

**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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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,¹ 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.

¹ 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)."*²

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.

² <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.***³ 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.*"⁴ 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.

³ 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.

⁴ 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.⁵

⁵ 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.***⁶ 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

⁶ 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.⁷

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.

⁷ 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.⁸ 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.⁹

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

⁸ 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.

⁹ 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.¹⁰



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



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

¹⁰ “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.*"¹¹

¹¹ 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 causing harm to the endemic species of fauna and flora and is affecting local livelihoods .	<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>

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		<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 construction of roads or jungle trails inside a sensitive forest can cause severe environmental impact, 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 proliferation of human activities along the paths introduces invasive plants and encourages biopiracy. 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>

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		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 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.	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.	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.	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,

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	<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>While they develop the road they did not concern any environment ethics.</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 cut down many trees and herbs in the area and those are micro and macro habitats 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 concreted some water streams close to road. 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 request to conducted environment impact assessment. But, Depart of forest refused to do it 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 big road and some places are 20 feet wide.	<i>The rehabilitation works will not widen the road. The original access road was 20 feet wide.</i> 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 we inform previously but first time we did not get any replay 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.

