

ANNEXURE-8

COST BENEFIT ANALYSIS DUE TO DIVERSION OF FOREST LAND OVER 112.621 HA IN NETRABANDHA PAHAD IRON ORE BLOCK IN SUNDARGARH DISTRICT, ODISHA

AS PER MoEF&CC GUIDELINE NO.7-69/2011-FC(Pt.), DT.01.08.2017

Table-B: Estimation of cost of forest diversion

SI No.	Parameters	Amount in Lakh
1	Ecosystem services losses due to proposed forest diversion (NPV) @11.169 Lakh per ha	1257.864
2	Loss of animal husbandry productivity, including loss of fodder (10% of NPV)	125.786
3.	Cost of Human resettlement.	Nil
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.	Nil
5	Possession value of forest land diverted(30% of environmental costs (NPV) due to loss of forest or circle rate of adjoining area in the district should be added as a cost component as possession value of forest land whichever is maximum)	377.359
6	Cost of suffering to oustees.	Nil
7	Habitat Fragmentation Cost(while the relationship between fragmentation and forest goods and service is complex, for the sake of simplicity the cost due to fragmentation has been pegged at 50% of NPV applicable as a thumb rule).	628.932
8	Compensatory Afforestation & Soil Moisture Conservation and its maintenance in future at present discounted value.	443.252
	Total	2833.193 Lakh

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

SI No.	Parameters	Remarks	Amount in Lakh
1	Increase in productively attribute to the specific project.	Annual production of 2680000 TPA. Sale value of Iron @Rs.6795 per ton(-) cost of production @Rs.500/-	168706.5
2	Benefits to economy due to the specific project.	Royalty 15% of sale value:Rs.1019.25 DMF 30% of Royalty-Rs.305.78 NMET 2% of Royalty:Rs.20.39 Total: 1345.42	36057.256
3.	No. of population benefited due to specific project.	1200 person @ Rs.8000/- P.M.	1152.00
4.	Economic benefits due to of direct and indirect employment due to the projects.	Direct: 182 @Rs.20,000/-PM Indirect: 53 @10,000/- PM	500.40
5	Economic benefits due to Compensatory Afforestation	Benefits from such Compensatory Afforestation accruing over next 50 years monetized and discounted to the present value should be included as benefits of Compensatory Afforestation	3150.051
Total			209566.207

Hence Loss: Benefit Ratio

⇒ **2833.193 : 209566.207**

⇒ **1 : 73.968**

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