

ANNEXURE - 5

NAME OF PROJECT:-WIDENING AND STRENGTHENING OF VALSAD-GUNDLAV-KHERGAM ROAD KM 2/0 TO 16/0 TA. VALSAD DI. VALSAD

COST BENIFIT ANALYSIS

Sr. No.	Road	Chainage	Length (m)	Width (m)	Area (Ha)
1	VALSAD GUNDLAV KHERGAM ROAD	2/000 to 6/000	4000	5.125 (on LHS)	2.05
		2/000 to 6/000	4000	5.125 (on RHS)	2.05
		6/000 to 16/000	10000	2.875 (on LHS)	2.875
		6/000 to 16/000	10000	2.875 (on RHS)	2.875
Total					9.85 Ha

Table B - Estimation of cost of forest diversion

Sr. No.	Parameter	Description
1	<p>Ecosystem services losses due to proposed forest diversion</p> <p>(Economic value of loss of eco system services due to proposed forest diversion has been taken as the "Net Present Value (NPV)" of the forest land being diverted as prescribed by the Central Govt. i.e.MoEF&CC. NPV rates taken as 4.38 lacs per Ha under Eco Class IV of Open Density Forest)</p>	<p>NPV towards 9.85 Ha of forest land works out as Rs. 43.143 Lacs(9.85 x 4.38 lacs = 43.143 Lacs)</p>
2	Loss of animal husbandry productivity, including loss of fodder	<p>There will be no loss of productivity of livestock due to construction of the road. However as per MoEF guideline same has been taken as 10% of the NPV i.e.Rs. 4.314Lacs</p>

3	Cost of human resettlement.	NIL As there is no displacement of people.
4	Loss of public facilities and administrative infrastructure	NIL No public and administrative facilities are affected.
5	Possession value of forest land diverted (Taken at 30% of NPV)	30% of NPV as per MoEF guideline is Rs. 12.943 Lacs
6	Cost of suffering to oustees	Nil As there is no displacement of people.
7	Habitat Fragmentation Cost (Taken as 50% of NPV)	50% of NPV as per MoEF guideline is Rs. 21.572 Lacs
8	Compensatory afforestation and soil conservation cost (Arrived at Rs. 2,00,000/- per Ha for double degraded area i.e. 2.708 Ha.)	Rs. 2.0 Lacs/Ha for CA and soil and moisture conservation cost = 2.0 x (9.85 x 2) = 39.4Lacs
Total Cost		Rs. 121.372 Lacs

Table C – Estimation of Benefits of forest diversion


Sr. No.	Parameter	Description
1	Increase in productivity attributed to the project	Cost of the Road is 1920 Lacs . The project would result in substantial financial and social benefits. Increase saving shall accrue in vehicle operating and travel costs. The trading of this region will get a tremendous boost.
2	Benefits to the economy to the specific project.	1920 Lacs By infusion of 1920Lacs , various sectors like manufacturing industry, manpower, engineering, transportation etc. will get benefitted. Since this figure has already been considered in Sr. no. 1, this is not added to the total benefits.
3	No. of population benefitted due to specific project	The talukas and villages near Valsad and nearby districts shall be benefitted.
4	Economic benefits due to direct and indirect	Approx 33000 man days employment


	employment due to project.	
5	Economic benefits due to compensatory afforestation	= 2.00 Lacs/Ha x (9.85 x 2) = 39.4 Lacs
Total Benefit		Rs. 1959.4Lacs

Cost Benefit Ratio = Total Environment and Forest loss : Project Benefit

Cost Benefit Ratio = Rs. 121.372Lacs : Rs. 1959.4Lacs

Cost Benefit Ratio = 1 :16.143


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