

**COST BENEFIT ANALYSIS OF DIVERSION OF FOREST LAND OVER 39.556 HACT IN  
KHORDHA 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**

Sl No	Parameters	Amount in lakh
1	Ecosystem services losses due to proposed forest diversion (NPV) @11.169 lakh per hact	441.801
2	Loss of animal husbandry productivity, including loss of fodder (10% of NPV)	44.180
3	Cost of human resettlement	Nil
4	Loss of public facilities and administrative infrastructure (Roads, buildings, 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 cost (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)	132.540
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)	220.90
8	Compensatory Afforestation & soil moisture conservation and its maintenance in future at present discounted value	214.766
	<b>Total</b>	<b>1054.187</b>

  
Chief General Manager(Evn.)  
IDCO, Bhubaneswar

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

SI No	Parameters	Amount in lakh
1	Increase in productively attribute to the specific project	97,900.000
2	Benefits to economy due to the specific project	18,05,460.40
3	No of population benefited due to specific project	11.150
4	Economic benefits due to of direct and indirect employment due to the projects	111.50
5	Economic benefits due to CA for next 50 years the estimated cost of NPV for present value is taken as benefit by Compensatory Afforestation. i.e. present value $X (1+i)^N = 214.766 \times (1+0.04)^{50}$ (i=> interest, N=> Time)=	1,531.576
		19,05,014.626

Hence Loss: Benefit ratio

➤ 1054.187 : 1905014.626

➤ 1 : 1807.093

  
 Chief General Manager(Evn.)  
 IDCO, Bhubaneswar