

COST BENEFIT ANALYSIS
Estimation of Cost of Forest Diversion

Sr. No.	Parameters	Value expressed to Monetary terms and in Detail	Remarks
1.	Ecosystem services losses due to proposed forest diversion	Rs. 3,38,59,594/-	Economic value of loss of eco-system services due to diversion of forest shall be the net present value (NPV) of the forest land being diverted as prescribed by the Central Government (MoEF & CC).
2.	Loss of animal husbandry productivity, including loss of fodder	Rs. 33,85,959/-	To be quantified and expressed in monetary terms or 10% of NPV applicable whichever is maximum
3.	Cost of human resettlement	Since no residential village/ area is getting affected, there will be no cost of human resettlement.	To be quantified and expressed in monetary terms as per approved R&R plan
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.	Since no public facilities and administrative infrastructure (Roads, building, schools, dispensaries, electric lines, railways, etc.) on forest land, being diverted due to the project, there will be no such loss.	To be quantified and expressed in monetary terms on actual cost basis at the time of diversion
5.	Possession value of forest land diverted	30% of environmental costs (NPV) due to loss of forests i.e. Rs. 1,01,57,878/-	30% of environmental costs (NPV) due to loss of forests or circle rate of adjoining area in the district should be added as a cost component as possessor value of forest land whichever is maximum
6.	Cost of suffering to outsiders	Nil	The social cost of rehabilitation of oustees (in addition to the cost likely to be incurred in providing residence, occupation and social services as per R&R plan) be worked out as 1.5 times of what oustees should have earned in two years had he not been shifted.
7.	Habitat Fragmentation Cost	Rs. 1,69,29,797/-	While the relationship between fragmentation and forest goods and services in complex, for the sake of

			simplicity the cost due to fragmentation has been pegged at 50% of NPV applicable as a thumb rule.
8.	Compensatory afforestation and soil & moisture conservation cost	Rs. 1,21,26,276/-	The actual cost of compensatory afforestation and soil & moisture conservation and its maintenance in future at present discounted value

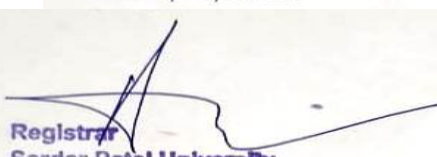


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Table: C

Estimating Benefits of Forest Diversion in Cost Benefit Analysis

Sr. No.	Parameters	Value expressed in monetary terms	Remarks
1.	Increase in Productivity attribute to the specific project	Growth of local business by almost Rs. 25,00,00,000.00 (Twenty Five Crore Only) (Approx.)	To be quantified & expressed in monetary terms
2.	Benefits to economy due to the specific project.	The economic benefit in monetary terms due to the activities attributed to the specific project will be Rs. 25, 00.00 Lakhs (Twenty Five Crore Only). (Approx.)	The incremental economic benefit in monetary terms due to the activities attributed to the specific project.
3.	No. of population benefited due to specific project.	About 11,48,148 man days job will be generated by the construction of the project, which will be paid with average salary of Rs. 675/- per day. That means around Rs. 7750/- Lakhs will be paid as salaries to the workers.	As per the Detailed Project Report
4.	Economic benefits due to direct and indirect employment due to the project.	Directly:- 1,50,000 Indirectly:- 9,98,148	As per the Detailed Project Report
5.	Economic benefits due to Compensatory Afforestation	Economic benefits due to Compensatory Afforestation includes Benefits due to animal husbandry productivity including fodder and fuel wood , Ecosystem services Benefits due to proposed forest diversion, Possession value of forest land diverted will be Rs. 1,21,26,276/-	


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