 5 Ha in hills	Applicable	This proposal may be considered on a case to case basis and value judgement.
2	Proposal for defence installation purposed and oil prospecting (Prospecting only)	Not applicable	In view of national Priority accorded these sectors, the proposals would be critically assessed to help ascertain that the most minimum forest land is diverted for non forest use.
3	Habitation, Establishment of industrial units, Tourist lodges, Complex and other Building constructions	Not applicable	These activities being detrimental to protection and conservation of forest as a matter of policy such proposals would be rarely entertained.
4	The proposal involving forest land more than 20 Ha in plane and more than 5 Ha in hills including roads, Transmission lines minor medium and major projects and hydro projects mining activity, railway lines, location specific installation, like microwaves station, auto repair centres, TV towers e.t.c.,	Applicable	These are cases a cost benefit analysis is necessary to determine when diverting the forest land to non forest use in the overall public interest that is connectivity from many villages to mandal head quarter district head quarters and connects to national high way.


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Table - B: Estimation of cost of Forest Diversion

S. No	Parameters	Remarks
1	Ecosystem loses due to proposal forest diversion	Economic value of lose of Ecosystem services due to diversion of forest shall be net present value within NPV of the forest land being diverted as prescribed by the central government. (MOEF & CC)
2	Going loss of Animal husbandry productivity including loss of fodder.	To be quantified and express in monitory terms are 10% of NPV applicable whichever is maximum.
3	Cost of Human resettlement	Not applicable
4	Loss of Public facilities and administrative infrastructures (Roads, Building, Schools, Dispensaries Electrical lines, railway lines e.t.c.) on forest land which would required forest land facilities where diverted due to the project.	Not applicable
5	Possession value of forest land diverted	30% of environmental Cost (NPV) due to the loss of forests or circle rate of adjoining area in the district should be added should be cost component as possession value of forest whichever is maximum.
6	Cost of suffering to oustees	Not applicable
7	Habitat fragmentation cost	Not applicable
8	Compensatory a forestation and soil & moisture conservation cost	The actual cost of compensatory afforesting and soil & moisture conservation and its maintenance in future at present discounted value.


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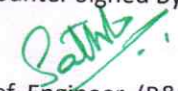
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Table- C: Existing guidelines for estimating benefits of forest - diversion in CBA

S. no	Parameters	Remarks
1	Increase in Productively attribute to the specific project	To be quantified & expressed in monetary terms avoiding double counting
2	Benefits to Economy due to the specific project	The incremental economic benefit in monitory terms due to the activities attributed to the specific project
3	No. of Population benefited due to specific project	As per detailed project report
4	Economic benefits due to of direct and indirect employment due to the project.	As per detailed project report
5	Economic benefits due to Compensatory a forestation	Benefits from such compensatory afforestation accruing over next 50 years monetised and discounted to the present value should be included as benefits of compensatory afforestation. For benefits of CA the guidelines of the Ministry for NPV estimation may be consulted

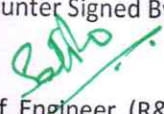

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