

**Report No. 146090-LK**

**THE INSPECTION PANEL**

**REPORT AND RECOMMENDATION  
ON A REQUEST FOR INSPECTION**

**DEMOCRATIC SOCIALIST  
REPUBLIC OF SRI LANKA  
ECOSYSTEM CONSERVATION AND  
MANAGEMENT PROJECT**

**FEBRUARY 14, 2020**



**THE WORLD BANK**  
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**The Inspection Panel  
Report and Recommendation on a  
Request for Inspection**

**Sri Lanka: Ecosystem Conservation and Management Project (P156021)**

**A. Introduction**

1. The Inspection Panel received a Request for Inspection of the Sri Lanka: Ecosystem Conservation and Management Project (the “Project” or ESCAMP) on October 21, 2019. The Request was submitted by two individuals (“the Requesters”) from Sri Lanka. The Requesters have also attached a representation of 106 community members from the Sinharaja Forest Reserve area along with their signatures. The Requesters have asked the Panel to keep their identities confidential.

2. The Requesters claim that the World Bank-financed ESCAMP is causing harm to community livelihoods and the natural environment through road construction activities in the Sinharaja Forest Reserve, <sup>1</sup> a World Biosphere Reserve (1978) and UNESCO World Heritage Site (1988). <sup>2</sup> The Requesters raise concern about the adverse impact of the road construction on several endemic species of fauna and flora, as well as on local livelihoods. They also claim a lack of consultation and disclosure of information.

3. The Panel registered the case on December 9, 2019, and Management submitted its Response to the Request on January 15, 2020. The Panel conducted its eligibility visit to Sri Lanka from January 27-30, 2020.

4. The road construction activities referred to by the Requesters were originally carried out by the Sri Lankan Forest Department at the end of 2018, beyond the scope of the formally approved Project activities. In January 2019, the World Bank Country Office was made aware of weaknesses associated with the maintenance activities on an access road (Kudawa access road) in the buffer zone of the Sinharaja Forest Reserve. The Kudawa access road sub-project was subsequently approved for inclusion under the ESCAMP in April 2019 to ensure that the maintenance activities being carried out on the road meet the World Bank’s safeguard policies.

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<sup>1</sup> Sinharaja Forest Reserve is a forest reserve and a biodiversity hotspot in Sri Lanka. It is of international significance and has been designated a World Biosphere Reserve and World Heritage Site by UNESCO. According to the International Union for Conservation of Nature (IUCN), Sinharaja is the country's last viable area of primary tropical rainforest. More than 60 percent of the trees are endemic and many of them are considered rare. The hilly virgin rainforest, part of the Sri Lanka lowland rain forests ecoregion, was saved from the worst of commercial logging by its inaccessibility, and was designated a World Biosphere Reserve in 1978 and a World Heritage Site in 1988. The reserve's name translates as Lion Kingdom. The reserve is only 21 km (13 mi) from east to west, and a maximum of 7 km (4.3 mi) from north to south, but it is home to many endemic species, including trees, insects, amphibians, reptiles, birds and mammals.

<sup>2</sup> UNESCO Heritage List - <http://whc.unesco.org/en/list/405>

5. In accordance with the Resolution establishing the Panel,<sup>3</sup> the purpose of this report is to make a recommendation to the Board as to whether an investigation into the matters alleged in the Request is warranted. Although the Requesters and the Request meet the technical eligibility criteria, based on its assessment of other factors in the Panel's Resolution and Operating Procedures, as discussed in detail below, the Panel is not recommending an investigation.

## **B. Description of the Project**

6. The Ecosystem Conservation and Management Project (P156021) was approved by the World Bank's Board of Executive Directors on April 25, 2016. The Project is being financed by an International Development Association Credit in an amount of US\$45 million equivalent. The closing date of the Project is June 30, 2021. At the time of the receipt of the Request, total Project disbursement was at 29.13 percent.

7. The Project's development objective is to *improve the management of ecosystems in selected locations in Sri Lanka for conservation and community benefits*.<sup>4</sup> The environmental category for the Project is B. The Project has triggered the following safeguard policies: Environmental Assessment (OP/BP 4.0); Natural Habitats (OP/BP 4.04); Forests (OP/BP 4.36); Pest Management (OP 4.09); Physical Cultural Resources (OP/BP 4.11); Indigenous Peoples (OP/BP 4.10); and Involuntary Resettlement (OP/BP 4.12).

8. The Project comprises four components: component 1: pilot landscape planning and management; component 2: sustainable use of natural resources and human-elephant co-existing; component 3: protected area management and institutional capacity; and component 4: Project management.

9. The Request pertains to Component 3 of the Project. This component supports interventions in protected areas in compliance with the Sri Lanka Fauna and Flora Protection Ordinance and the Forest Ordinance, nature-based tourism development and strengthens the institutional capacity and investment capability for conservation and management.

10. The Forest Department has selected the Sinharaja Forest Reserve as one of the protected areas under Component 3 of the Project to help enhance and improve the management and conservation efforts of the Sinharaja Forest Reserve through low-impact, nature-based tourism and related activities.<sup>5</sup> Sub-component 3(a) includes activities to rehabilitate and expand the road network within protected areas to reduce tourism pressures and improve patrolling. Sub-component 3(b) aims at enhancing the quality of nature-based tourism through the planning of nature-based tourism and visitor services in protected areas through, among other things, the development and renovation of visitor services infrastructure.

## **C. Summary of the Request**

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<sup>3</sup> International Development Association (Resolution No. IDA 93-6), The World Bank Inspection Panel, September 22, 1993, para 19. Available at:

<http://siteresources.worldbank.org/EXTINSPECTIONPANEL/Resources/ResolutionMarch2005.pdf>.

<sup>4</sup> Project Appraisal Document April 1, 2016, para 15.

<sup>5</sup> Project Appraisal Document April 1, 2016, para 34.



11. The section below summarizes the substantive issues raised in the Request, and the full Request is attached to this report as Annex 1.

12. **Construction of roadworks.** The Requesters claim that the Kudawa access road, which is the subject of the Request, was both ineffectively planned by local government policy makers, as well as by non-governmental organizations (NGOs). The Requesters claim that the road construction, which commenced on December 20, 2018, is illegal and that “*it did not concern(sic) any environment ethics.*”<sup>6</sup> They further allege that the road has been significantly widened and in some places is 20 feet wide, rather than the original eight feet width.<sup>7</sup> The Requesters allege that before the start of the Project they had asked the authorities to conduct an environmental impact assessment, but were told that, “*it is unnecessary work.*”<sup>8</sup>

13. **Environmental Impact.** The Requesters claim adverse impact of the road construction on several endemic species of fauna and flora as noted below.

14. *Road construction ecosystem impact.* The Requesters allege that the construction of roads or jungle trails inside a sensitive forest can cause severe environmental impacts including, road surface erosion and sediment yield, pollution and obstruction of natural waterways, slope failures and mass movement, conversion of the original land cover into an artificial surface, fragmentation of an ecosystem into smaller and more isolated patches and loss of habitat.<sup>9</sup> In particular, the Requesters claim that the construction of the Kudawa access road has destroyed the biodiversity that was previously present in this area.

15. *Impact on Animals.* The Requesters express concern over the adverse impact of the civil works on several endemic species of fauna and flora. In particular, on birds, reptiles, small animals that have to cross the access road and species of plants.

16. *Clearing of trees.* The Requesters state that many trees and plants that serve as micro and macro habitats of several species in the area have been cut down during the construction of the road.<sup>10</sup>

17. *Concreting of water streams and impact on fish.* The Requesters claim that during the construction of the road, the creation of a drain system led to some water streams close to the road becoming concreted, with a resultant impact on endemic fish species.<sup>11</sup>

18. **Consultation and disclosure of information.** Furthermore, the Requesters allege a lack of consultation regarding the road construction when it first started in December 2018, and that relevant road construction documentation was not disclosed prior to the construction.

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<sup>6</sup> Request for Inspection, October 21, 2019.

<sup>7</sup> Request for Inspection, October 21, 2019.

<sup>8</sup> Request for Inspection, October 21, 2019.

<sup>9</sup> Request for Inspection, October 21, 2019.

<sup>10</sup> Request for Inspection, October 21, 2019.

<sup>11</sup> Request for Inspection, October 21, 2019.

19. **Impact on Livelihoods.** The Requesters claim that road construction in the sensitive habitat of the Sinharaja Forest Reserve will lead to an impact on the ecosystem services that the reserve provides. According to them, this will not only have an impact on the local communities surrounding the forest, but all of Sri Lanka, and will also adversely affect livelihoods.

20. **Increased human activities.** The Requesters claim that the road construction is having an impact on the natural heritage in the buffer zone of a World Heritage Site, the Sinharaja Forest Reserve. In addition, the Requesters claim that road construction of the Kudawa access road at the Kuduwa entrance to the reserve is just the beginning of a bigger road that will cut through the reserve to the Pitadeniya entrance. This, they believe, will lead to the proliferation of human activities along the paths, introduce invasive plants, and encourage biopiracy. They allege that abusive exploitation will lead to profound and lasting detrimental effects on the reserve's sensitive ecosystem.<sup>12</sup>

#### **D. Summary of the Management Response**

21. The Management Response is summarized below, and the full Response is attached to this Report as Annex 2.

22. Management explains that the adverse impact that is alleged in the Request pertains to civil works that were not included in the Project, predate Management's involvement and were therefore not reviewed or authorized by Management. The Management Response states that it therefore considers the impact to be a legacy issue that the Project is now helping address. The Kudawa access road was not initially an agreed sub-project under the Project. It was not included in the Nature-Based Tourism Assessment and Plan for the Reserve, the environmental and social screening conducted by the Forest Department, the Environmental and Social Management Plan (ESMP) or the procurement plan, which were reviewed and cleared by Management. The Response states that the Government erroneously assumed the Kudawa access road to be part of the World Bank Project and started the works without Management review and clearance. It also explains that Management was not aware of a request for an impact assessment prior to the commencement of works. However, the Response states that as soon as the road became part of the Project, the full scope of applicable World Bank policies and procedures came into force.<sup>13</sup>

23. The Response further explains that concern about conservation of the Sinharaja Forest Reserve led the Management to include the Kudawa access road in the Project. The Response explains that this was done in order to support the Government in addressing the issues that had arisen from the civil works to rehabilitate the access road undertaken prior to Management's involvement.<sup>14</sup>

24. **Construction of roadworks.** The Management Response states that the Kudawa access road is in the buffer zone, and along the boundary of the Sinharaja Forest Reserve between the ticketing office and main entrance, that it is already in existence, and that it is being rehabilitated

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<sup>12</sup> Request for Inspection, October 21, 2019.

<sup>13</sup> Management Response, January 14, 2020, p. 19.

<sup>14</sup> Management Response, January 14, 2020, p. 9.

and not newly constructed.<sup>15</sup> It further explains that rehabilitation and maintenance of this access road is legally permissible according to existing national legislation (the Forest Ordinance and the National Environment Act). The Management Response states that Management learned of the works shortly after they began, and requested the Government on February 19, 2019, in writing, to stop them, which it did in April 2019. Subsequent discussions led to the incorporation of the access road into the Project, as well as the application of relevant World Bank policies and an agreement on a set of actions.<sup>16</sup>

25. As to claims of the width of the road, the Response indicates that earlier maintenance works by the Forest Department, before Management's involvement, reduced the width of the access road to 13 feet from 20 feet. The sections that are yet to be rehabilitated will be limited to a width of eight feet.

26. **Environmental Impact.** The Management Response states that the rehabilitation work is not expected to cause any significant environmental impact.

27. *Road construction ecosystem impact.* Management states that there was no new construction, only rehabilitation and maintenance of the existing access road to address safety concerns and prevent further erosion. It further explains that there will be no change to the usage of the access road, which will continue to be governed by the Forest Ordinance and related protected area management plan.<sup>17</sup>

28. *Impact on Animals.* The Management Response states that Management recommended design improvements for the access road – specifically retrofitting measures that would ensure that the road does not create a barrier for small animal movement – that have been considered in the review of the design for the road by the Project Management Unit (PMU). This specifically relates to the modification of the drainage works.<sup>18</sup>

29. *Clearing of trees.* Management states that clearing-related activities involved removal of some vegetation, mostly invasive species, and dead trees that had naturally fallen on the road. The majority of other vegetation that was removed consisted of previously established invasive species that occupied the forest as a result of previous logging practices and nearby pine plantations.<sup>19</sup>

30. *Concreting of water streams and impact on fish.* The Management Response states that Management's assessment of the works done prior to Management's involvement, indicate that no water streams had been concreted. The only concrete works that have been carried out are the lining of existing roadside drains. Management further explains that the design of these drains is not appropriate, and hence is being reviewed for modifications to ensure that they do not create a barrier for small animal movement. The Response also states that the drains (whether lined or not)

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<sup>15</sup> Management Response, January 14, 2020, p.10.

<sup>16</sup> Management Response, January 14, 2020, p. v.

<sup>17</sup> Management Response, January 14, 2020, p16.

<sup>18</sup> Management Response, January 14, 2020, p.18.

<sup>19</sup> Management Response, January 14, 2020, p.18.

carry flowing water only during rainy weather, and do not form permanent pools in which fish can live.<sup>20</sup>

31. **Consultation and disclosure of information.** Management states that the Forest Department did not conduct appropriate community consultations for the access road rehabilitation prior to the Management's involvement. However, consultations with interested Community Support Organizations were carried out after the rehabilitation works had begun, and after the Management agreed to include this access road in the Project.<sup>21</sup>

32. **Impact on Livelihoods.** The Management Response notes that it is not aware of any impact on local livelihoods. It states that the only villagers whose livelihoods directly depend on the Reserve are forest guides recruited by the Forest Department to lead tours inside the reserve, and that Management has not been made aware of any concerns from such guides arising from the rehabilitation work, except as regards the design.<sup>22</sup>

33. **Increased human activities.** Management notes that the Kudawa access road rehabilitation is very unlikely to increase human activities beyond the already existing visitor numbers and use by residents of the nearby village. Moreover, there will be no change to the usage of the access road and Management is not aware of any incidents of biopiracy.<sup>23</sup>

#### **E. Panel Review of the Request and the Management Response, and Eligibility Visit**

34. Panel Chair Imrana Jalal, Panel Member Mark Goldsmith and Senior Operations Officer Reinett Erkan visited Sri Lanka from January 27 to 30, 2020. The Panel team held meetings in Colombo and visited the Project site at the Kudawa entrance of the Sinharaja Forest Reserve. During its visit, the Panel team met with the Requesters and other Project-affected people, staff in the World Bank's Country Office, officials from the Ministry of Environment and Wildlife Resources, the Sri Lanka Forest Department, the PMU and the Sri Lanka office for the International Union for Conservation of Nature (IUCN).

35. The Panel expresses its appreciation to all those mentioned above for providing valuable information and for sharing their views. Particular thanks go to the World Bank Country Office staff in Sri Lanka for its invaluable assistance with logistical arrangements, as well as the PMU and the Requesters for sharing detailed information and providing their support during the Panel's visit.

36. The Panel's review is based on information presented in the Request, the Management Response, other documentary evidence, and information gathered through conversations with different stakeholders before, during and following the Panel's visit to Sri Lanka. The following review covers the Panel's determination of the technical eligibility of the Request according to the criteria set forth in the 1999 Clarification (subsection E.1), observations on other factors

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<sup>20</sup> Management Response, January 14, 2020, p. 18-19.

<sup>21</sup> Management Response, January 14, 2020, p. 15.

<sup>22</sup> Management Response, January 14, 2020, p.15.

<sup>23</sup> Management Response, January 14, 2020, p.16-17.

(subsection E.2), and the Panel's review (subsection E.3) supporting the Panel's recommendation.<sup>24</sup>

## E.1. Determination of Technical Eligibility

37. The Panel is satisfied that the Request meet all six technical eligibility criteria of paragraph 9 of the 1999 Clarifications. The Panel notes that its confirmation of technical eligibility, which is a set of verifiable facts focusing to a large extent on the content of the Request as articulated by the Requesters, does not involve the Panel's assessment of the substance of the claims made in the Request.

- Criterion (a): *"The affected party consists of any two or more persons with common interests or concerns and who are in the borrower's territory."* The Request for Inspection is signed by two people along with a representation from 106 community members from the Sinharaja Forest Area in Sri Lanka. The Panel met the Requesters during its visit and considers this criterion met.
- Criterion (b): *"The Request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the Requester."* The Requesters claim that the road construction activities in the Sinharaja Forest Reserve have led to harms to the natural environment (impact to several endemic species of fauna and flora) as well as community livelihood harms. They also claim harm due to the lack of consultation and disclosure of Project information. The Panel is thus satisfied that this criterion is met.
- Criterion (c): *"The Request does assert that its subject matter has been brought to Management's attention and that, in the Requester's view, Management has failed to respond adequately demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures."* The Panel has verified that the Requesters wrote to Bank Management on July 3, 2019. The Requesters state that they received no response from the World Bank Sri Lanka office.<sup>25</sup> The Panel is satisfied that this criterion is met.
- Criterion (d): *"The matter is not related to procurement."* The Requesters concerns of alleged harm are not related to issues of procurement, fraud or corruption and thus this criterion is met.
- Criterion (e): *"The related loan has not been closed or substantially disbursed."* At the time of receipt of the Request, the disbursement rate was 29.13 percent (US\$13.08 million equivalent) . Therefore, this criterion is met.
- Criterion (f): *"The Panel has not previously made a recommendation on the subject matter or, if it has, that the Request does assert that there is new evidence or circumstances not known at*

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<sup>24</sup> "1999 Clarification of the Board's Second Review of the Inspection Panel", April 1999 ("the 1999 Clarifications") available at

<http://siteresources.worldbank.org/EXTINSPECTIONPANEL/Resources/1999ClarificationoftheBoard.pdf>.

<sup>25</sup> Request for Inspection, October 21, 2019; GRS Case No. CAS-00695-F5R8W6 is also related to this Project.

*the time of the prior Request.*” The Panel has not made a recommendation on the issues raised in this Request, and thus this criterion is met.

## **E.2. Panel Observations Relevant to its Recommendation**

38. In making its recommendation to the Board and in line with its Operating Procedures, the Panel considers the following: whether there is a plausible causal link between the harm alleged in the Request and the project; whether the alleged harm and possible non-compliance by Management with its operational policies and procedures may be of a serious character; and whether Management has dealt appropriately with the issues, or has acknowledged non-compliance and presented a statement of remedial actions that address the concerns of the Requesters. Below, the Panel records its preliminary observations on the alleged harm and compliance, noting that in doing so, it is not making any definitive assessment of Management’s compliance with its policies and procedures and any adverse material effect this may have caused.

39. In its review the Panel notes that the Sinharaja Forest Reserve in Sri Lanka is of international significance and is designated as a Biosphere Reserve and World Heritage Site. Located in southwest Sri Lanka, Sinharaja is the country’s last viable area of primary tropical rainforest. More than 60 percent of the trees are endemic and many of them are considered rare. Many birds are endemic, but the reserve is also home to over 50 percent of Sri Lanka’s endemic species of mammals and butterflies, as well as to many kinds of insects, reptiles and rare amphibians.<sup>26</sup> This reserve covers approximately 11.187 hectares with a length of 21 kilometers (km) from east to west. A number of threatened, endangered and rare species are found within the reserve including: leopards (*Panthera pardus*), Indian elephants (*Elephas maxiumus*), endemic purple-faced Langurs (*Presbytis senex*), Sri Lanka wood pigeons (*Columba torringtoni*), green-billed Coucals (*Centropus chlororrhynchus*), Sri Lanka white-headed starlings (*Sturnus senex*), Sri Lanka blue magpies (*Cissa ornate*), ashy-headed babblers (*Garrulax cinereifrons*) and Sri Lanka broad-billed rollers (*Eurystomus orientalis irisi*).<sup>27</sup>

40. The Panel notes that according to the Operational Guidelines for the Implementation of the World Heritage Convention<sup>28</sup>, World Heritage properties should ensure that their Outstanding Universal Value, including the conditions of integrity and/or authenticity at the time of inscription, are sustained or enhanced over time. In addition, the guidelines indicate that a buffer zone is an area surrounding the nominated property that has complementary legal and/or customary restrictions placed on its use and development in order to provide an added layer of protection to the property. This should include the immediate setting of the nominated property, important views and other areas or attributes that are functionally important as a support to the property and its protection.

41. The Panel also notes that the *Kudawa* access road, which is the subject of the Request, is one of the three existing access roads to the Sinharaja Forest Reserve. It is 1.6 km long and runs in the buffer zone and along the boundary of the reserve, connecting the Kudawa ticketing counter

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<sup>26</sup> <https://whc.unesco.org/en/list/405>

<sup>27</sup> <https://whc.unesco.org/en/list/405>

<sup>28</sup> World Heritage Centre, Operational Guidelines for the Implementation of the World Heritage Convention, 2019, para 104

to the reserve's main entrance. The Panel also understands that the Kudawa access road was not part of the agreed activities under ESCAMP, when the initial rehabilitation works took place in late 2018-April 2019.

42. **Construction of roadworks.** The Requesters, state that the rehabilitation of the Kudawa access road was planned under the Project. They believe that the road construction was implemented without the proper impact assessment, considering that it is a protected area. The Requesters further allege that the fauna and flora in the Sinharaja Forest Reserve are not restricted to only the core of the reserve but are also present within the buffer zones. Therefore, any construction or rehabilitation needs to take this into consideration when planning interventions, by doing an impact assessment first. The Requesters also claim that they were informed by the forest authorities that conducting an impact assessment is “*unnecessary work*.”<sup>29</sup>

43. The Management Response states that the Forest Department undertook rehabilitation activities on this access road beginning in December 2018. Management further states that the road rehabilitation, however, was not part of the agreed activities under the Project, and the associated works were therefore neither reviewed nor authorized by Management. The Response states that the Forest Department erroneously considered the access road to be part of the Project and used Project funds.<sup>30</sup> Management informed the Panel that Management learned of the works in January 2019 shortly after they began and asked the Government on February 19, 2019, in writing to stop the works, which the Government did in April 2019. The Panel understands that no further work on the road has taken place, aside from some temporary slope stabilization and soil erosion control measures. Management informed the Panel that subsequent discussions led to the incorporation of the rehabilitation of the access road among Project activities, the application of relevant World Bank policies and an agreement on a set of actions. These include: (i) undertaking appropriate consultations with the affected community and Community Support Organizations; (ii) reviewing and enhancing the road rehabilitation design; (iii) engaging national and international expertise to obtain guidance, including from the International Union for Conservation of Nature (IUCN) and the national Man and the Biosphere Committee of UNESCO; and (iv) intensifying safeguard support and capacity enhancement. Management also indicated to the Panel that unless the set of actions were agreed to, Management would consider suspension of the entire Project.

44. Management states that since the Kudawa access road was last repaired in 2014, it has suffered heavy erosion, resulting in deep gullies, uneven surfaces and partial blockage by a landslide. The bad road conditions during the rainy season encouraged visitors to use a temporary alternative path through a difficult terrain, which is accident-prone and risky. The Management Response also states that as no forest clearance was involved, the Kudawa road rehabilitation and maintenance works are legally permissible according to existing national legislation (the Forest Ordinance and the National Environment Act). However, since the access road became part of the World Bank-supported Project, the corresponding assessments and consultations have been started, as required by World Bank policy.

45. The Panel heard from representatives of the Ministry of Wildlife and Natural Resources that this road was used to transport timber during the timber extraction of the Sinharaja in 1970s

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<sup>29</sup> Request for Inspection, October 21, 2019.

<sup>30</sup> Management Response, January 14, 2020, p. v.

and that it was roughly 15-20 feet wide. After timber extraction in Sinharaja was banned in 1978, the Forest Department used this road as the trail from Doranaella to Wathurawa for visitors. However, after relocating the ticket counter to Dorana Ella, this road was used as an access trail to Sinharaja Forest Reserve and is maintained with Government funds. Government authorities told the Panel that activities in the Sinharaja Forest Reserve are implemented based on the provisions and norms as required by UNESCO World Heritage Sites, UNESCO National Heritage Wilderness Areas and UNESCO Man and the Biosphere Reserves. and is managed under a management plan prepared by the Forest Department.

46. The Ministry told the Panel that in 2004, the road was rehabilitated with funds from the Asian Development Bank under the Forest Resources Management Project. At this time, the road was rebuilt to include a bridge and four culverts and was paved with concrete and stone in severely damaged places. The Panel understands that since 2004 no major renovation has been undertaken due to financial constraints and, as a result, the road was severely damaged and continued to deteriorate due to heavy rains and landslides. IUCN notes that “[d]ue to the poor maintenance of the road, heavy usage by visitors and heavy rain induced erosion, the road degraded over time to a state that it was not suitable for safe walking.”<sup>31</sup> The Ministry informed the Panel these activities would benefit access for visitors (including the disabled and older people, large groups of school children and researchers), and facilitate emergency access. The PMU informed the Panel that rehabilitation works began in December 2018, and included the rehabilitation of four culverts, 800 meters of pavement rehabilitation, and about 1 km of drainage channel. These works also reduced the width of the road from the original 20 feet to 13 feet.

47. In its review of the Project documents and as noted in the Management Response, the Panel observes that Project activities under Component 3 did not originally include the Kudawa access road.<sup>32</sup> The Panel also understands that after the Kudawa access road became part of the Project on April 4, 2019, the Project Environmental Assessment and Management Framework became applicable to all works. This requires that all activities within a protected area should be undertaken with adequate measures to reduce disturbance to the ecosystem.<sup>33</sup> In regard to road rehabilitation, the Panel notes that the Environmental Assessment and Management Framework also states that while new roads within protected areas will need a thorough assessment such as an Environmental Impact Assessment or Initial Environmental Examination, an EMP would suffice for rehabilitation of existing roads.<sup>34</sup> The Panel notes that since the sub-project has been included under ESCAMP applying the World Bank’s safeguard policies, a revised ESMP was developed as well as corrective measures on the Kudawa access road, for the remainder of the rehabilitation .

48. **Environmental Impact.** The Requesters claim that the construction of the road has led to environmental impact related to ecosystem servicing as well as to impact on fauna and flora. These matters are discussed below.

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<sup>31</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p.1.

<sup>32</sup> Sri-Lanka-SOUTH-ASIA-P156021-ECAMP Procurement Plan

<sup>33</sup> ESCAMP Environmental Assessment and Management Framework, p. 31.

<sup>34</sup> ESCAMP Environmental Assessment and Management Framework, p. 31.



49. *Road construction ecosystem impact.* The Requesters claim that the works were unnecessarily heavy handed and that it was not essential to use earth-moving equipment in a forest reserve. In their view, the contractor did not have any experience of working in a protected area and thus used traditional road construction methods. As a result, the road was widened, to more than 20 feet in some places, and valuable biodiversity was destroyed. They further claim that the restoration works have caused the soil erosion. The Requesters state that the work exposed the roots of trees and destabilized the slopes and led to further damage. In their view, the restoration work could have been done significantly better, using manual labor from the surrounding villages. They believe that the use of concrete is not necessary and that natural material such as stones and plantings of shrubs, herbs and trees could have been used instead. In their opinion, using natural rehabilitation materials will better protect the biodiversity, which is not limited to the reserve areas, but also in the buffer zones. The Requesters also claim that the widened road will allow for increased vehicle traffic, which will further have an impact on the biodiversity of the reserve.

50. The Management Response states that the Forest Department erroneously considered the Kudawa access road to be part of the Project and proceeded with its rehabilitation using Project funds without Management's knowledge or safeguard provisions managing environmental impact.<sup>35</sup> Management states that the original rehabilitation works conducted by the Forest Department reduced the width of the road from the original 20 feet to 13 feet.<sup>36</sup> The Panel learnt from Management that after rehabilitation works of the Kudawa access road were included under the Project, the Government agreed to engage national and international expertise, including from the IUCN and the national Man and the Biosphere Committee of UNESCO, to obtain guidance. The Panel notes that as a result of the IUCN guidance, inputs from an international expert on green infrastructure and advice from the University of Moratuwa, a revised ESMP was developed that will be made public in February 2020.

51. In its discussions with the Government and PMU, the Panel learned that after concerns from local NGOs became apparent, several actions were taken by the Government as per Management's request. These actions included temporarily suspending renovation work, obtaining an independent IUCN review report, holding stakeholder consultation meetings to reach a consensus on future works and redesigning the renovation works with input from professional conservation consultants. The Government confirmed that the Kudawa access road is an existing foot path and will not be used for vehicle traffic, except for occasional research purposes and emergency conditions. Government authorities also told the Panel that the IUCN report confirmed that no significant environmental damage resulted from the renovation activities. The Government further stated that it is committed to implementing the ESMP in line with the relevant World Bank guidelines and procedures.

52. The Panel notes that the revised ESMP states that the Kudawa access road is used by visitors only on foot and is not open to motor traffic. It further states that only researchers staying at the research station or those who enter the forest for management or emergency purposes will

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<sup>35</sup> Management Response, January 14, 2020, p.6.

<sup>36</sup> Management Response, January 14, 2020, p.4.

be permitted to use a vehicle on the access road and beyond.<sup>37</sup> The Panel's review of the IUCN report also indicates that the road surface has been expanded to about 12 feet from its previous eight- to 10-foot-wide surface, but that this expansion is found to be within the larger foot print that has already been there since the early 1970s.<sup>38</sup>

53. In its review, the Panel notes that the revised ESMP<sup>39</sup> allows for corrective measures, including revisions of the original design, rehabilitation methods, and integrated supervision. These revisions are derived from the IUCN review commissioned by the Government in May 2019, consultations with the communities and input from University of Moratuwa. The revised design will include (i) retaining the paved section of the road that had already been constructed and the completed drainage works to minimize the impact of demolition and breakage, (ii) enhancing the overall design to better control storm water flow speeds and soil erosion with four specific types of interventions identified, (iii) constructing the unpaved section with a lesser width (two-tracks and stone pitching in the middle), (iv) retrofitting completed drainage sections to provide passageways for small animal movement, and planting the road shoulders with indigenous suitable plant species, and (v) rehabilitating the segment that had previously been subject to a landslide (which was not caused by the Kudawa access road works), using a combination of reinforcement and natural slope stabilization.<sup>40</sup> As to supervision, the Panel notes that Management, PMU and local communities agreed to joint supervision by Management, the Forest Department and members of the Kudawa community, with the support of the University of Moratuwa.<sup>41</sup>

54. *Impact on Animals.* The Requesters claim that the road works have especially had an impact on small animals. They allege that the high concrete drains have restricted the movement of amphibians, reptiles and small animals from one side of the road to the other. They also claim that during the construction these small animals were adversely affected by the use of heavy equipment.

55. The Management Response states that the IUCN Report states that while the movement of “*some less mobile and comparatively small animals*” may be disturbed by the drains and culverts, all of these species have been recorded outside of the Sinharaja Forest Reserve, and there are no point endemic species (i.e., a single population that is found at one location alone) recorded from this particular area.<sup>42</sup> It also states that planned corrective works on the drains by cutting through access points will allow for the movement of small animals.

56. In its discussions with Management, the Panel learned that a rapid biodiversity assessment carried out by the PMU, once it became part of the ESCAMP, confirmed the presence of endemic

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<sup>37</sup> Environment and Social Management Plan for the Kudawa (Doranaela – Wathurawa) Access Road Rehabilitation (Balance Work), Department of Forest, ESCAMP, p.7.

<sup>38</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p.6.

<sup>39</sup> Environment and Social Management Plan for the Kudawa (Doranaela – Wathurawa) Access Road Rehabilitation (Balance Work), Department of Forest, ESCAMP, section 2.6

<sup>40</sup> Management Response, January 14, 2020, p. 7.

<sup>41</sup> Management Response, January 14, 2020, p. 8.

<sup>42</sup> Management Response, January 14, 2020, p. 12.

fauna and flora along the access road. Management elaborated that none of these species were a point endemic species i.e., a single population that is found at one location alone. The Panel understands that this was confirmed by the IUCN review.<sup>43</sup>

57. The Panel notes that the IUCN review indicates that recent and past work reports the presence of fewer mobile faunal species along the Doranaela – Wathurawa road and that the renovation may directly and indirectly have an impact on these species mainly due to the movement of heavy machinery, such as loaders and backhoes. It also indicates that the movement of some less mobile and comparatively small animals (e.g., small shrews, small mice, amphibians, land snails, etc.) may permanently be disturbed by the drains and culverts. The Panel also notes that the IUCN review states that large and mobile animals including birds, large and medium-size mammals and large reptiles are not affected by the renovation related work.<sup>44</sup>

58. The Panel also notes that the ESMP includes plans to allow for the movement of small animals across the road. This includes allowing for openings in the drain wall to facilitate road runoff as well as to allow small animals to cross and laying rock cascades in the drains and timber logs where necessary, as well as vegetated nets in selected locations, to connect either side of the drains – the crest of which will act as bridges for small animals to cross.<sup>45</sup> Furthermore, the Panel notes that the ESMP states that corrective measures will be sensitive to micro-habitat needs of small animals that live in the drain crevices. As such, the Panel notes that in discussions with the PMU, it was informed that the road shoulders will be filled with soil, leaf litter and compressed stone so that vegetation that is natural to the area will return and naturalize the road shoulders. The Panel understands that this will minimize road surface erosion during heavy and frequent rainfall, as well as improve the access and movement of small animals, while maintaining a natural look that integrates with the rain forest environment.

59. *Clearing of trees.* The Requesters claim that during the road construction, trees and shrubs were unnecessarily cut down and destroyed. This has led to an increased risk to soil erosion and slope failure. During the Panel visit with the Requesters to the site, the Requesters and community members pointed to instances where they believe trees and other vegetation were removed.

60. The Management Response states that there is no evidence of any tree-cutting on or along the access road. The Panel notes that the Response indicates that while the Kudawa access road had deteriorated over time, it was not overgrown with trees, a matter confirmed by the ecologists of the UNESCO Man and the Biosphere Committee who visited the site on January 22, 2019, as well as by the Management team on January 4, 2019.<sup>46</sup> It further clarifies that the clearing-related activities involved the removal of dead trees that had fallen and were obstructing the access road and previously established invasive species that occupied the forest as a result of previous logging practices and nearby pine plantations.

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<sup>43</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p.3.

<sup>44</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p. 2,3.

<sup>45</sup> Environment and Social Management Plan for the Kudawa (Doranaela – Wathurawa) Access Road Rehabilitation (Balance Work), Department of Forest, ESCAMP, p. 26.

<sup>46</sup> Management Response, January 14, 2020, p. 10.

61. The Panel's review of the IUCN report indicates that the area cleared for renovation was covered with shrubs, ferns, grass, herbs, invasive alien species and saplings of small and large tree species.<sup>47</sup> The Panel also notes that these species are prevalent in other parts of the forest reserve.

62. The ESMP, the Panel understands, provides a plan to relocate endemic flora found on the roadside that can potentially be damaged during the balance of road rehabilitation. In addition, the Panel notes that construction workers shall be instructed to protect fauna by ensuring that all works be carried out in a manner to minimize the destruction to flora and its habitats. Furthermore, trees and vegetation shall be felled/removed/pruned only if that impinges directly on the permanent works or necessary temporary works. In all such cases, according to the ESMF, the contractor needs to take prior approval from the Forestry Department.<sup>48</sup>

63. *Concreting of water streams and impact on fish.* The Requesters told the Panel that the authorities built unnecessary high drainage canals that have been lined with concrete. They claim that new culvert systems have diverted the water away and that natural streams and waterways that used to exist next to the road have now dried up. The Requesters state that Comb Tail fish used to be found in these streams and are now absent, as are amphibians from this area. In addition, they add that concreting blocks water from percolating, make it more difficult for plants to grow in the area and therefore control erosion.

64. The Panel notes that the Management Response indicates that based on Management's assessment of the works done prior to Management's involvement, no water streams have been concreted. It further states that the existing roadside drains were lined with concrete, but that it has been already agreed that the design of these drains is not appropriate and thus is being reviewed for modification. However, the Management Response also states that notwithstanding the design issues, the drains carry flowing water only during rainy weather, and do not form permanent pools where fish can live.<sup>49</sup> In its discussions with the PMU and Forestry Department, the Panel was told that there are no perineal water streams next to the road, but that during the rainy periods a lot of water flows down the road.

65. The Panel notes that the IUCN review indicates that historical rainfall observations and predictions for year 2040 indicate an increasing trend in rainfall, that justifies a systematic drainage system in the road renovation.<sup>50</sup> In addition, the Panel notes that the ESMP states that rubble will be placed inside the drain in order to reduce the speed of the run-off and that in time vegetation will provide a natural break to water run-off.

66. **Lack of consultation and disclosure of information.** The Requesters claim that they were not informed of the road construction project and only gained information after they submitted an access for information claim. They also state that despite being vocal and arranging protests they

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<sup>47</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p. 3.

<sup>48</sup> Environment and Social Management Plan for the Kudawa (Doranaela – Wathurawa) Access Road Rehabilitation (Balance Work), Department of Forest, ESCAMP, p.32.

<sup>49</sup> Management Response, January 14, 2020, p. 12.

<sup>50</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, p. 7.

were not invited to the first stakeholder meeting arranged in May 2019. In their opinion they were only invited to the January 7, 2020, consultations after the Panel registered their case.

67. The Management Response indicates that since Management became aware of the road project in January 2019, at least seven stakeholder consultations have been conducted regarding the access road issues and proposed new design. According to the Management Response these include the following: (i) a meeting of Community Support Organizations with the Management team on February 6, 2019, in the World Bank's Colombo office; (ii) extensive consultations by the IUCN team with the Kudawa community and staff of the reserve on April 30, 2019, including a consultation with representatives of various local CSOs held in the reserve in May 2019; (iii) a meeting with CSOs and University of Moratuwa staff on May 13, 2019; and (iv) discussions organized by the Project director with CSOs during the past six months. The Response further states that the PMU has made additional efforts to enhance information and communications about the Project's activities.<sup>51</sup> The Panel notes that a final consultation to present and discuss the design of the improvements proposed by the University of Moratuwa, together with the ESMP for the revised design of the access road, was held with stakeholders in Kudawa on January 7, 2020. Management informed the Panel that detailed minutes of this consultation are being prepared and will be made public on the Project website and included in the ESMP.

68. The Panel learned from the PMU that it has tried to reach out to the community and NGOs by advertising the consultations in English and Sinhalese newspapers. In addition, the PMU also states that it has sent out invitations to individuals they believe would be interested in the matter.

69. In its review, the Panel notes that minutes of the meeting held in May 2019 have been disclosed on the Project website. The Panel also notes that members of the Requester group were aware of the January 7, 2020, consultations.

70. **Impact on Livelihoods.** In its discussions with Requesters and local villagers, the Panel heard that Requesters are concerned that when trees are cut down and water flow diverted, local water sources will dry up. The Panel was told that local water sources are necessary for their vegetable gardens. The Requesters told the Panel they believe road construction activities will destroy the biodiversity of the area and that local employment opportunities in the reserve will decrease. They also believe that if the biodiversity is destroyed it will have an impact on the entire ecosystem and watershed and impact the quality of life for all of Sri Lanka. Furthermore, the Requesters also question why local communities were not employed to rehabilitate this road and planned future works.

71. The Panel notes that the Management Response states it is not aware of any adverse impact. Management states that the only villagers whose livelihoods directly depend on the reserve are forest guides recruited by the Forest Department to lead tours inside the reserve. Management further states that it has not been made aware of any concerns from such guides, nor did community members raise such concerns during the January 2020 consultations.<sup>52</sup>

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<sup>51</sup> Management Response, January 14, 2020, p. 7.

<sup>52</sup> Management Response, January 14, 2020, p.vi.

72. The communities told the Panel, they do not derive a living off products from the Sinharaja Forest Reserve. The Panel learnt from the community their concern about potential livelihood impact stems from a fear that biodiversity loss could cause a loss of employment opportunities in the reserve. The Panel in its discussions understands that Requesters fear that the concreting of the drains will cut off water supply from streams that are used for home vegetable gardens, and thus have an impact on their livelihoods.

73. **Increased human activities.** The Requesters claim that the road construction will lead to reduced biodiversity and that visitors will need to go further and further into the Forest Reserve to experience the rich biodiversity. They believe that wider roads, as is the case with this road, will lead to an increase of tourists and this will exceed the carrying capacity of the Sinharaja Forest Reserve. The Requesters also allege that the Kudawa access road is only the beginning of a larger project that aims to connect the Kuduwa entrance with the Pitadeniya entrance. This they believe will lead to the proliferation of human activities along the paths, introduce invasive plants and encourage biopiracy. Abusive exploitation, they fear, will lead to profound and lasting detrimental effects on Sinharaja Forest Reserve's sensitive ecosystem.

74. The Management Response indicates that the Nature-Based Tourism Assessment and Plan for the Reserve has identified existing trails inside the reserve to be rehabilitated. It states that an Environmental and Social Impact Assessment (ESIA) is being prepared that will cover all proposed activities selected from the Nature-Based Tourism Plan for the reserve. In its Response, Management elaborates that in line with World Bank policy, it elaborates that an ESMP will be prepared for all proposed activities to ensure that social and environmental impact is properly addressed.<sup>53</sup> However, Management states that none of these activities have yet been undertaken. Management also states that the ESIA/ESMP when developed will consider visitor capacity of the reserve that will guide the long-term operation of nature-based tourism.<sup>54</sup>

75. The PMU informed the Panel that no rehabilitation works for trails inside the reserve were yet undertaken. The Forest Department stated that besides conservation-related actions beyond the ticketing point, no other works related to nature-based tourism have taken place. The PMU also stated that nature-based tourism is needed to support the conservation and maintenance of the reserve.

76. The Panel's review indicates that there was no indication from Management, the Forest Department or the PMU, of plans to connect the Kudawa access road to the Pitadeniya entrance. The Panel also notes that the existing trails, including the Kudawa access road, only allow access to approximately 5 percent of the total area of the Sinharaja Forest Reserve, for the purpose of tourism. The majority of the reserve is conserved for its biodiversity and conservation value.

### **E.3. The Panel's Review**

77. The Panel acknowledges the serious concerns of the Requesters regarding the rehabilitation works of the Kudawa access road in the buffer zone of the Sinharaja Forest Reserve in Sri Lanka. The Panel appreciates their submissions and the productive discussions with them during the

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<sup>53</sup> Management Response, January 14, 2020, p. 10.

<sup>54</sup> Management Response, January 14, 2020, p. 10.

Panel's visit. The Panel also acknowledges Management's detailed response to the issues raised and readiness to provide further information.

78. The Panel recognizes that the Sinharaja Forest Reserve is a unique biodiversity hotspot and has been designated a World Biosphere Reserve and a World Heritage Site. The Panel also understands that the biodiversity of a buffer zone of a World Heritage Site can perform an important supportive function to a World Heritage Site.

79. The Panel notes that the existing Kudawa access road rehabilitation was not initially included in the World Bank funded Project, and therefore the alleged harm raised by the Requestors is focused on a time period before the World Bank was involved.

80. The Panel understands that Management approved the inclusion of the Kudawa access road project in April 2019 in order to address the weaknesses associated with the recent maintenance of the road and to ensure that any further work was completed in accordance with World Bank Policies. Since Management's engagement, maintenance work on the Kudawa access road has stopped, and an ESMP has been developed to prescribe corrective actions and further maintenance work. The Panel also notes that consultations have been conducted with local communities and interested parties regarding the corrective measures and additional maintenance work planned.

81. The Panel notes that the ESMP has been designed to address the alleged harm and has included input from an international expert on green infrastructure, and the University of Moratuwa, as well as recommendations from an IUCN report. A formal stakeholder consultation was held on the ESMP in January 2020, and the plan is due to be made public in February 2020.

82. The Panel notes that since the access road has been included in the World Bank-funded Project, the stakeholder engagement process appears to have worked reasonably well, with several design changes and additional mitigation measures resulting from input during formal consultations and other interactions with interested groups and affected people. The Panel is also encouraged by an approach for joint supervision of the corrective measures, including the involvement of local communities. The Panel especially notes the support and commitment of local committees to participate in joint supervision.

## **F. Recommendation**

83. The Panel notes that the Requesters and the Request meet the technical eligibility criteria set forth in the Resolution that established the Inspection Panel and the 1999 Clarifications. However, as the Panel has considered that the harm that was alleged by the Requestors was focused on actions and outcomes relating to work that was carried out on the Kudawa access road before it was adopted as part of the Bank-financed Project, the Panel does not recommend an investigation.

84. In making its recommendation the Panel has considered that Management included the rehabilitation of the Kudawa access road among the Project activities in order to assist the Forest

Department in bringing works in line with best practice, including the ESMP implementation and necessary consultations and supervision with the involvement of the surrounding communities and interested parties.

85. The Panel notes that this recommendation does not preclude the possibility of a future Request for Inspection based on new evidence or circumstances not known at the time of the current Request.

86. If the Board of Executive Directors concurs with this recommendation, the Panel will advise the Requesters accordingly.



# **ANNEX 1**

## **Requests for Inspection**





**ip**

The  
Inspection  
Panel

**THE WORLD BANK**

IBRD - IDA | WORLD BANK GROUP

## COMPLAINT (REQUEST FOR INSPECTION) FORM

**To:**

The Executive Secretary, The Inspection Panel, The World Bank, MSN: MC 10-1007  
1818 H St., NW, Washington, DC 20433, USA. Fax: +1(202)-522-0916. Email: [ipanel@worldbank.org](mailto:ipanel@worldbank.org)

### Section 1: Complaint

1. What harm do you believe the World Bank-financed project caused or is likely to cause to you or your community? Please describe in as much detail as possible.

This Road construction work goes on inside the Sinharaja world heritage site in Kudawa area. The project is funded by (ESCAMP) World Bank and has ineffectively been planned by the local policy makers both in government and in NGOs. This illegal road construction was started on 20.12.2018. A group of environmentalists informed to Sri Lanka Forest department. But they never take an action because Forest Department is the owner of this project and illegal constructions.

Sinharaja Forest Reserve is the unique remaining virgin tropical rainforest in Sri Lanka. It is of international significance and has been designated as a Biosphere Reserve and World Heritage Site by UNESCO. The hilly virgin rainforest, part of the Sri Lanka lowland rain forests Eco region, was saved from the worst commercial logging by its inaccessibility, and was designated as a World Biosphere Reserve in 1978 and a World Heritage Site in 1989.

According to IUCN's Conservation Outlook Assessment (2017) the conservation status of Sinharaja Forest Reserve is of 'significant concern'. The IUCN report notes that 'The value of Sinharaja as a natural world heritage site continues to be recognized by the discovery of several endemic species of plants and animals since the declaration of this forest as a world heritage in 1988. Some of the recent discoveries include several species of herpetofauna that are restricted to the eastern region of Sinharaja'. While they develop the road they did not concern any environment ethics. Forest department was cut down many trees and herbs in the area and those are micro and macro habitats of the several species. As a example, They concreted some water streams close to road. Those streams were places for endemic fish species.

Before started this project, we sent our request to conducted environment impact assessment. But, Department of forest refused to do it and said it is unnecessary work. Anyhow, the road which they built is a big road and some places are 20 feet wide.

2. What is the name of the World Bank project? (If known)  
ESCAMP project
3. Where is the World Bank project located? (Please include country name)  
This Place is Sinharaja Rain forest in Kudawa ,Sri lanka.
4. Do you live in the project area?  
It is not my village but I always has connection their because of my relatives
5. Have you previously reported your concerns to World Bank management? If yes, please provide the details about those communications and explain why you are not satisfied with the Bank's action in response.  
Yes we inform previously but first time we did not get any replay from [REDACTED] World Bank Office, Then  
[REDACTED]
6. If known, please list the World Bank's operational procedures you believe have not been followed.  
Did not fallowed
7. Do you expect any form of retaliation or threats for filing this complaint to the Inspection Panel? Yes, we hope to protect our forest and community from this kind of project and it is destrutions. Our community authorized [REDACTED] to hand over the complaint

## Section 2: Contact Information

8. Are you complainants or a representative of complainants?  
Complainants: ☐ Representing a complainant or community: ☒



9. Would you like your name and contact details to be kept confidential? (The Inspection Panel will not disclose your identities to anyone without your prior consent.) Yes ☒ No ☐

10. Complainants' Names (Minimum two names and signatures are required):

Complainant 1	Complainant 2
Name <div>[REDACTED]</div>	Name <div>[REDACTED]</div>
Address <div>[REDACTED]</div>	Address <div>[REDACTED]</div>
Phone <div>[REDACTED]</div>	Phone <div>[REDACTED]</div>
Email <div>[REDACTED]</div>	Email <div>[REDACTED]</div>

11. We, the undersigned, request the Inspection Panel to investigate the issues described above.

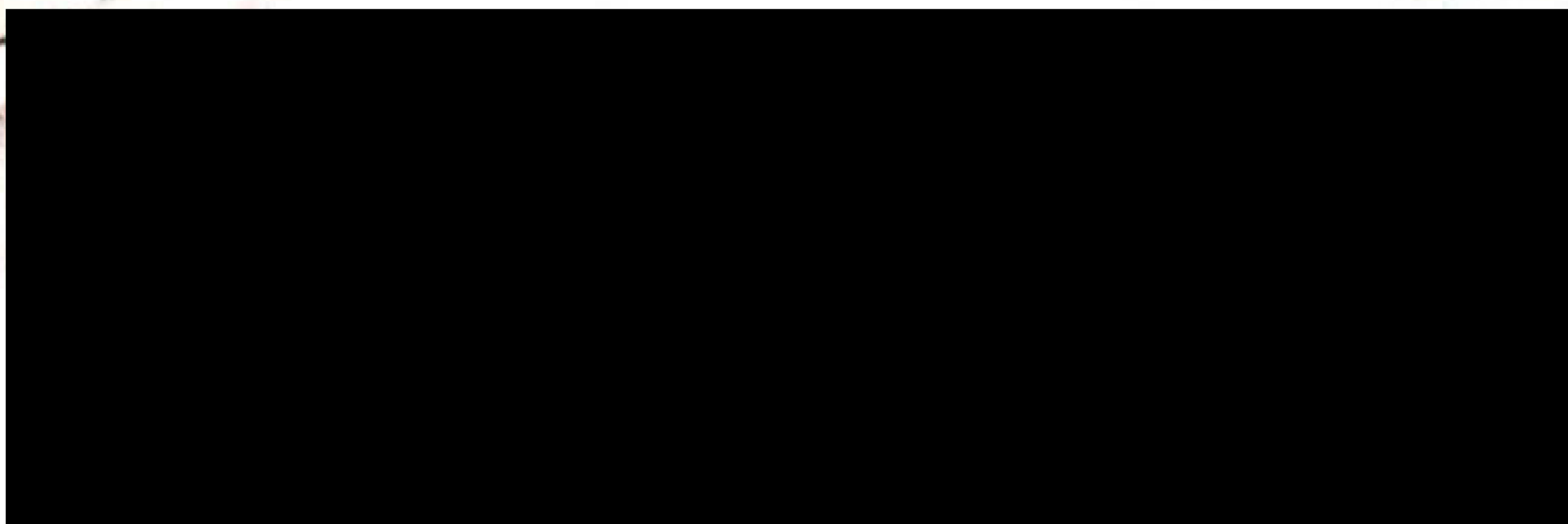
Signatures (More signatures can be sent as an attachment document):

<div>[REDACTED]</div>	<div>[REDACTED]</div>
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NOTES:

Please attach supporting documents, if available.

If you have any difficulty in completing the form, please contact the Inspection Panel at [ipanel@worldbank.org](mailto:ipanel@worldbank.org) or by phone: +1-202-458-5200.



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# **ANNEX II**

## **Management Response**



**MANAGEMENT RESPONSE TO  
REQUEST FOR INSPECTION PANEL REVIEW OF THE  
SRI LANKA: ECOSYSTEM CONSERVATION AND MANAGEMENT PROJECT  
(P156021)**

Management has reviewed the Request for Inspection of the Sri Lanka: Ecosystem Conservation and Management Project (P156021), received by the Inspection Panel on October 21, 2019 and registered on December 9, 2019 (RQ19/15). Management has prepared the following response.

**January 14, 2020**





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### **Map**

- Map 1. IBRD No. 44813, Sri Lanka: Ecosystem Conservation and Management Project

### **Annex**

- Annex 1. Claims and Responses

## **ABBREVIATIONS AND ACRONYMS**

CSO	Civil Society Organization
ESCAMP	Ecosystem Conservation and Management Project
ESMP	Environmental and Social Management Plan
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IDA	International Development Association
IPN	Inspection Panel
IUCN	International Union for the Conservation of Nature
km	kilometer
NGO	Nongovernmental Organizations
PMU	Project Management Unit
REDD+	Countries' efforts to Reduce Emissions from Deforestation and Forest Degradation, and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks
UNESCO	United Nations Educational, Scientific and Cultural Organization

## EXECUTIVE SUMMARY

- i. The Sri Lanka Ecosystem Conservation and Management Project (P156021, approved in April 2016 for an IDA Credit of US\$45 million) seeks to improve the management of ecosystems in selected locations in Sri Lanka for conservation and community benefits. The *Sinharaja* Forest Reserve, which is the area of concern in the Request, was selected as one of the protected areas under Component 3 of the Project to help enhance and improve the management and conservation efforts of the Reserve through low-impact, nature-based tourism and related activities.
- ii. The Request for Inspection registered by the Panel on December 9, 2019 alleges that the Project is causing harm to the natural environment and community livelihoods through road works in the Reserve. The Requesters express concern over the adverse impact of the civil works on several endemic species of fauna and flora and local livelihoods, and also claim a lack of consultation and disclosure of information.
- iii. The *Kudawa* access road, which is the subject of the Request, is one of the three existing access roads to the Reserve. It is 1.6 km long and runs in the buffer zone and along the boundary of the Reserve, connecting the *Kudawa* ticketing counter to the Reserve's main entrance. The Forest Department undertook rehabilitation activities on this access road beginning in December 2018, which triggered the complaint submitted to the Panel. The road rehabilitation, however, was not part of the agreed activities under the Project, and the works were neither reviewed nor authorized by the Bank. The Forest Department erroneously considered the access road to be part of the Project and used Project funds.
- iv. The Bank learned of the works shortly after they began and requested the Government on February 19, 2019, in writing, to stop them, which it did in April 2019. Subsequent discussions led to the incorporation of the access road into the Project, the application of relevant Bank policies and an agreement on a set of actions. These included: consultations with the affected community and civil society organizations; review of the road design; engagement of national and international experts to obtain guidance; and safeguard support and capacity enhancement.
- v. Reviews of the road design were undertaken by an independent expert, the *International Union for the Conservation of Nature (IUCN)* and the University of Moratuwa. An Environmental and Social Management Plan has been updated and disclosed (December 27, 2019) to address and mitigate the impacts. Consultations have been held on the revised road design, the Environmental and Social Management Plan, and the proposed remaining rehabilitation works.
- vi. The *Kudawa* access road is being rehabilitated and not newly constructed. The report prepared by the IUCN found that the rationale for the access road's rehabilitation was reasonable, and that the rehabilitation was urgently needed and was also requested by the local community. IUCN's assessment found no significant adverse impacts on biodiversity within or outside of the Reserve caused by the access road rehabilitation, nor were the Reserve's global values affected by the works.
- vii. The IUCN report made recommendations to improve the road design to better address environmental considerations, including the movement of small animals. The design of the existing roadside drains is not appropriate and hence is being reviewed for

modifications to ensure that they do not create a barrier for small animal movement. The IUCN notes that none of the affected small animals are point endemic species,<sup>1</sup> and that other, larger animals are not affected by the rehabilitation works.

viii. With regard to other environmental impacts, clearing-related activities on the road alignment involved removal of dead trees and previously established invasive species. Management has not observed any tree-cutting along the road.

ix. With regard to livelihoods, Management is not aware of any impacts. The only villagers whose livelihood directly depends on the Reserve are forest guides recruited by the Forest Department to lead tours *inside* the Reserve. The Bank has not been made aware of any concerns from such guides, nor have community members raised such concerns during the January 2020 consultations.

x. The adverse impacts that are raised in the Request pertain to civil works that were not included in the Project, predate the Bank's involvement and were not reviewed or authorized by the Bank. Management therefore considers these impacts to be a legacy issue that the Project is now helping to address.

xi. Management shares with the Requesters the concern about conservation of the Reserve. This concern led to Management's decision to include the *Kudawa* access road in the Project in order to support the Government in addressing the issues that had arisen from the civil works to rehabilitate the access road undertaken prior to the Bank's involvement.

xii. Management believes that the Bank has followed policies and procedures applicable to the matters raised by the Request. Management notes that the concerns raised in the Request were caused by works that were not part of the agreed activities supported by the Project. The Bank has agreed to include the *Kudawa* access road in the Project to help complete the rehabilitation works in line with Bank policies, and help address concerns resulting from the previous rehabilitation works, which were carried out by the Forest Department without prior consent from the Bank. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.

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<sup>1</sup> Point endemic species are species consisting of a single population that is found at one location alone.

## I. INTRODUCTION

1. On December 9, 2019, the Inspection Panel registered a Request for Inspection, IPN Request RQ 19/15 (hereafter referred to as “the Request”), concerning the Sri Lanka: Ecosystem Conservation and Management Project (P156021), financed by the International Development Association (IDA, hereafter “the Bank”).

2. ***Structure of the Text.*** The document contains the following sections: Section II presents the Request; Section III provides project background; Section IV discusses special issues; and Section V lays out Management’s response. Annex 1 presents the Requesters’ claims, together with Management’s detailed responses, in a table format.

## II. THE REQUEST

3. The Request for Inspection was submitted by two individuals from Sri Lanka (hereafter referred to as the “Requesters”). They allege that the Project is causing harm to the natural environment and community livelihoods through road construction activities in the *Sinharaja* Forest Reserve. They express concern over the adverse impact of the road construction on several endemic species of fauna and flora and local livelihoods, and also claim a lack of consultation and disclosure of information. The Requesters have asked for confidentiality. Attached to the Request is a representation of 106 community members from the *Sinharaja* Forest Reserve (Reserve) area along with their signatures. No further materials were received by Management in support of the Request.

## III. PROJECT BACKGROUND

4. ***The Project.*** The Project was approved by the Board on April 25, 2016 for a total IDA Credit of US\$45 million. It has disbursed US\$14.88 million or 33 percent of the total as of December 2019. The closing date is June 30, 2021.

5. ***Project Development Objective and Components.*** The project development objective is to improve the management of ecosystems in selected locations in Sri Lanka for conservation and community benefits. The Project has four components:

- *Component 1: Pilot landscape planning and management:* This component provides technical assistance, training and capacity building to develop the guiding framework for landscape-level management planning and support the piloting of landscape planning and management in two selected landscapes comprising contiguous areas of unique ecological, cultural and socio-economic characteristics.
- *Component 2: Sustainable use of natural resources and human-elephant co-existence:* This component supports communities living adjacent to protected areas and other ecologically sensitive areas to plan for natural resource use and

to develop biodiversity compatible, productive and climate resilient livelihood activities and to scale up successful models that address the human-elephant conflict.

- *Component 3: Protected areas management and institutional capacity:* This component supports interventions in protected areas in compliance with the Fauna and Flora Protection Ordinance and the Forest Ordinance; supports nature-based tourism development; and strengthens the institutional capacity and investment capability for conservation and management.
- *Component 4: Project Management.*

6. The Forest Department has selected the Reserve as one of the protected areas under Component 3 of the Project to help enhance and improve the management and conservation efforts of the Reserve through low-impact, nature-based tourism and related activities. The positive contribution of the Bank's Project to the Reserve has been recognized by the International Union for Conservation of Nature (IUCN), which has noted that: *"Enforcement of legislation to conserve Sinharaja needs significant improvement. The boundary of the existing [World Heritage Site] needs to be clearly defined, and a possibility to expand the extent of the site to conserve remaining primary rainforest patches in the adjoining areas needs to be considered. It is expected that some of these concerns can be addressed through two recently initiated projects – National REDD+ Investment Framework and Action Plan (NRIFAP) and the World Bank funded Ecosystem Conservation and Management Project (ESCOMP)."*<sup>2</sup>

7. The Project has a Grievance Redress Mechanism (GRM) which is accessible to Project-affected people. Notifications have been placed at the Project site providing details of the GRM and how to access it. Grievance Redress Committees have been established in all active Project areas, including for the Reserve. The Project Management Unit (PMU) has been reporting to the Bank on complaint processing and evidence of actions taken. As of November 2019, the PMU reported 53 complaints received by the Forest Department and 25 complaints received by the Department of Wildlife Conservation, including three from the *Sinharaja* area received on December 19, 2019. These complaints (i) made recommendations regarding building materials to be used; (ii) suggested that the Forest Department take action to correct negative media reports; and (iii) requested to expedite the completion of the road rehabilitation works. All complaints received have been or are being resolved, and no cases have had to be escalated to the Ministry level to date.

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<sup>2</sup> <https://worldheritageoutlook.iucn.org/explore-sites/wdpaid/16791>

#### IV. DESCRIPTION OF PROJECT SITE

8. ***The Kudawa access road, which is the subject of the Request, is one of the three access roads to the Reserve.*** It is 1.6 km long and runs in the buffer zone, along the boundary of the Reserve, connecting the *Kudawa* ticketing counter to the Reserve's main entrance. It is an old logging road, constructed in the early 1970s, that had been rehabilitated from time to time, as needed, by the Forest Department previously.

9. ***The Kudawa access road is used by local villagers and visitors*** (ca. 58,000 visitors per year, including 15,500 foreign visitors in 2018) to reach nature trails inside the Reserve, and the main road from the village outside the Reserve, both on foot only. The access road is also used by the village's children to get to school. No private cars are allowed on the access road. The Forest Department's research and operation crews use the access road for their day-to-day management activities, and for any emergencies.

10. ***Since the access road was last repaired in 2014, it has suffered heavy erosion, resulting in deep gullies, uneven surfaces, and partial blockage by a landslide.***<sup>3</sup> An assessment done by IUCN notes: "*Due to the poor maintenance of the road, heavy usage by visitors and heavy rain induced erosion, the road degraded over time to a state that it was not suitable for safe walking.*"<sup>4</sup> The bad road conditions during the rainy season encouraged visitors to use a temporary alternative path through a difficult terrain, which is accident-prone and risky. As a result, the Forest Department decided to rehabilitate the road to address safety concerns and prevent further erosion.

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<sup>3</sup> In 2014 the Forest Department constructed dual tracks in some sections of the *Kudawa* access road. No further works (other than cleaning and cutting dead branches, etc.) were carried out until the rehabilitation that started in late 2018.

<sup>4</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, Page 1.



*Picture: Significantly deteriorated segment of the Kudawa access road  
(prior to 2018)*

11. ***The rehabilitation of the access road was not included among the agreed sub-projects for the Project submitted to the Bank.*** The Forest Department, however, erroneously considered it to be part of the Project and proceeded with its rehabilitation without the Bank's knowledge or clearance, using Project funds. The rehabilitation works began in December 2018, and included the rehabilitation of four culverts, 800 m of pavement rehabilitation, and about 1 km of drainage channel. These works also reduced the width of the road from the original 20 feet to 13 feet.<sup>5</sup>

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<sup>5</sup> According to the revised design, the section of the access road that has yet to be rehabilitated will be reduced to a width of eight feet.





*Picture: Segment of rehabilitated Kudawa access road  
(prior to stopping works in April 2019)*

12. ***The Bank first learned about the rehabilitation works and concerns through media reports in late December 2018 and undertook a site visit on January 4, 2019.*** Following the site visit, the Bank reviewed its Project records to determine whether this access road was part of the Project or not. When it was determined that this was not the case, Management requested the Borrower on February 7, 2019 to stop the works, review the design and conduct consultations, while Management considered different options to address the rehabilitation works that had already been carried out by the Forest Department without the Bank's knowledge or clearance. This was followed up by a written communication to the PMU's Project Director on February 19, 2019, which clarified that the *Kudawa* access road was not an agreed sub-project, and hence was ineligible for Project funding. Moreover, to secure the Project's continued overall support, the PMU and the Forest Department were asked to correct the situation and revert to the originally agreed components, and to immediately stop the *Kudawa* access road works. The road rehabilitation was eventually stopped after the Country Director intervened with the

Secretary of Environment on April 4, 2019. Since then, only temporary measures to prevent further soil erosion have been carried out.

13. ***Based on several discussions with the Government of Sri Lanka and civil society organizations (CSOs), Bank Management agreed on April 4, 2019 to include the works on the entire access road in the Project to ensure the application of good international practice that meets relevant Bank policy requirements.*** In connection with this, the Bank and the Government further agreed on a set of actions:

- (i) Undertake appropriate consultations with the affected community and CSOs;
- (ii) Review and enhance the road rehabilitation design;
- (iii) Engage national and international expertise to obtain guidance, including from the IUCN and National Man and Biosphere Committee of the United Nations Educational, Scientific and Cultural Organization (UNESCO); and
- (iv) Intensify safeguard support and capacity enhancement.

14. In a letter dated April 25, 2019, which summarizes the actions agreed to in the April 4, 2019, meeting, the Bank noted that *“the agreed procedures required by the Bank for public consultations, designing of project activities, environmental assessment and procurement have not been followed.”* The Bank further explained that unless the agreed measures (listed above) were taken by the Government, the Bank would consider suspension of the entire Project.

#### **Status of Actions Agreed with the Government**

15. ***IUCN prepared an independent report (May 2019) on the access road’s potential impact on biodiversity and provided recommendations.***<sup>6</sup> The report found that the rationale for the access road’s rehabilitation was reasonable, and that the rehabilitation was urgently needed and was also requested by the local community. IUCN found no significant adverse impacts on biodiversity within or outside of the Reserve caused by the access road rehabilitation, nor were the Reserve’s global values affected by the works. The report also offered suggestions to improve the access road design in order to better address environmental considerations, including the movement of small animals.

16. ***In addition to the IUCN’s independent review, the Bank engaged an international expert on green infrastructure, who also reviewed the revised access road design and provided recommendations for its enhancement.*** The Bank team reviewed the new design, provided written feedback, and requested the PMU to hold consultations on the revised design (which were held on January 7, 2020). The University of Moratuwa was

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<sup>6</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Bio-sphere Reserve - Independent Report, May 2019.

contracted by the PMU to undertake an additional assessment, and made specific revisions to the proposed access road design and construction methods to address the recommendations of the IUCN report and the feedback received from CSOs during consultations held in May 2019. The University of Moratuwa will also supervise the implementation of the works. The university team undertook multiple field trips and consultations with experts and the community, and presented the results to the PMU, Forest Department, and the Bank team on May 17 and October 10, 2019. The revised access road design incorporates the recommendations from the IUCN review, the international expert, CSO feedback and the University of Moratuwa.

17. ***At least seven stakeholder consultations were conducted regarding the access road issues and proposed new design.*** These included the following: (1) a meeting of CSOs with the Bank team on February 6, 2019 in the World Bank's Colombo office; (2) extensive consultations by the IUCN team with the *Kudawa* community and staff of the Reserve on April 30, 2019, including representatives of various local CSOs held in the Reserve in May 2019; (3) meeting with CSOs and University of Moratuwa staff on May 13, 2019; and (4) discussions organized by the Project Director with CSOs during the past six months. The PMU has made additional efforts to enhance information and communications about the Project's activities.

18. ***Final consultations to present and discuss the design of the improvements proposed by the University of Moratuwa, together with the Environmental and Social Management Plan (ESMP) for the revised design of the access road, were held with stakeholders in Kudawa on January 7, 2020.*** About 40 people attended, including PMU staff and stakeholder representatives. In addition, representatives from IUCN and the University of Moratuwa who reviewed the road design participated. Two journalists from local Sinhala newspapers (*Divaina* and *Lankadeepa*) were also present. Bank staff attended the consultations as observers. Detailed minutes of this consultation are currently being prepared and will be made public on the Project website. Other documents, including minutes of the meeting held in May 2019, have been disclosed on the Project website.<sup>7</sup>

19. ***The design of the road rehabilitation has been revised to include IUCN, international and national experts, as well as CSOs' recommendations.*** The re-design of the road includes revisions of the original design, rehabilitation methods, and supervision. It has been guided by the outcome of the consultation, field visits, discussions with the Reserve staff, the community, and the experts' opinions. Hence, the revised design will include: (i) retaining the paved section of the road that had already been constructed and the completed drainage works to minimize the impacts of demolition and breakage; (ii) enhancing the overall design to better control storm water flow speeds and soil erosion with four specific types of interventions identified; (iii) constructing the unpaved section with a lesser width (two-tracks and stone pitching in the middle); (iv) retrofitting completed drainage sections to provide passageways for small animal movement and planting the road shoulders with indigenous suitable plant species; and (v) rehabilitating the segment that had previously been subject to a landslide (which was not caused by the *Kudawa* access road works), using a combination of reinforcement and natural slope stabilization.

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<sup>7</sup> Project website: <http://www.escamp.lk>

20. The Bank will do a final review of the revised detailed design of the access road incorporating the features presented above, in order to provide its clearance. Works may then resume, tentatively in the first quarter of 2020, and will be supervised closely by the Bank, the client, and members of the *Kudawa* community, with the support of the University of Moratuwa.

21. In addition, to strengthen counterpart capacity in regular supervision, the Bank provided safeguard capacity building, including three trainings for staff from the PMU and implementing agencies conducted by the Bank team, and day-to-day support provided by Bank environmental and social specialists. Three trainings for the PMU and regional staff were conducted during May-November 2019, covering in depth the relevant safeguards policies and their application to the project activities. The Bank intensified safeguard supervision by the country office staff and via five additional missions and technical visits involving HQ-based management and staff in February, March, August, October and December 2019. Following Bank recommendations, the PMU addressed safeguard staff shortcomings, allocated staff and specific timing requirements to the regional divisions, including responsibilities for better organization and monitoring of the ESMP's implementation. This safeguard implementation plan was updated and is in place, supported by the allocated budget and regular monitoring from the Project Director and the Bank team. The PMU has enhanced the GRM accessibility by opening a social media hotline (WhatsApp) for collecting and registering grievances. Safeguard-related documents are disclosed [online](#).

## V. MANAGEMENT'S RESPONSE

22. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

23. ***The adverse impacts that are raised in the Request pertain to civil works that were not included in the Project, predate the Bank's involvement and were not reviewed or authorized by the Bank. Management therefore considers these impacts to be a legacy issue that the Project is now helping to address.*** The Kudawa access road initially was not an agreed sub-project under the Project. It was not included in the *Nature-Based Tourism Assessment and Plan* for the Reserve, the environmental and social screening conducted by the Forest Department, the ESMP or the procurement plan, which were reviewed and cleared by the Bank. The Government erroneously assumed it to be part of the Project and started the works without Bank review and clearance.

24. ***Management shares with the Requesters the concern about conservation of the Reserve.*** This concern led to Management's decision to include the Kudawa access road in the Project in order to support the Government in addressing the issues that had arisen from the civil works to rehabilitate the access road undertaken prior to the Bank's involvement.

25. ***Relevant Bank policies were applied immediately after the Bank agreed to include the Kudawa access road in the Project on April 4, 2019.*** Ongoing works were stopped, rapid impact assessments were conducted, and consultations required under Bank policy were initiated, including the preparation of an appropriate road design and the updated ESMP for the access road. Following the assessments conducted by the IUCN team, consultations with the local Forest Department staff and the community, and with support provided by the Bank team, the PMU updated the existing ESMP and included a robust set of specific measures to address and mitigate the anticipated impacts related to the rehabilitation works. This is fully in line with the Requesters' stated demand that an appropriate environmental impact assessment be conducted for the road rehabilitation works.

26. ***Management made this conscious decision to help ensure that the Kudawa access road would be rehabilitated in line with good international standards to minimize any potentially adverse impacts.*** To that end, the Bank had also requested the Government to seek the input from qualified international experts to help review the access road design and contract a qualified supervision engineer, experienced with civil works in ecologically sensitive areas.

27. ***The alternative to this approach would have been to not include and not finance these works under the Project,*** which would have done little to help ensure that the access road rehabilitation is completed in an appropriate manner, taking into consideration the environmentally sensitive location.

## Environmental Impacts Alleged in the Request

28. ***Kudawa access road.*** Management notes that the *Kudawa* access road is located *in the buffer zone and along the boundary of the Reserve* between the ticketing office and main entrance, and that it is being *rehabilitated* and *not newly constructed*. (See Map.)

29. ***Proposed Project activities inside the Reserve.*** The Nature-Based Tourism Assessment and Plan for the Reserve has identified existing trails inside the Reserve to be rehabilitated.<sup>8</sup> However, no rehabilitation works for trails inside the Reserve were undertaken to date under the Project. The ESIA that is being prepared will cover all proposed activities selected from the Nature-Based Tourism Plan for the Reserve will be undertaken and a revised ESMP will be prepared for all proposed activities, in line with Bank policy, to ensure that social and environmental impacts, if any, are properly addressed. The Forest Department has not carried out any activities related to nature-based tourism other than conservation-related actions beyond the ticketing point, and it will not commence these activities until the issues pertaining to the *Kudawa* access road are resolved.<sup>9</sup>

30. ***Alleged increased human activities.*** The *Kudawa* access road rehabilitation is very unlikely to increase human activities. It merely connects the ticketing office with the security gate via a 1.6-km stretch. It is therefore not plausible that the rehabilitated access road would significantly increase human activities around the road or in the Reserve, as alleged in the Request. As stated above, the nature-based tourism related activities are not likely to have any negative environmental or social impacts on the Reserve, and in any event, an ESIA and ESMP will be prepared before any such activities commence. Nature-based tourism is needed to ensure revenue generation to support the conservation and maintenance of the Reserve. The ESIA/ESMP will take into account visitor capacity of the Reserve that will guide the long-term operation of nature-based tourism.

31. ***Alleged clearing of trees.*** There is no evidence of any tree cutting on or along the access road. While the *Kudawa* access road had deteriorated over time, it has always remained in use and hence was not overgrown with trees (see pictures below). This was also observed by the ecologists of the UNESCO *Man and Biosphere Committee* who visited the site on January 22, 2019, as well as by the Bank team on January 4, 2019. Clearing-related activities involved removal of dead trees that had fallen and were obstructing the access road. The majority of other vegetation that was removed consisted

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<sup>8</sup> The Protected Areas Management Plan prepared under IUCN guidelines also includes tourism interventions. However, the Protected Areas Management Plan does not provide a rationale for the tourism investments and is not based on specific assessments that are needed to develop and manage the tourism interventions and eventual visits. Therefore, it was agreed during the Project design that targeted nature-based tourism assessments and plans are to be carried out at all selected sites.

<sup>9</sup> While the Financing Agreement mentions construction and renovation of visitor centers, comfort facilities, eco-friendly park bungalows and camp sites, and development of infrastructure for new visitor experiences including construction of nature trails, wayside interpretation points, observation towers, and canopy walks, none of these activities have been planned or approved inside the Reserve.



of previously established invasive species that occupied the forest as a result of previous logging practices and nearby pine plantations.<sup>10</sup>



*Picture: Condition of sections of the Kudawa access road in 2013*



*Picture: Condition of sections of the Kudawa access road in 2014*

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<sup>10</sup> “According to previous studies, the area cleared for renovation was covered with shrubs (*Strobilanthus* sp. *Melastoma malabathricum*, *Osbeckia octandra*, *Hedyotis fruticosa*, *Arundina graminifolia*), ferns (Mainly *Blechnum orientale*, and *Dicranopteris linearis*), grass (*Pennisetum orientale*), herbs (*Selaginella* sp., *Schizostigma hirsuta*) and invasive alien species (*Clidemia hirta*, *Mikania scandens*). Further, several other herbs and shrubs and also **saplings of small tree species** (*Trema orientalis*, *Caryota urens*, *Macaranga peltata*) and large tree species (*Artocarpus nobilis*, *Dipterocarpus* spp., *Mesua ferea*) were found in the road trace (Gunatilleke et al. 1987, and Zoysa and Raheem, 1987).” IUCN: Road Renovation Works in Sinharaja World Heritage Site & Core Zone of the Sinharaja Biosphere Reserve - Independent Report, May 2019, Page 1.



Picture: Condition of sections of the Kudawa access road in 2018

32. ***Alleged concreting of water streams and impact on fish.*** Based on the Bank's assessment of the works done prior to the Bank's involvement, no water streams have been concreted. The only concrete works that have been carried out are the lining of existing roadside drains and paving of sections of the access road with paving stones. The design of these drains is not appropriate and hence is being reviewed for modifications to ensure that they do not create a barrier for small animal movement. The design issues notwithstanding, such drains carry flowing water only during rainy weather, and do not form permanent pools where fish can live, as alleged in the Request (see pictures below).

33. ***Alleged impacts on animals.*** The IUCN assessment notes that while the movement of "some less mobile and comparatively small animals" may be disturbed by the drains and culverts, all of these species have been recorded outside of the *Sinharaja* Forest Reserve, and there are no *point endemic species* (i.e., a single population that is found at one location alone) recorded from this particular area. As stated before, the road design including the drains will be revised to address the issue of small animal movement. Moreover, the IUCN assessment notes that "*large and highly mobile animals including birds, large and medium size mammals and large reptiles are not affected by the renovation related work.*"<sup>11</sup>

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<sup>11</sup> IUCN: Road Renovation Works in *Sinharaja* World Heritage Site & Core Zone of the *Sinharaja* Biosphere Reserve - Independent Report, May 2019, Pages 2 and 3.





*Pictures: Drainage works on the Kudawa access road prior to Bank involvement (2018)*

### **Social Impacts Alleged in the Request**

34. ***Management notes that the Request for Inspection is the first time that alleged harm to the community or livelihoods is formally raised with Bank Management.*** The Bank received earlier communications expressing concerns regarding the road works – including from the Requesters – on which Management followed up accordingly. However, those concerns were strictly limited to *environmental* issues. ***In addition, Management notes that the Request itself offers no information with regard to such alleged impacts on livelihoods, making it impossible to adequately respond.***

35. ***Management understands that some residents from nearby villages are working as forest guides in the Reserve.*** Most guided tours take place inside the Reserve and have not been affected by the works on the access road which is outside the Reserve. It may be possible that some visitors seek guided tours outside the Reserve in the buffer zone and such tours may have been temporarily affected by the rehabilitation works. However, no complaints or concerns in regard to that were raised with the Bank, or the Project's GRM. On the contrary, earlier consultations held with the local community indicate that the community requested the access road to be rehabilitated. The issue of livelihood impacts was also not brought up by villagers or other stakeholders during the January 7, 2020 consultations.

36. ***Management understands that the Forest Department did not conduct appropriate community consultations for the access road rehabilitation, prior to the Bank's involvement.*** Consultations with some CSOs reportedly were carried out after the

rehabilitation works had begun, and after the Bank agreed to include this access road in the Project. As required by Bank policy, consultations were carried out on January 7, 2020.

37. ***The following steps will be carried out going forward:***

- (i) The Bank will review the revised design, integrating the feedback from all consultations, and provide its concurrence to resume and finance the remaining rehabilitation works by February 15, 2020 or earlier;
- (ii) The works for the remaining portion of the access road will resume, following the agreed new design, and the works completed prior to April 5, 2019 will be modified (scheduled for the first quarter of 2020);
- (iii) The rehabilitation works will be continuously monitored with support from the local community, the University of Moratuwa, and the IUCN team, (1st and 2nd quarters of 2020); and
- (iv) Bank supervision missions will be intensified during the rehabilitation works (1st and 2nd quarters of 2020).

**Conclusion**

38. ***Management believes that the Bank has followed policies and procedures applicable to the matters raised by the Request.*** Management notes that the concerns raised in the Request were caused by works that were not part of the agreed activities supported by the Project. The Bank has agreed to include the *Kudawa* access road in the Project to help complete the rehabilitation works in line with Bank policies, and help address concerns resulting from the previous rehabilitation works, which were carried out by the Forest Department without prior consent from the Bank. ***As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.*** On the contrary, the Requesters' concerns will be appropriately addressed because Management decided to include the *Kudawa* access road in the Project.

**ANNEX 1**  
**CLAIMS AND RESPONSES**

No.	Claim	Response
1.	The Request explains that road construction under the Project in the <i>Sinharaja</i> Forest Reserve in the <i>Kudawa</i> area is <b>causing harm to the endemic species of fauna and flora</b> and is <b>affecting local livelihoods</b> .	<p><i>No new road was constructed, rather rehabilitation of the existing access road occurred.</i> The access road is not inside the Reserve but runs in the buffer zone and along the boundary of the Reserve, connecting the <i>Kudawa</i> ticketing counter to the Reserve's main entrance. Clearing-related activities involved removal of some vegetation, mostly invasive species, and dead trees that had naturally fallen on the road. Rapid biodiversity assessment carried out recently by the PMU, as well as observations of the Bank team, confirmed the presence of endemic fauna and flora along the access road. However, all of these species have been recorded outside of the <i>Sinharaja</i> Forest Reserve, and there are no <i>point endemic species</i> (i.e., a single population that is found at one location alone) recorded from this particular area.</p> <p>Bank Management is not aware of any impacts on local livelihoods. The only villagers whose livelihood directly depends on the Reserve are forest guides recruited by the Forest Department to lead tours inside the Reserve; the Bank has not been made aware of any concerns from such guides arising from the rehabilitation work, except as regards the design. Livelihood impacts were not brought up by villagers or other stakeholders during the January 7, 2020 consultations.</p>
2.	In addition, the Requesters claim there was no consultation.	<p>Management understands that the Forest Department did not conduct appropriate community consultations for the access road rehabilitation prior to the Bank's involvement. However, consultations with interested CSOs were carried out after the rehabilitation works had begun, and after the Bank agreed to include this access road in the Project.</p> <p>Final consultations to present and discuss the design of the improvements proposed by the University of Moratuwa, together with the</p>

No.	Claim	Response
		<p>ESMP for the revised design of the access road, were held with stakeholders in Kudawa on January 7, 2020. About 40 people attended, including PMU staff and stakeholder representatives. In addition, representatives from IUCN and the University of Moratuwa who reviewed the road design participated. Two journalists from local Sinhala newspapers (<i>Divaina</i> and <i>Lankadeepa</i>) were also present. Bank staff attended the consultations as observers. Detailed minutes of this consultation are currently being prepared and will be made public on the Project website. Other documents, including minutes of the meeting held in May 2019, have been disclosed on the Project website.</p>
3.	<p>The Requesters also allege that the <b>construction of roads or jungle trails inside a sensitive forest can cause severe environmental impact</b>, including road surface erosion and sediment yield, pollution and obstruction of natural waterways, slope failures and mass movement, conversion of the original land cover into an artificial surface, fragmentation of an ecosystem into smaller and more isolated patches and loss of habitat.</p>	<p>There was no new construction, only rehabilitation and maintenance of the existing access road to address safety concerns and prevent further erosion. The rehabilitation work is not expected to cause any significant environmental impacts. The design of the road rehabilitation works (including the drains) will be reviewed to ensure that there will be no barrier for movement of small animals. The intended purpose of the rehabilitation work has been to reduce the soil erosion and make it safer to use the access road for visits, research and enforcement, and for village children to use the road as a shortcut to the school from the village that borders the Reserve. There is no vehicular access except for Forest Department staff, emergencies and transport of research equipment to the research station.</p>
4.	<p>Furthermore, the Requesters claim that the <b>proliferation of human activities along the paths introduces invasive plants and encourages biopiracy</b>. They claim that abusive exploitation will lead to profound and lasting detrimental effects on the <i>Sinharaja</i> Forest's sensitive ecosystem.</p>	<p>The <i>Kudawa</i> access road rehabilitation is very unlikely to increase human activities beyond the already existing visitor numbers. It is not plausible to assume such an increase since the 1.6 km long access road merely connects the ticketing office with the security gate, and is used by residents of the nearby village. Moreover, there will be no change to the usage of the access road, which will continue to be governed by the Forest Ordinance and related protected area management plan. As currently</p>

No.	Claim	Response
		practiced, all visitor groups are required to be accompanied by a Forest Department guide. Management is not aware of any incidents of biopiracy.
5.	This Road construction work goes on inside the <i>Sinharaja</i> world heritage site in <i>Kudawa</i> area. The project is funded by (ESCOMP) World Bank and <b>has ineffectively been planned by the local policy makers both in government and in NGOs.</b> This illegal road construction was started on 20.12.2018.	Planning and start of rehabilitation of the access road occurred prior to Bank involvement. The rehabilitation works do not fall under any of the prescribed categories in Sri Lanka's environmental impact assessment regulations that would require prior national environmental clearance, as there is no forest clearance involved. Rehabilitation and maintenance of this access road is legally permissible according to existing national legislation (the Forest Ordinance and the National Environment Act). However, the rehabilitation works have been stopped since April 4, 2019. Since the access road became part of the Bank-supported Project, the corresponding assessments and consultations have been started, as required by Bank policy.
6.	<b>A group of environmentalists informed to Sri Lanka Forest department. But they never take an action</b> because Forest Department is the owner of this project and illegal constructions.	Management understands from the Forest Department that it has met or communicated with those individuals who wished to discuss their concerns related to the access road, before the access road was included in the Project.
7.	<i>Sinharaja</i> Forest Reserve is the unique remaining virgin tropical rainforest in Sri Lanka. It is of international significance and has been designated as a Biosphere Reserve and World Heritage Site by UNESCO. The hilly virgin rainforest, part of the Sri Lanka lowland rain forests Eco region, was saved from the worst commercial logging by its inaccessibility, and was designated as a World Biosphere Reserve in 1978 and a World Heritage Site in 1989.	The Bank recognizes the unique nature of the Reserve. Once the access road was included in the Project in April 2019, all applicable safeguard policies and procedures have been applied. At the request of the Bank, the Ministry of Environment contracted the IUCN to evaluate possible impacts to the Reserve from the access road rehabilitation. The IUCN report concluded that the access road rehabilitation was necessary and that it has not caused any adverse impacts to the Reserve or the latter's global value. However, it recommended design improvements for the access road, specifically, retrofitting measures that would ensure that the road does not create a barrier for small animal movement,

No.	Claim	Response
	<p>According to IUCN's Conservation Outlook Assessment (2017), the conservation status of <i>Sinharaja</i> Forest Reserve is of 'significant concern'. The IUCN report notes that "The value of <i>Sinharaja</i> as a natural world heritage site continues to be recognized by the discovery of several endemic species of plants and animals since the declaration of this forest as a world heritage in 1988. Some of the recent discoveries include several species of herpetofauna that are restricted to the eastern region of <i>Sinharaja</i>".</p> <p><b>While they develop the road they did not concern any environment ethics.</b></p>	<p>which have been taken into account in the review of the design for the road by the PMU.</p>
8.	<p>Forest department was <b>cut down many trees and herbs in the area and those are micro and macro habitats</b> of the several species.</p>	<p>There is no evidence of any tree cutting on or along the access road, as observed by the two ecologists of the UNESCO <i>Man and Biosphere Committee</i> who visited the site on January 22, 2019, as well as by the Bank team on January 4, 2019. Clearing-related activities involved removal of dead trees that had fallen and were obstructing the access road. The majority of other vegetation that was removed consisted of previously established invasive species that occupied the forest as a result of previous logging practices and nearby pine plantations.</p>
9.	<p>As an example, They <b>concreted some water streams close to road</b>. Those streams were places for endemic fish species.</p>	<p>Based on the Bank's assessment of the works done prior to the Bank's involvement, no water streams have been concreted. The only concrete works that have been carried out are the lining of existing roadside drains and paving of sections of the access road with paving stones. The design of these drains is not appropriate and hence is being reviewed for modifications to ensure that they do not create a barrier for small animal movement. The design issues notwithstanding, such drains (whether or not</p>

No.	Claim	Response
		lined) carry flowing water only during rainy weather, and do not form permanent pools where fish can live.
10.	Before started this project, we sent our <b>request to conducted environment impact assessment. But, Depart of forest refused to do it</b> and said it is unnecessary work.	This was prior to the Bank's involvement. The Bank is not aware of such a request prior to the commencement of works; as soon as the road became part of the Project, the full scope of applicable policies and procedures came into force.
11.	Anyhow, the road which they built is a <b>big road and some places are 20 feet wide.</b>	<b><i>The rehabilitation works will not widen the road. The original access road was 20 feet wide.</i></b> However, earlier maintenance works by the Forest Department before the Bank's involvement, reduced the width of the access road to 13 feet. The sections that are yet to be rehabilitated will be limited to a width of 8 feet.
12.	Previous communications: Yes <b>we inform previously but first time we did not get any replay</b> from World Bank Office.	There were two complaints received by the Bank: one by the Bank's Grievance Redress Service (GRS) on March 22, 2019, and another one by the Bank's External Affairs Department on July 3, 2019. The GRS responded to the complaint on April 16, 2019, and received a response from the complainant on August 12, 2019. The Bank team responded to the July 3, 2019 complaint on July 24, 2019. The Project Director confirmed speaking to the complainant and copied the Bank team in the email sent on July 23, 2019 to describe the actions taken and proposed to remedy the situation. The complainant's request sent on July 24, 2019 in response to that email was a request to keep the complainant's group informed of the next consultation. Once the Project Director responded to the complainant in writing, the Bank team also communicated with the complainant on July 24, 2019. The complainant emphasized that the environmental damage had been done and he would now wait to see the Project's next steps.





## SRI LANKA ECOSYSTEM CONSERVATION AND MANAGEMENT PROJECT Request for Inspection

- SELECTED VILLAGES AND TOWNS
- MAIN ROADS
- DIVISION BOUNDARIES

Source for imagery (middle): Esri, Digital Globe (WorldView-2 and WorldView-3 Satellite), 2019.

Source for imagery (bottom): Esri, Digital Globe (WorldView-3 Satellite), 2019.



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