

**IPN REQUEST RQ 19/15**

December 09, 2019

**NOTICE OF REGISTRATION**

**Request for Inspection**

**SRI LANKA: Ecosystem Conservation and Management Project (P156021)**

**Summary**

1. The Inspection Panel received a Request for Inspection related to the Sri Lanka: Ecosystem Conservation and Management Project (“the Project”) 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. On November 4, 2019, the Panel acknowledged receipt of this Request on its website.
2. The Requesters claim that the Bank-financed Project is causing harm to community livelihoods and the natural environment through road construction activities in the Sinharaja Reserve Forest<sup>1</sup>, a World Biosphere Reserve (1978) and UNESCO World Heritage Site (1988)<sup>2</sup>. The Requesters raise concern over the adverse impact of the road construction on several endemic species of fauna and flora, as well as on local livelihoods. They also claim lack of consultation and disclosure of information with the communities around the Kudawa area of the Sinharaja forest.
3. After conducting its initial due diligence, meeting with Management and confirming that the Request meets the Panel’s admissibility criteria, the Panel is registering this Request.

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<sup>1</sup> The Sinharaja Forest Reserve is a forest reserve and is considered to be 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 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. 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>

## The Project

4. 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 the Bank through a US\$45 million equivalent Investment Project Financing using an International Development Association Credit. The closing date of the Project is June 30, 2021. At the time the Request was received, total Project disbursement was at 29 percent.

5. The project development objective is to *improve the management of ecosystems in selected locations in Sri Lanka for conservation and community benefits*.<sup>3</sup> The environmental category for the Project is B. The Project has triggered the following safeguard policies: Environmental Assessment OP/BP 4.01; Natural Habitats OP/BP 4.04; Pest Management OP 4.09; Indigenous Peoples OP/BP 4.10; Physical Cultural Resources OP/BP 4.11; Involuntary Resettlement OP/BP 4.12; and Forests OP/BP 4.36.

6. The Project comprises four components: (a) pilot landscape planning and management; (b) sustainable use of natural resources and human-elephant co-existence; (c) protected area management and institutional capacity; and (d) Project management. The Request is related to the third component, which supports interventions in Project areas in accordance with the Sri Lanka Fauna and Flora Protection Ordinance and Forest Conservation Ordinance, including nature-based tourism development and strengthening the institutional and investment capability for conservation and management.<sup>4</sup>

## The Request

7. The Request explains that road construction under the Project in the Sinharaja Forest Reserve in the Kudawa area is causing harm to the endemic species of fauna and flora and is affecting local livelihoods. They claim that both local government policy makers and non-governmental organizations ineffectively planned the Project. The Requesters claim that the road construction, which commenced on December 20, 2018, is illegal<sup>5</sup> and that "*it did not concern any environment ethics*." 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. Furthermore, they claim that the concrete structures to capture water streams close to the road impact adversely on endemic fish species. 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>6</sup> In addition, the Requesters claim there was no consultation.

8. 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. Furthermore, the Requesters claim that the proliferation

<sup>3</sup> Project Appraisal Document, para 15.

<sup>4</sup> Ibid, para 28.

<sup>5</sup> Request for Inspection.

<sup>6</sup> Request for Inspection.

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 Sinharaja Forest's sensitive ecosystem.

### **Initial Due Diligence**

9. After receiving the Request, the Panel had a conversation with the Requesters on October 31, 2019. The Requesters reiterated their concerns regarding harms being inflicted on the unique biodiversity of the Sinharaja Forest due to the construction of a road in the Kudawa section of the Sinharaja Forest under the World Bank project, without a proper environmental impact assessment and public consultations. They indicated to the Panel that the absence of road crossings for animal passage, incorrect drainage works, and the choice of pavement materials were adversely impacting the endemic flora and fauna in the Sinharaja Forest. The Requesters also indicated to the Panel that they wrote to the World Bank in July 2019 regarding their concerns and were not satisfied with the response.

10. The Panel also met with Management for an initial briefing on the Project. Management described the road under construction as the rehabilitation of an existing forest trail, that only enters the Sinharaja Forest in two places and mainly passes through the buffer zone of the forest. Management explained that the main aim of the road is to facilitate access from Kudawa Ticket Counter *via* Dorana Ella to Wathurawa entrance. The road is mainly used by visitors, researchers, some community members and for the day-to-day management of the activities in the Sinharaja Forest. Management also explained that the road was badly maintained and due to heavy rain induced erosion it degraded overtime to a state that it was not suitable for safe walking. Furthermore, Management stated that the road works were incorrectly implemented under the World Bank project, but that as soon as it became aware of the works on the road and its shortcomings, it advised the Sri Lanka authorities to discontinue the road renovation effort. Currently the Bank is evaluating and reviewing the works to ensure the best way forward in line with Bank policies.

11. After conducting its initial due diligence, the Panel verified that the Request meets the admissibility criteria for registration. The Panel confirms that the Request is not frivolous, absurd or anonymous, and was submitted by two individuals representing 106 community members from the Sinharaja Forest Area in Sri Lanka. The Panel confirmed that the Requesters had prior contact with Management relating to the Request and verified that the Requesters had written to Bank Management on July 3, 2019. The Panel verified that the subject matter of the Request does not concern issues of procurement, and that at the time of receipt of the Request the Project was 29 percent disbursed. Furthermore, the Panel has not previously made a recommendation on the issues raised in this Request.

### **Registration of the Request**

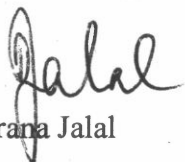
12. As provided in paragraph 17 of the IBRD Resolution ("the Resolution") that established the Panel, *"the Chairperson of the Panel shall inform the Executive Directors and the President*

of the Bank promptly upon receiving a request for inspection.”<sup>7</sup> With this notice, I am notifying you that I have, on December 9, 2019, registered this Request.

13. The Panel’s registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 18 of the Resolution, and paragraphs 2 and 8 of the “*Conclusions of the Board's Second Review of the Inspection Panel*” (“*the 1999 Clarification*”), Bank Management must provide the Panel within 21 business days (by January 14, 2020) a response to the issues raised in the Request for Inspection. The subject matter that Management must deal with in the response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarification.

14. After receiving the Management Response, the Panel will, as outlined in the 1999 Clarification and as provided by paragraph 19 of the Resolution, “*determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*”<sup>8</sup> This Request has been assigned IPN Request Number RQ 19/15.

Yours sincerely,



Imrana Jalal

Attachments

Mr. David Malpass, President  
International Development Association

The Executive Directors and Alternates  
International Development Association

The Requesters

<sup>7</sup> Resolution Establishing the Panel (September 22, 1993), Resolution No. IDA 93-6,  
<https://www.inspectionpanel.org/sites/ip-ms8.extcc.com/files/documents/Resolution1993.pdf>

<sup>8</sup> Ibid.