

using plywood boats, and 27.5 per cent reported the reduced use in the number of catamarans for fishing after *Tsunami*. Catamarans were widely used before *Tsunami*. Also, after *Tsunami* the fishers report that many species are not commonly seen as before and so they are not using some gears with a specific mesh size which were more used before *Tsunami*. They have been provided small boats by NGOs/Governments at subsidized rates. Due to this, the change in the use of crafts was reported. Fishers of Nagapattinam as well as Kerala reported that there was no change in trip schedule or duration after *Tsunami*. The social impact was positive on certain parameters like involvement in community activities, education of girl child, community spirit, usage of service providers, confidence and skill building, awareness of self and family's health, hygiene and sanitation and preparedness to face disaster. But it was reported that income from fisheries and agriculture decreased in Tamil Nadu. But it was reported to be better in Kerala as the prices of the fish too had increased. Fishers reported that they were taking more credit due to the losses they had suffered but attitude towards savings had improved.

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CHAPTER-28 FINANCIAL AND ECONOMIC EVALUATION OF FISHERIES PROJECT

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Introduction:

Financial aspects deal with the revenue earning consideration of a project. In financial analysis, particular emphasis is placed on the

ability of the project to meet all operating costs and also to earn an adequate return on the funds invested.

Economic analysis on the other hand takes a broader view. It does not limit itself to the investing donor agency, but extends its purview to include the country or region as a whole. It concentrates on determining the projects contribution to the development of the economy as a whole and justifying the use of scarce resources.

Another aspect of economic analysis is the evaluation of secondary costs and benefits, which are those benefits and costs not directly associated with the project.

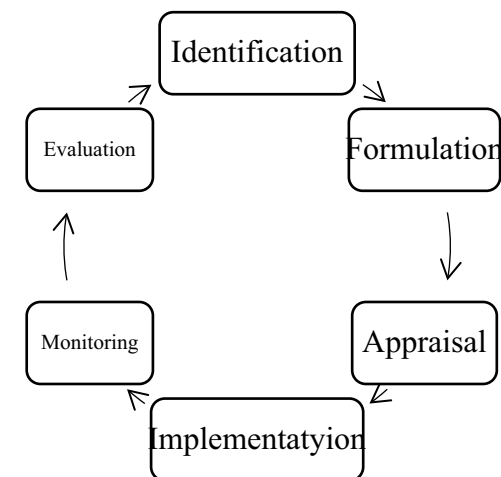
Economic and financial analysis, however, supplement each other.

Project:

Project is an investment activity in which financial resources are expended to create capital assets that produce benefits over an extended period of time. It is an activity to meet the creation of a unique product or service and thus activities that are undertaken to accomplish routine activities cannot be considered projects. Fisheries project is not only for its development or planning, it is also for Identification of national fisheries development objectives, selecting priority areas for investment, designing effective price policies and mobilizing the resources. Thus, a project is an operational element implemented in national plan as a part of development.

Project Cycle:

International development agencies use the World Bank methodology [Baum, 1982] which comprises in six stages in a project which is called project cycle. It is a method pf planning, coordinating, organizing and controlling a project efficiency and effectively.



Financial and economic analysis of projects:

In case of project analysis, it is very essential to understand the following terms:

Marginal value product: The marginal value product is the extra revenue that comes from increasing the quantity of input used by one unit, all other quantities remaining constant.

Opportunity cost: In simple language, the opportunity cost is the return that can be from a resource when it is used in its next best alternative.