

INDIA

ECODEVELOPMENT PROJECT (Cr. No. 2916-IN; GEF TFG No. TF028479-IN)

MANAGEMENT RESPONSE TO INSPECTION PANEL

I. INTRODUCTION

1. This is the IDA Management response to IPN Request RQ98/1 providing to the Panel written evidence that it has complied, and intends to comply, with the relevant policies and procedures in the design and implementation of the above-referenced Project. The response refers to the Request Letter from the Nagarhole Budakattu Janara Hakkusthapana Samithy (NBJHS).
2. The Request alleges violations of Operational Directives (ODs) 4.20 (Indigenous Peoples) and 4.30 (Involuntary Resettlement). The Panel also noted that there may be issues relating to Operational Policy (OP) 4.36 (Forestry).
3. The response is in four parts: Background, Summary of Conclusions, Discussion, and Conclusion. Attached are four Appendices: Project Fact Sheet, Matrix Relating Project to OD 4.20 (Indigenous Peoples); Sequence of Main Dates from Project Identification to the Present, and a letter of response dated June 18, 1996.

II. BACKGROUND

4. The objectives of the Project are: (i) to assist in the conservation of biodiversity by implementing an ecodevelopment strategy that would increase collaboration between people in and around the Protected Areas (PAs) and PA managers and improve PA management; and, (ii) to support the preparation of future biodiversity projects in India. The lessons from other conservation projects in areas with human pressures have been that a top-down, target-based, approach has not worked; that building consensus is difficult and takes time; that participation at grass roots level is essential; and that reciprocal commitments between government and local communities are needed. This past experience pointed towards *a process design project which, after a period of indicative planning to establish the framework and define appropriate processes, proceeded to get things done on the ground*. Understanding this process approach, which was conveyed to, and accepted by, the Board, is critical to understanding the issues raised in the Request.

5. The Project design and legal agreements are intended to minimize any adverse impacts on people with longstanding rights to access within parks. The key elements of project implementation are: (i) a process of village level planning (microplanning)¹ through which individual families and groups can express their needs and get financial support for improved stoves, fodder planting, weaving, tailoring, mushroom cultivation, electric fences, training as nature guides, developing tourist accommodation etc.; and, (ii) a Protected Area Management planning process through which local people can increase their involvement in overall park planning and management and resolve conflicts. People can elect not to participate in either of the above two sets of activities. Some funds are provided for those who wish to request voluntary relocation. The amounts for this have not been accurately projected because there is no relocation target, but it is expected to be about 1% of the total project costs. *The Project does not require anyone to move and, in fact, contains provisions which prevent government from requiring this in sites receiving Association assistance.*

6. With respect to project implementation at the Nagarhole site, the Project has not yet started, although two draft microplans have been prepared. Union cabinet clearance did not come through until the end of October 1997 and no funds were made available through the Karnataka state budget to the Project authorities until March 31, 1998, the last day of the financial year.

III. SUMMARY OF CONCLUSIONS

7. In relation to the above-referenced Request for Inspection, Management's position is as follows:

- With respect to **OD 4.20 (Indigenous Peoples)**, the main allegations are that the Association has overlooked the existence of tribals in Nagarhole National Park (one of seven Protected Areas covered under the Project), that the Project fails to comply with OD 4.20, and that informed participation has not taken place. **Management does not agree and considers that it has complied with this OD.** The requirements of the OD have been addressed during project design and are being addressed in the implementation phase. The broad parameters for compliance, including measures for ongoing consultation and security of access to

¹ Microplanning comprises mapping of the PA-people interface collaboratively with the local people mobilized through the village Ecodevelopment Committee and with the PA authorities to: (i) identify and prioritize impacts, both positive and negative, of the PA on people and vice versa; and (ii) draw up a plan for mitigating the negative and enhancing the positive by developing: mutually approved objectives, investments, inputs, obligations on both sides, implementation schedule, monitoring indicators, agreed arrangements for cost and benefit sharing, assessment of proposals with respect to eligibility and feasibility, administrative arrangements, training, Participatory Rural Appraisal exercises to ensure a voice for vulnerable and often excluded groups, etc.

resources, were agreed during appraisal and microplans are required prior to each investment. These microplans must be prepared by, and be agreeable to, the involved people. The intention is to strictly supervise project implementation.

- With respect to **OD 4.30. (Involuntary Resettlement)**, the main allegations are that the Association has failed to comply with the OD by not mentioning the tribal habitats inside the park and that the Staff Appraisal Report (SAR) insists on rehabilitation of tribals from core areas. **Management considers it has complied with this OD.** The SAR clearly refers to ² tribal people living in the park *and does not “insist on rehabilitation” as is claimed in the Request. The covenants are unambiguous; they state that the Project States shall not carry out any involuntary resettlement for any people resident within the Protected Areas (PAs).* Furthermore, there is clear evidence that Management intends to adhere to this conditionality. Prior to appraisal, the Similipal site in Orissa was dropped from the Project because there were doubts about whether a recent relocation of people had followed what were to become the agreed criteria for voluntary relocation under the Project.
- With respect to **OP 4.36 (Forestry)**, the Panel did not make clear where its concerns lay, however **Management considers it has complied with this OP.** Some of the aspects of the OP are covered by OD 4.20. With respect to the issue of forest policy, the Nagarhole Protected Area is a national park covered under the Wildlife Act and not a forest reserve covered under the forest legislation. The Wildlife Act has been addressed separately in the Response.

8. Management has always recognized that the Project has significant risks related to participation, trust, realism of expectations, regional pressures, extent of implementation capacity and level of government support ³. Staff were open about the risks throughout Project processing. It was well understood that it would be a controversial Project. Nagarhole is undoubtedly the most difficult and ambitious of the seven sites given the history of conflict, but, the process itself is by no means untested. A similar approach under the earlier Forestry Research Education and Extension Project at the Kalakad-Mundanthurai Tiger Reserve in Tamil Nadu is working well with substantial benefits for both people and biodiversity.⁴

² SAR page 88

³ In particular, in Annex 21, page 296: “...it would be unrealistic to expect that the Project would be able to completely redress past negative impacts of the PAs on local people. Furthermore, biologists and social scientists have different perspectives and agendas that are sometimes impossible to fully reconcile”.

⁴ This experience is written up in a recently published South Asia Brief.

IV. DISCUSSION

9. The discussion addresses five main areas of concern: project design, issues related to OD 4.20, issues related to OD 4.30, other concerns; and, OP 4.36 (Forestry).

A. Concerns about Project Design

The Request expresses concern about “The perplexing logic and pressures for the introduction of the project”(Page 1)

10. While not a matter related to Operational Directives or procedures, Management’s response is that the logic and objectives of the Project are clearly stated in the Project Objectives section of the SAR (page 8). Briefly, they are: “to improve capacity of Protected Area management to conserve biodiversity and increase opportunities for local participation in Protected Area management...” and to “reduce negative impacts of local people on biodiversity, reduce negative impacts of Protected Areas on local people, and increase collaboration of local people in conservation efforts.”

B. Concerns related to Operational Directive 4.20 on Indigenous Peoples

The allegations under this heading are: that the Association has said that there are no tribal people in the core area of the park (Page 4, Item b (ii)); that OD 4.20 is discarded in the case of this project (Page 3, Item b (i)); that any meaningful process of informed participation of tribal groups and NGOs has not taken place (Page 4, Item b (ii)); that OD 4.20 is evaded by not mentioning the tribal habitats inside the Park (Page 5, Item b (iii)); that the project circumvents the OD 4.20 and that the project will not be handed over to tribals since the Association has overlooked the existence of tribals in the core area (Page 5, Item b (iv)); and, that the Association has misquoted participants to consultations (Page 5, Item b (ii)).

Tribals Resident Within the Park

11. In a number of places in the Request there are statements to the effect that the Association has said there are no tribal people in the ‘core area’ of the park. Management is not clear what the relevance of this statement is. It appears to be correct that there are no people living in what is known as the ‘core area’⁵(which is not a legal designation). The Project documents have made specific reference to about 7,000 tribal people who live inside the park boundary (albeit not within the ‘core area’) and another 70,000, both tribal and non-tribal,

⁵ This ‘core area’ is shown in red in the SAR map IBRD 27844.

outside the park within about 2 km⁶. However, even if there were people living in the ‘core area’, while relevant to biodiversity conservation, it would be of no relevance to the issue of compliance with the Operational Directives. OD 4.20 applies to all tribal populations wherever they are located. OD 4.30 would also apply, however the Project does not include involuntary resettlement.

The Incorporation of OD 4.20 Requirements into Project Preparation and Implementation

12. No separate Tribal Development Plan was prepared, because over half of the project beneficiaries are tribal people and all areas have significant numbers of tribal people. Therefore, in accordance with OD 4.20, para. 13 the provisions of the OD would apply to the entire Project.⁷ Appendix 2 provides a detailed response to each of the substantive issues raised.

13. Regarding the allegation that meaningful “informed participation” has not taken place, Management’s response is that OD 4.20 was complied with and that informed participation did take place. The framework for compliance, including arrangements for consultation, resource security, and implementation, were discussed at appraisal and agreed in the legal documents. Adherence to the OD has been, and is being, carried out within the framework of a process-oriented project with indicative planning coming before appraisal and more detailed consultation following during implementation.

14. We outline the process in the following paragraphs. The Project was designed to involve a two phase three-step process. Indicative planning to establish the main areas of conflict, appropriate participatory mechanisms, eligible types of investment, and effective institutional arrangements was undertaken during project preparation. The more detailed consultative microplanning and Protected Area management planning, during which individual families and groups express their needs and resolve conflicts in a context with funding available, will be carried out during project implementation. These three steps are elaborated below.

A. Project Preparation Stage

15. *Indicative Planning and Consultation.*⁸ The Staff Appraisal Report outlines in Annex 4 the main consultative steps in the development of the Project design up to and including appraisal. About 35 NGOs were involved directly in project preparation work for the whole Project which included Participatory Rural Appraisals, Social Assessments, village meetings,

⁶ SAR Annex 6, page 88.

⁷ OD 4.20, para. 13 says: “When the bulk of the direct project beneficiaries are indigenous people, the Bank’s concerns would be addressed by the project itself and the provisions of this OD would thus apply to the project in its entirety.”

⁸ The term Indicative Planning as used here refers to all the project preparation and appraisal work..

workshops, and discussions with individuals. At Nagarhole 5 NGOs were involved either in workshops or studies: Indian Institute of Public Administration, Mysore Resettlement and Development Association (MYRADA), Society for Promotion of Wasteland Development (SPWD), SETT and Bharatiya Agro-Industries Foundation (BAIF). Discussions were held by staff with a few others. At Nagarhole the sequence of consultative steps was as follows:

- (a) Over the period August 1993 to March 1994 the Indian Institute of Public Administration (IIPA), funded by GEF through UNDP, carried out an Indicative Planning exercise. This involved field visits by IIPA staff to the area, Participatory Rural Appraisal (PRA) training programs, meetings and workshops, and a PRA exercise which, in Nagarhole, was sub-contracted to MYRADA. It covered 14 villages, one of them inside the park, the rest very close to the boundaries in locations where there were substantial park impacts on people or people impacts on parks. (OD 4.20, 15 (b),(e), (f)). This exercise led to some frustration because local people expected funds to be immediately available. It was therefore decided not to raise expectations by including more villages inside the park at that time.
- (b) In November 1994 three Bank staff held discussions with individuals and small groups of tribals at several locations both inside and outside the park. Discussions were held also with national and local NGOs. In particular, a Bank social scientist had discussions with people in 3 villages inside the park⁹ and 3 villages outside. Separately a Bank ecologist had discussions with an NGO already working inside the park. The Aide Memoire of this mission (November 28, 1994) identified the need for additional studies and the need to expand the studies to tribals within the park. *Of particular relevance to the allegations related to relocation is that, at this point in the process, the pre-appraisal mission was instrumental in halting an earlier resettlement plan which was to move all or most of the tribal residents out of the park.*
- (c) In February 1995, a Social Impact Assessment, again, using Participatory Rural Appraisal (PRA) methods was carried out by an NGO - the Society for Promotion of Wastelands Development (SPWD). Ten villages in locations mostly on the park boundary from just inside to about 4 km outside were sampled. Meetings were held by SPWD with 3 other NGOs - MYRADA, DEED, and Fedina Vikasa. A range of aspects were explored including income earning activities, reliance on forests, problems faced by people, and possible Project investments. (OD 4.20, 14, 15,)

⁹ There are about 45 hamlets inside the park.

- (d) In April 1995 an Ecodevelopment Study was carried out by an NGO MYRADA using PRA methods in 9 villages inside and near the periphery of the park. Main information related to family data, land holding and use, income sources, assets, public amenities, linkages to sources of labor, culture and religion, forest and non-timber forest product dependence, wildlife depredations problems, aspirations, and attitudes to relocation. (OD 4.20, para. 15)
- (e) September 26, 1996 two staff met NGOs and tribals in Bangalore.¹⁰
- (f) In December 1996, prior to effectiveness, a stakeholder analysis (Goal Oriented Project Programming (GOPP)) was carried out by Om Consultants funded out of the Project Preparation Facility to feed into the implementation plan. During this analysis discussions were held with a range of stakeholders including tribals, NGOs, Department staff, etc. (OD 4.20, para. 15)
- (g) During the first review mission (in effect a supervision mission, but prior to project effectiveness) in February 1997, prior to any budgetary allocation to the project, further meetings were held with NGOs and tribals (one meeting with 50 tribal representatives of H D Kote taluk (an administrative block) including 10 women, two visits to villages on park periphery, one visit inside park). During this mission the 'People's Plan' was raised by tribals and five elements discussed (information, local participation, forester/tribal interface, transparency of financial transactions, customary rights). In discussions, the mission proposed further dialogue between tribals and the Forest Department on the plan in the context of the designed project process.

16. Based on these extensive contacts, Management considers that consultation was adequate and informed. One additional aspect requires clarification: did the above sufficiently address the *land rights and usage issue*? In particular did it address the anomaly that, while the Wildlife (Protection) Act 1972 does not allow people to be resident in National Parks, the practice had generally been to allow traditional rights to prevail? Management's assessment is that the land rights issue was identified and well understood both at the national and site-specific level by the time of appraisal. *The Project Agreement states that, "each state shall take all the necessary actions to ensure that the Project activities shall not erode the customary tenure rights over land and other assets of the tribal population in the PAs"*. At Nagarhole the solutions will require further extensive consultation and conflict resolution within the framework of the Project. The problems seem likely to be best resolved through a combination of reciprocal agreements at the local level related to customary usage, some rationalization of boundaries, some voluntary movement, and agreements on sharing of park management by-products, tourism income, etc.

¹⁰ We are not aware of any meeting attended by staff in Mysore on August 9, 1996 which is mentioned in the Request as the only specific consultation with the Association.

17. A new issue that has emerged recently is a Supreme Court ruling of August 22, 1997 which calls for all states to issue the further national park notifications under section 21 (the final notification stage) of the Wildlife (Protection) Act 1972, within two months and “complete the process of determination of rights and acquisition of land or rights as contemplated by the Act within a period of one year”. This makes the process of establishing rights time-bound when it was previously not time-bound. Depending on how the states respond, this could reduce the states’ freedom to support people within park boundaries. The Association has asked for a clarification from the Ministry of Environment and Forests about how this ruling is expected to affect the commitments made under the Project. A response is awaited. There are a number of different ways the states could meet this order¹¹.

B. Project Implementation Stage

18. *Microplanning.* The next consultative stage following the Indicative Planning is the microplanning at the village or hamlet level which was designed to be done, with financial resources provided by the project, after project effectiveness. Microplanning is now scheduled to build up quickly. These micro-plans would meet the requirements of OD 4.20 in the following ways:

- (a) the PAMIA (Protected Areas Mutual Impact Assessment)¹² microplanning process, a form of PRA exercise, which would ultimately cover 100 percent of interested villages, involves: direct consultation and the incorporation of indigenous knowledge (OD para 8 and 9); development plans based on full consideration of options preferred (OD para 14 (a)); full consideration of local social organization, beliefs and resource use (OD para 14 (d)); production systems suited to needs and environment (OD para 14 (e)); and, plans for indigenous people to benefit directly from the Project investments(OD para 9).
- (b) The microplan is approved by signature of representatives of the village Ecodevelopment Committee and the PA authorities; and
- (c) the involvement of NGOs in the process would bring in locally experienced people including sociological experts (OD 4.20, para 5 and 14).

19. *PA Management Plans.* In addition, PA Management Plans address OD 4.20 requirements by:

¹¹ We are aware that at least one state has advised the court through an affidavit that it will be very difficult to meet the terms of the order.

¹² The PAMIA process is described in SAR, page 121, Box 1.

- (a) broadening participation and cooperation of local people and other stakeholders through direct consultation, representation on committees, participation in workshops, developing vision statements, rationalization of PA boundaries, and management of forests and other resources (OD 15 (d), (e), (g));
- (b) enabling participatory planning to develop ways to mitigate negative impacts of PAs on people (OD 15 (d)); and
- (c) supporting dissemination of PA plans and encouraging debate of critical emerging issues (OD 14 (a), 15 (d)).

20. The SAR Annex 7 on Improved PA Management says that “before finalisation (of the PA Plan) all stakeholder groups ...would have the opportunity to review the plan and to comment on its recommendations”. In addition, the Association would comment on the Annual Plans and the Project conditionality requires that those comments be taken into account. It is within this PA Management framework that proposals such as the People’s Plan, attached to the Request, as well as other proposals from other groups, will be debated and the conflicts addressed.

21. *Site Specific Issues.* Nagarhole is the biggest challenge of the seven sites and will require intensive supervision.¹³ This site is more difficult than others under the Project because of a history of mistrust between tribals and government. As an instructive comparison, similar issues exist at the Gir National Park in Gujarat, one of the other Project sites, but there has been a more collaborative approach and better consultation.

22. With respect to the allegation in the Request that the Association has misquoted certain NGOs as having been participants at consultations/discussions, this has been raised before. Drafts were shared in a spirit of consultation and there was an error in an earlier draft of the Staff Appraisal Report, Annex 4, which had inadvertently listed NGOs that had participated in a discussion that was not directly a part of the project preparation. The final version of the SAR, Annex 4, excludes these NGOs and includes a footnote on page 67 to clarify that consultations revealed a range of perspectives among NGOs and that inclusion in the list does not imply support for the Project.

23. With respect to consultation through correspondence and specifically the three letters attached to the Request, one is to the Inspection Panel not to the Association. The other two, both undated and with similar concerns, reached the Association about June 5, 1996. One was

¹³ Two supervision missions are planned within the next two months. Initial microplanning activities will start in those villages (the majority) which are not represented by the Request and where early progress can demonstrate project benefits. The possibility of finding a neutral mediator is being considered for those areas represented by the Request.

from Mr. Roy David, the other from Budakattu Krishikara Sangha with Mr Roy David as a signatory. These were responded to on June 18, 1996 in a letter to Mr Roy David (Attached as Appendix 4).

C. Concerns Related to Operational Directive 4.30

Briefly, the allegations under this heading are: that OD 4.30 is evaded by not mentioning the tribal habitats inside Nagarhole “in the project report to World Bank” which, it is claimed, shows the intention of the concerned authorities to pursue forceful eviction (Page 5, Item (iii)); that the Association insists on rehabilitation of tribals from the core areas by developing voluntary relocation opportunities for people (Page 3, para 3); and, that the concept of “local people” is used ambiguously (same para).

24. **Management’s assessment is that it has complied with OD 4.30.** As indicated above, the SAR indicates clearly that there are tribals living inside Nagarhole National Park. The Request also claims that “the (Bank) report insists on rehabilitation of tribals from the core areas by developing voluntary relocation opportunities for people”. This is incorrect. Nowhere does the SAR insist on rehabilitation. The language of the SAR and the legal agreements is unambiguous. The legal documents (Project Agreement Schedule) for the Project specify that¹⁴:

- 5 (a) “The Project States shall, in pursuing the objectives of the Project, not carry out any involuntary resettlement for any people resident within the PAs.”
- 5 (c) “Any proposals for voluntary relocation of people under.....the Project shall be prepared and implemented in accordance with criteria agreed with the Association and the Bank, and after prior approval of the Association and the Bank.”
- 5 (d) “Each of the Project States shall prepare in accordance with procedures and guidelines agreed with the Association and the Bank an indicative list of ecodevelopment investments for people opting to remain within the PAs, and shall include such people in the village ecodevelopment activities underthe Project.”

25. Staff took special care to define the meaning of ‘voluntary’, and to ensure that the Project relocation strategy was consistent with OD 4.30 and OD 4.20 (SAR page 33, para 5.8 and Annex 20). Prior to the invitation to negotiate, all relevant departments agreed that issues relating to relocation were satisfactorily addressed. The state government confirmed several

¹⁴ Project Agreement Schedule paras. 5 (a), 5 (c), and 5 (d). See also the Minutes of Negotiation para. 18, which refers to the SAR Annex 20.

times that, since the November 1994 preappraisal mission, they had not carried out activities that could be considered implementation of a resettlement plan that had not been reviewed and approved by the Association.¹⁵

26. *Management's actions to date demonstrate its strong opposition to forced relocation.* The Similipal site in Orissa was dropped from the Project prior to appraisal precisely because there were doubts about whether the relocation carried out during project preparation fully complied with the Association's understanding of a voluntary process. Furthermore, as indicated above, the pre-appraisal mission was instrumental in halting plans for resettlement in Nagarhole.

27. Management is aware of at least some demand for voluntary relocation. Letters have been received from tribal representatives who are not a party to the Request who have expressed the clear wish of some people to relocate.

28. Finally, with respect to the allegation that the concept of "local people" is used ambiguously allowing for misinterpretation and thus for the dislocation of the tribals forcefully, we disagree. The language of the SAR and the legal agreements is very clear, the relevant condition in the Project Agreement says: "The Project States shall, in pursuing the objectives of the Project, not carry out any involuntary resettlement *for any people resident within the PAs.*"(emphasis added)

D. Issues Related to OP 4.36 (Forestry)

29. This has been responded to above under Summary of Conclusions.

E. Other Concerns

Briefly, the allegations under this heading are:

1. that biomass generation proposals might imbalance the ecology of the forest (Page 5, Item (i));and,

2. that the Eco-Tourism provision has provided scope for big industrialists to open up hotels in the forests, such as the Taj group development (Page 6, Item (ii)).

30. There are no violations of any OD in these two issues. On the matter of *biomass generation*, the project design should help to maintain, and hopefully improve, the forest ecology for three reasons. First, people participating in PA Management planning would have an input into what is planted. Second, any planting investments proposed within the park would

¹⁵ Minutes of Negotiations para. 20.

have to be incorporated into the Annual Plan of Operations which is subject to Association approval. Third, the eligibility criteria for microplan investments includes a criteria that the proposals be environmentally sustainable and specifically mentions the issue of impact of exotic species.

31. On the matter of the *Taj Group hotel*, the Project does not “provide scope”, as alleged, for the opening up of hotels. The Project does not finance hotels in the park, although the SAR acknowledges that there is an existing proposal. There are national environment-related laws and processes that govern such matters which we have reviewed in the past and with which we are satisfied¹⁶. We are aware that both the High Court of Karnataka and the Supreme Court have passed certain judgments on this hotel issue and we would consider it appropriate that it be handled in this way, through the application of the environmental laws of India.

V. CONCLUSION

32. In the light of the above responses, Management reiterates that the ODs and OP mentioned have been complied with and that the intention is to comply during implementation. Implementation has not yet started at this site. The challenge lies ahead. There is a history of mistrust between tribals and government at Nagarhole, but the Project is being condemned for the problems it was designed to address. The Project has involved substantial consultation which continues as a part of implementation. The project itself will be a series of indigenous peoples development plans which will call for a long and slow process of conflict resolution and “informed participation” to accommodate a diversity of views from a number of stakeholders.

¹⁶ Project Agreement, Schedule para. 5 (b) states: “ Each of the Project States shall ensure that activities outside the scope of the Project shall not undermine (i) effective biodiversity conservation within the PAs, or (ii) implementation of the ecodevelopment strategy under the Project.”

APPENDICES

1. Project Fact Sheet
2. Matrix Relating Project to OD 4.20 (Indigenous Peoples)
3. Sequence of Main Dates from Project Identification to Now
4. Letter dated June 18, 1996 to Mr. David Roy