

COST BENEFIT ANALYSIS

Project Name: Construction of Additional High Altitude Hill Road to Indo China Border from Toong-Partem-PT4865 in the State of Sikkim under Phase - II

Purpose: This cost benefit analysis is being undertaken for proposed diversion of Forest Land (**141.124 Ha.**) being affected due to Construction of Proposed road Toong-Partem-PT4865 Road in the State of Sikkim.

Table A: Existing Cases under which cost benefit analysis for forest diversion Required

S. No	Nature of Proposal	Applicable / Not Applicable	Remark
1	All categories of proposals involving forest land up to 20 hectares in plains up to 5 hectares in hills	Not Applicable	These proposals may be considered on a case to case basis and value judgment
2	Proposal for defense installation purposes and oil prospecting (prospecting only)	Not Applicable	In view of National priority accorded to these sectors, the proposals would be critically assessed to help ascertain that the utmost minimum forest land is diverted for non forest use.
3	Habitation, establishment of industrial units, tourist lodges complex and other building construction	Not Applicable	These activities being detrimental to protection and conservation of forest, as a matter of policy, such proposals would be rarely entertained.
4	All other proposals involving forestland more than 20 hectares in plains and more than 5 hectares in hills including roads, transmission lines, minor, medium and major irrigation project, hydro project, mining activity, railway lines, location specific installation like micro wave station, auto repeater centers, TV tower etc.	Applicable	These are cases where a cost benefit analysis is necessary to determine when diverting the forest land to non-forest use in the overall public interest

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Table B : Estimation of cost of forest diversion

Sl. No	Parameters	Cost	Remark
1	Ecosystem services losses due to proposed forest diversion	As there is no habitat and 5,88,35,768 trees present along the project area in forest land therefore NPV will be as per Ministry of Environment's letter no-5/3-20009-FC dated 05.2.2009 .	Cost will be decided as per norms of state govt. and will be paid by user agency.
2	Loss of animal husbandry productivity including loss of fodder	Not applicable	
3	Cost of resettlement human	Not applicable	
4	Loss of public facilities and administrative infrastructure (Road, building, school, dispensaries, electric lines, railways, etc) on forest land which would require forest land if these facilities were diverted due to the project.	Not applicable	
5	Possession value of forest land diverted	Not applicable	
6	Cost of suffering to trees	Not applicable	
7	Habitat Fragmentation cost	Not applicable	
8	Compensatory afforestation and soil & moisture conservation cost	To be decided by Govt. and cost will be paid by user agency.	

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Table C: Existing Guidelines for estimating benefits of Forest Diversion

S. N	Parameters	Description
1	Increase in productivity attributable to the specific project	As it is ITBP Project for defense purpose, there is no benefit to economy & population.
2	No. of population benefited	1287 Nos.(Three Villages)
3	Employment potent	1200
4	Cost of acquisition facility on non- forest land wherever feasible	Not applicable
5	Loss of (a) Agriculture & (b) Animal Nil as per above description Husbandry production due to diversion of forest land.	Not applicable
6	Cost of rehabilitating the displaced persons different from compensatory amounts given for displacement.	Not applicable
7	Cost of supply of free fuel wood to workers residing in or near forest area during the period of construction.	Not applicable


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