

COST BENEFIT ANALYSIS

Project: Diversion of(to to ascertained post survey report evaluation by RO sir)Ha of forest land for establishment of a Greenfield Institute for Higher Education (An Institute of Excellence) at Chakung, West Sikkim.

Table B - Estimation of cost of Forest diversion (As per MoEF& CC Guideline dated 1st Aug. 2017 related to Cost Benefit Analysis)

Sl. No	Parameters	Remarks
1	Ecosystem Services losses due to prosed forest diversion.	NPV of the forest land being diverted i.e. Eco class V(Dense forest) - (includes Academic and Research Campus) = (9.71246 ha X Rs. 8.45 lac) + (5.6822 ha X Rs. 8.45 lac) Total =Rs. 130.08 lacs Sub-Tropical Broad Leaved Forest in Chakung
2	Loss of animal husbandry productivity, including loss of fodder.	Productivity of livestock will not be affected due to construction of the transmission line. 10% of NPV Applicable i.e. Rs. 130.00 lacs
3	Cost of human resettlement.	Not Applicable , since there is no displacement of people due to the project hence there would be no cost of human resettlement. How much Compensation given
4	Loss of public facilities and administrative infrastructure (roads, buildings, schools, dispensaries, electric lines, railways etc.) on forest land, or which would require forest land if these facilities were diverted due to the project.	Not Applicable , since these facilities are not available inside the forest area for proposed diversion. The Institute will not be affecting any public facilities on diverted forest land.
5	Possession value of forest land diverted.	30% of Environment Cost (NPV) i.e. Rs. 39.021lacs.
6	Cost of Suffering to oustees.	Not Applicable , since there will be no displacement of people. How much Compensation given
7	Habitat Fragmentation Cost.	50% of NPV applicable as thumb rule i.e. Rs. 65.04 lacs.
8	Compensatory Afforestation and Soil & Moisture Conservation Cost.	To be prepared in part II
9	Total Loss (Against the proposed diversion calculated for 33 years	Rs. 247.14 lacs

Table C - Estimation of Benefit of Forest Diversion in Cost Benefit Analysis (As per MoEF & CC Guideline dated 1st Aug.2017 related to Cost Benefit Analysis)

- Total Area of the Institute = 25.23 ha (includes Academic and Research Campus)
- Total Forest area proposed for diversion = 15.394 ha.

Sl. No	Parameters	Remarks
1	Increase in productivity attribute to specific project	Chakung will be an Education hub catering to local and international students for Research and Development Increase in footfall leading to socio-economic upliftment while boosting the Tourism & Hospitality sector
2	Benefit to economy due to specific project	Rs. 19008 Lakhs over 33 years
3	No. of population benefited due to specific project	The establishment of the Greenfield Institute at Chakung will benefit thousands of local families in the adjoining Soreng sub division along with generation of huge job opportunities during construction & maintenance activity <ol style="list-style-type: none"> 1. Directly – 441 2. Indirectly – 1859 [population of Chakung] 3. Locality will have income opportunity in various ancillary work and other activities
4	Economic Benefit due to direct and indirect employment due to the project	<ol style="list-style-type: none"> 1. Direct employment – Rs.2838 lakhs/year 2. Indirect employment – Rs. 1115 lakhs/year 3. Total over 33 years = Rs. 130449lakhs
5	Economic benefit due to compensatory Afforestation.	To be Prepared in Part II
6	Total	Rs. 149457Lacs

C. Cost benefit ratio i.e. Project Benefit / Forest Loss = 149457 Lac /247.14 Lacs = : 604.74

Hence, the project has high benefit to the country as compare to forest loss. The benefit to loss ratio is approximate **605** times