

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 upto 20 hectares in plains and upto 5 hectare in hills	Applicable	Proposed for laying of underground pipeline and electrical line from Iruvendi village to ITC Bhadrachalam Paper Boards Ltd, Sarapaka in Bhadradri Kothagudem District
2	Proposal for defence installation purposes and oil prospecting(prospecting only)	Not applicable	
3	Habitation, establishment of industrial units, tourist lodges, complex and other building construction	Not applicable	
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 projects, hydro projects, mining activity, railway lines, location specific installations like micro-wave stations, auto repeater centres, TV towers etc.,	Not Applicable	




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TABLE-B:**ESTIMATION OF COST OF FOREST DIVERSION**

S.No	Parameters	Remarks
1	Ecosystem services losses due to proposed forest diversion	NPV=8.03 Lakhs per Ha . 8.03* 4.2768 Ha =34.342Lakhs.
2	Loss of animal husbandry productivity, including loss of fodder	10% of NPV is applicable
3	Cost of human resettlement	Not Applicable
4	Loss of public facilities and administrative infrastructure(Roads, building, schools, dispensaries, electric lines, railways etc.,)on forest land , which would require forest land if these facilities were diverted due to the project	Doesn't Arise
5	Possession value of forest land diverted	30% of NPV is applicable
6	Cost of suffering to oustees	Not Applicable
7	Habitat Fragmentation cost	50% of NPV is applicable
8	Compensatory afforestation and soil & moisture conservation cost	The actual cost of compensatory afforestation and soil & moisture conservation and its maintenance as prepared by the State Forest Department.



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TABLE-C

ESTIMATING BENEFITS OF FOREST DIVERSION IN CBA

S.No	Parameters	Remarks
1	Increase in productively attribute to the specific project	Diverting the 17.6 MGPD of water from river Godavari to meet the requirement for the ITC Bhadrachalam Paper Boards Ltd
2	Benefits to economy due to the specific project	
3	No. of population benefited due to specific project	5000 Man days employment generation
4	Economic benefits due to of direct and indirect employment due to the project	
5	Economic benefits due to Compensatory afforestation	Due to Compensatory Afforestation, the ecological balance of the State will be reminded as it is and there will be every possibility of developing an new eco system from the funds deposited by us.



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