

Project: Diversion of 89.92 Hectare of forest land in Shankaraghatta village for establishment of Kuvempu University, Shivamogga district, Karnataka.

Proposal No : FP/KA/SCH/35132/2018

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

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	Not applicable	
2	Proposal for defense 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 forestland 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 centers, TV towers etc.	Applicable	The cost-benefit analysis report has prepared for necessary action.

Table-B: Estimation of cost of forest diversion

No.	Parameters	Remarks
1	Ecosystem services losses due to proposed forest diversion	Pursuant to the verdict of supreme court, the NPV for the lease period was calculated at normal rates instead of five times NPV for wildlife forest. Therefore the cost benefit analysis report is prepared on the basis of the NPV at normal rates. This is for information further needful. NPV of the forest land being diverted i.e 89.92 ha x Rs. 9.39 lakh = 844.34 Lakhs
2	Loss of animal husbandry productivity, including loss of folder.	Nil, There will be no loss of productivity of livestock due to establishment of project. 10% of NPV applicable i.e Rs 84.43 Lakhs.
3	Cost of human resettlement	Nil, There is no displacement of people due to the Project. Hence there would be no cost of human resettlement.

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 this Project	Nil, No loss of public facilities is taking place and no administrative infrastructure (Roads, Building, Schools, Dispensaries, Electric lines, Railways etc.) will be shattered.
5	Environment losses erosion effect on hydrological cycle, wildlife, habitation, micro climatic racting of ecological balances.	30% of Net Present Value (NPV) as per MOEFCC Guideline is Rs. 253.30 Lakhs.
6	Cost of suffering of oustees	Nil, Since there will be no displacement of peoples due to this project
7	Habitat Fragmentation Cost	50% of NPV Applicable as per MOEFCC guideline is Rs. 422.15 Lakhs.
8	Compensatory afforestation and soil & moisture conservation cost Conservation Cost @ 3 lakh/Ha.	Compensatory afforestation cost is 89.92 Ha x 3 Lac x 2 (times) = Rs. 539.52 Lakhs.
Total loss (Against the diversion of proposed Forest Land for establishment of Kuvempu University project)		Rs. 2141.74 Lakhs

Table-C: Estimation of benefits of forest-diversion

No.	Parameter s	Remarks
1	Increase in productively attribute to the specific project	Due to this project the Kuvempu University has been constructed has a non revenue project by offering higher education to the rural students of two revenue districts (Shivamogga and Chikamagalur) and also erstwhile districts of Chitradurga and Davangere. This has benefited thousands of students to pursue higher education in regular and distance mode. In addition to this so many national and international students are getting benefitted by conducting their research in various fields.
2	Benefits to economy due to the specific project	By the way of this project, the Shankaraghatta and Singanamane areas have developed in all the ways. The people residing in these area have benefitted immensely due to many new facilities like construction of good roads, banks, post office, schools, hospitals, hotels, PG'S, commercial establishments, etc.. Due to the establishment of Kuvempu University, teaching staff, non-teaching employees, security agency staff, authorized agency staff, guest faculties, technical staff have been employed in the university. The economic benefit through different admission process is estimated to be about Rs. 3806.30 Lakhs for one financial year.

3	No. of population benefited due to specific Project	Due to the establishment of Kuvempu University in addition to internal employment, nearly 15000 peoples locally have indirectly benefitted of source of livelihood by creating hotels, studio, PG's, medical shop, hospitals, schools, stationary, ration shop, vehicle hire, petrol bunk, etc..
4	Economic benefits due to of direct and indirect employment due to the Specific project.	Due to this specific project the socio economic condition of the persons to be increased. (i) At present the project has created nearly 100 permanent teaching post and more than 200 permanent non teaching posts. Apart from this temporary teaching employment to 150 Person and temporary employment (Security Agency) to 300 persons respectively for a period of 12 Months. (Casual persons, indirect support services – 1000 no.) (ii) Additional to above, during developmental operation and maintenance it will create much more temporary employment to the persons for short time. (The Economic Benefit is estimated for one financial year). The Economic Benefit is estimated to be about Rs. 4992.293 Lakhs.
5	Economic benefits due to compensatory afforestation, Cost @ 3lakh/Ha for one financial year.	Rs. 3 Lakh x 89.92 Ha = Rs. 269.76 Lakhs. Compensatory afforestation will recover loss of greenery due to trees felling involve in the project.
Total (Benefit from the project in proposed forest land for diversion)		Rs. 8078.352 Lakhs

The Cost Benefit Ratio i.e. **Project benefit : Forest loss = (3.77 : 1)**

Hence the project has high benefit to the society as compared to forest land. The benefit to loss ratio is approximately **04** times. (CBA has been calculated for one financial year)

However, the environmental loss will be reduced by stabilizing greenery within the proposed diversion land by planting more trees around the constructional sites and also by taking necessary measures as suggested by the forest authority.

This is a service oriented organization engaged in providing higher education and nation buildings. The benefits are intangible and hence, the question of cost benefit analysis does not arise.

Date: 20/06/2022

Place: Shankaraghatta


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