
Sundarbans Biodiversity Conservation Project Bangladesh

by

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Coastal
Develop-
ment
Partnership
/SBCP
Watchgroup

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Executive Summary

The Sundarbans is the largest single block of mangrove forest that exists in the world today. Due to its uniqueness as a naturally developed ecosystem and in light of its size and rich bio-diversity, UNESCO declared the Sundarban a World Heritage Site in its 21st Session held on December 6, 1997.

Human interventions with the environment in the recent past had their impacts on the environment of the Sundarbans. Also, massive degradation has occurred in the bio-diversity of the Sundarbans during the last few decades. Already six species of mammals have become locally extinct in the Sundarbans and another 46 species of fauna are now on the endangered species list. In light of these harsh realities that the Asian Development Bank initiated a project titled Sundarban Bio-diversity Conservation Project (SBCP) costing US\$ 77.5 million.

The announcement that such a project is being planned came as a measure of relief to the people who were apprehensive of the total extinction of the forest, especially the environmental and devel-

opment activists, represented by the NGO community, and also in academic circles.

The project was approved on November 27, 1998. It planned to commence in April 2000 and to be completed by December 31, 2006. Prior to its designing, the Association of Development Agencies in Bangladesh (ADAB) was requested by the ADB to conduct a baseline survey in the Impact Zone of the Sundarban, an area within a radius of 20 km from the forest perimeter, to assess the opinions and perceptions of the people. ADAB conducted the study with the cooperation of local NGOs that were working in the Impact Zone.

The ADB's relevant environmental provision in effect at that time was the OM Section 20 on Environmental Considerations in Bank Operations, January 1997. Under this OM, the project classifies as a Category B project, which are judged to "have some adverse environmental impacts but of lesser degree and/or significance than those for Category A projects" and require an Initial Environmental Examination (IEE).

From its very inception, people, especially development and environmental activists and NGOs were disillusioned by the vast gulf of difference between what they had expected and what they actually got. The critics found that the project, which claimed to conserve the environment, was in fact not at all in accordance with the environmental provisions of the Asian Development Bank in place at the time of project approval. Since policy violations and design failures already occurred in the early stages of the project, the NGOs involved began closely monitoring the project.

Accordingly, the SBCP Watch Group, a network of NGOs active in the hinterland of the Sundarban, which was formed immediately after the ADB published its Inception Report through two workshops in Dhaka and Khulna in June 2000, re-organized itself in October 2002 and began a critical review of the project. The Watch Group conducted discussions, media campaigns, and even conducted discussions with the ADB itself. Finally, they held a large Regional Workshop on March 27, 2003, which issued a set of demands un-

der the title “Khulna Declaration”.

As a result, ADB itself became convinced that the implementation of the project even as it was, had been faulty, and therefore suspended release of funds for the project formally in September 2003. Though the ADB had until then defended the project against all criticism, claiming that the failure lay only in the implementation, this claim has now been admitted wrong. Hence in 2003, the ADB suspended the loan until such time as the project is redesigned.

As a result, the SBCP at present remained suspended until June 2004. The ADB is now asking the Forest Department (FD) to redesign the project in a participatory manner and imposing the fulfillment of certain conditions, such of righting of accounts and the activation of a functional advisory bodies, such as the Sundarban Stewardship Commission (SSC) and likewise a user group committee, the Stakeholder Advisory Council, which had been original requirements in the project. Once the government fulfills these conditions, ADB will continue with the disbursement of funds.

Introduction

The Project in General

The Sundarbans, the largest contiguous mangrove forest in the world today, is situated on the mouth of the Ganges delta, in the Southwest coast of Bangladesh and adjacent to Indian West Bengal. The unique characteristic of the Sundarban persuaded UNESCO to declare the Sundarbans a World Heritage site on December 6, 1997. But this rare beauty spot and gift of bountiful nature is now being degraded. The people of Bangladesh have been demanding conservation of the rich biodiversity of the forest. In response to these demands, the Asian Development Bank (ADB) has initiated the Sundarban Bio-diversity Conservation Project (SBCP) with the declared objectives of developing a sustainable management system and conserving the biodiversity of this unique ecosystem

The people were at first pleased to learn that such a project had been formulated. But when they came to learn the details of the project, the citizens and NGOs, saw that the project has not addressed the exact context of bio-diversity

degradation. They began to doubt the ability of the project to solve the problem of deterioration of the forest's resources and its bio-diversity, and to establish a management structure that will ensure its sustainable development.

People have some critical views about some of the components and limitations of the project. The people and NGOs also found that many external factors affecting the biodiversity of the Sundarbans have not been addressed. Though mentioned in the project documents, the external factors did not find reflection in policy decisions or statements. For these reasons, the NGOs began to express their reactions in their review reports. Through continuous mobilization, local and national level campaign, dialogue with ADB representatives, lobbying with the government, ADB at last agreed to revise the project.

In this case study, initiative has been taken to review the project in perspective of ADB's declared policies.

The Project in Terms of its Sectoral Context

The Project is implemented under Agriculture, Environment and Natural Resource Division (SAAE).

ADB's Sectoral Strategy

The ADB's operational strategy for Bangladesh focuses on poverty reduction as an overall priority objective, which is in line with the government's development objective. This is to be achieved by concentrating on three strategic priorities over the medium term: (i) promoting a faster rate of efficient economic growth through greater market orientation, augmentation of domestic resource mobilization, accelerated human development, and improved physical infrastructure; (ii) enhancing access for the poor to the employment opportunities generated by growth, through improved health, education, training, population planning, basic services, and credit; and (iii) improving and protecting the environment, by addressing the physical and human consequences of poverty as well as natural resource management.

One of the main guiding principles of the Bank's Forest Policy is that since forests have significant economic, environmental, and social values for each developing member country, these multiple and complementary Functions and uses of forests should guide the Bank's policies and strategies in promoting their equitable, balanced and sustainable development. Therefore, the Bank's policy is founded on three basic principles: protection, production, and participation. Further, the participatory approach is emphasized as a necessary step towards sustainable development.

The policy supports natural resource inventories and zoning of lands based on appropriate use. The policy also supports strengthening of mechanisms to regulate the use of forest land to ensure that adequate areas remain under tree cover. With specific reference to land tenure and usufruct rights, the policy supports establishment of proper land-use policies and rationalized user rights to publicly owned forest areas.

A salient feature of the policy is its requirement for social analysis of the degree, to which customary land rights and land tenure of forest dwelling and/or forest-dependent communities are satisfactory, and to design and agree upon steps to rectify significant shortcomings in these issues. The policy also supports developing and strengthening mechanisms by which forest dwelling and/or forest-dependent communities can be involved in land-use decisions related to forest land. In this context, the role of village officials, school-teachers, NGOs, educational organizations, elected local bodies, and other agencies will be encouraged. The SBCP project design will closely follow the above basic principles in forestry development (production, protection, and participation), incorporate past experience and lessons learned; and be responsive to the people-oriented program of FSMP.

External Assistance to the Sector and Lessons Learned

The Bank's assistance to the forestry sector in Bangladesh started in December 1981 with a loan for the Community Forestry Project (CFP). This project extended social forestry activities in 23 districts in the north

and northwestern parts of the country.

In March 1989, the Bank approved the Upazila (*sub-district*) Afforestation and Nursery Development Project (UANDP). Following the awareness raised under CFP, the UANDP aimed at arresting depletion of the plantations and natural forests of the central and northern region of the country. Under the UANDP, a significant portion of available government land and homestead land was brought under tree cover using participatory and benefit-sharing approaches.

The UANDP demonstrated the effectiveness of participatory approaches to protection and management for *sal* forests and establishment of block plantations (woodlots) in forests that were severely degraded and encroached upon. The UANDP also strengthened FD's institutional capacity and provided training in seedling production and tree planting and maintenance to a large number of field staff, NGOs, and participants.

The Coastal Greenbelt Project (CGP) aims to promote tree planting to increase vegetative cover in coastal areas through social forestry. Other components include

nursery development, seedling distribution, public awareness, training, consultant services, facilities, and equipment. Attached to the CGP is a grant to finance an advisory technical assistance (TA) study aimed at institutional strengthening of social forestry, including extension, communication, and integration of FD's management information and monitoring and evaluation systems.

Closely coordinated with the ADB's activities, the World Bank has assisted the forestry sector in Bangladesh since 1980. Its first loan was for the Mangrove Afforestation Project, aimed at forestation of about 40,000 ha along the Bay of Bengal followed by the Second Forestry Project aimed at maintaining existing plantations and establishing 40,000 ha of mangrove plantations and 23,000 ha of industrial plantations on newly accreted land along the southern coast; enveloping management capability; establishing a resource information management system; and strengthening institutions, including educational institutions. The ongoing Forest Resource Management Project, (FRMP), 1993-2000, with an investment of \$50 million, concentrates on developing forest management plans and strengthening the data base for forestry activities. The most recent World

Bank initiative is the Coastal Embankment Rehabilitation Project (\$53 million for 1995-2000). UNDP and FAO have also provided technical assistance to the forestry sector for over a decade. Eight TA projects have been implemented. Of crucial importance for the proposed project has been the TA (1992-1995) to the Forestry Department for the integrated resource management of the Sundarban Reserved Forest (SRF) and for the development of professional forestry education at the University of Chittagong. Further assistance has been provided by the World Food Programme and various bilaterals including the Swiss Development Cooperation, NORAD and the Ford Foundation.

While the recommendations and the lessons learned from the Community Forest Project, as indicated in the Project Completion Report and the Project Performance Audit Report and endorsed in the Bank's *Country Synthesis of Post-Evaluation Findings in Bangladesh* (October 1997) and the *Forestry Sector Synthesis of Post-Evaluation Findings* (SSPEF, August 1994), have been incorporated in the Forestry Sector Project¹⁵, implementation of these recommendations has been slow. These recommendations include: (i) technically sound project designs; (ii) unambigu-

ous participation, land tenure, user rights, and benefit-sharing agreements; (iii) analysis of the potential for women's participation in community forestry; (iv) continued extension services; (v) efficient management and reinvestment of the revenues into continuing reforestation programs to ensure sustainability; (vi) training of the participants and community leaders; (viii) establishment of a revolving fund; and (ix) streamlining and institutionalizing the role and participation of NGOs in enhancing responses from the communities at the grassroots level and helping to sustain forestry benefits, and mobilizing women to participate in community forestry activities. Specifically, the FSP required that certain reforms in institutional and technical aspects of peoples' participation in forestry be undertaken which included: (i) standardization of the plantation establishment and maintenance costs and modification of participation and benefit-sharing arrangements to secure participants' usufruct rights and enhance their participation; (ii) modification in management regimes for tree planting under agro forestry, woodlots, linear strip plantations, *sal* coppice¹ management, and natural forest management, in-

cluding an increase in the length of the usufruct lease agreement from a one year renewable lease to a minimum of ten years or equivalent to one rotation length; (iii) setting up of the Tree Farming Fund at the level of Local Community Organizations (LCOs); (iv) cost recovery in seedling production and replanting operations; (v) establishment of an apex body with NGO representation as a means to enhance NGOs participation, monitor progress, increase transparency, and resolve conflicts; (vi) institutionalizing the role of NGOs in forestry, both in forestation and natural forest management; and (vii) integration of resource information, and monitoring and evaluation functions under one unit of the Forest Department. It is absolutely essential that these reforms be implemented in the field so as to provide an appropriate institutional setting for participatory approaches to forestry in the country and pave way for further international assistance, including future funding from the ADB.

¹ Coppice is defined as the process of forest regeneration, specific to certain species such as *sal*, where, following the harvest of the tree, shoots emerge from the stump and grow to become the next *rotation*.

The Project in Terms of its Country-specific Situation

Ecological Characteristics and Human Activity

With an ever-increasing population now reaching 120 million, Bangladesh is a developing country. Though the country has an area of only 147,502 square km, the Southwestern Coastal Region of Bangladesh has developed as the delta of three major river systems, namely, the Ganges, the Brahmaputra and the Meghna. This region consists of the districts of Satkhira, Khulna and Bagerhat and the southern portion of Jessore district, and is distinguished for its unique natural features, environmental characteristics and its bio-diversity.

The Sundarban forest situated at the mouth of the Ganges Delta is known as the largest contiguous mangrove forest in the world. In an area of 401,600 hectares, it contains 330 species of plants, 270 species of birds and 42 species of mammals including the world famous Royal Bengal Tiger. The maze of innumerable rivers, creeks and

estuaries that cut through the forest provides an abundant feeding and breeding ground for numerous fishes and other marine species. The tidal flood plains adjacent to the Sundarbans and the rivers and canals that flow through them provide not only a rich feeding ground for all kinds of aquatic animals but also a safe haven and secure breeding ground for them. A number of valuable marine species spend a significant part of their lives in these brackish waters. This coastal mangrove forest is capable of producing an abundance of organic matter and the tidal flood plains are home to a complex and highly sensitive array of life forms.

Human economic activities have always interfered with the environment and ecology, and in many regions it has also endangered the environment; the Sundarban forest is not an exception. As such, the survival of the Sundarban is a matter of concern for environmental activists. Already six species of mammals have become locally extinct, including the Javan Rhino, the

Swamp Deer, the Hog Deer and the Gaur, while 46 wildlife species, including the famous Royal Bengal Tiger, are enlisted as endangered. The area as well as the density of the Sundarban forest has declined to half of what it used to be a hundred and fifty years ago. The Sundari trees have now been affected by what is known as "top-dying" disease.

SRF in Perspective of South-West Coastal Zone

For any conservation and development program to be successful, it is necessary that it be friendly to the environment and ecology of the region and possesses sustainable and skilled management. But unfortunately, many projects in the past have caused either over-exploitation of natural resources, or left them under or un-utilized in this region.

For example, during the 1960's, the Coastal Embankment Project was implemented in this region. The embankments were built for the purpose of enhancing agricultural production as well as to protect the lives and crops of the people from tidal surges. These embankments have brought about a permanent transformation of the entire region. A unique feature of this tide-washed land of ours is that a rich variety of marine species spend a significant portion of

their lives in the rivers and tidal flood-plains of the region.

It is therefore essential that the depth and navigability of the rivers and canals be maintained to conserve this rich bio-diversity. But as a result of the construction of the embankments, not only the depth of the rivers and the area of the tidal prism have decreased, but the salinity of the area has also gradually increased. The increased salinity has reduced the fertility of the land. As one of the results of the construction of the embankments, the silt carried by the tides is now being deposited on the river-beds, which has resulted in drainage congestion and subsequent water-logging over a large area, causing a lot of suffering to hundreds of thousands of people.

Later on, as a result of the transformation of the environment, people have been compelled to look for alternative livelihoods such as shrimp-farming, which has further damaged the environment. These embankments are responsible for the increasing salinity of the south-western coastal region, and this enhanced salinity has also negatively influenced the Sundarbans.

In order to bring about a positive transformation in the lives of the people living in this region, it is necessary to evolve environment-friendly methodologies that will utilize the skills of the

people and the resources of the region, so that a sustainable management of the region's resources can be ensured.

Government Policies and Plans

Environmental management provides an especially complex challenge for the institutional structure of Bangladesh. While the legal institutional framework is reasonably comprehensive, the government needs to effectively implement its national environmental strategy and related plans such as the National Environmental Management Action Plan (NEMAP). Major constraints are the slow pace of institutional reform, poor enforcement of various policies/programs (including participatory initiatives such as the people-oriented forestry programs), and weak environmental monitoring.

In recent years, the government, in its determination to conserve natural forests, has recognized the need to develop an adequate policy and planning framework, including appropriate institutional mechanisms to promote people's involvement in forest management and conservation and enhance the role that local communities can play in the forestry sector. Accordingly, the Government launched the Forestry Sector Master Plan (FSMP) in 1991 and promulgated the new Na-

tional Forest Policy (NFP) in October 1994. The Plan calls for an investment of \$2 billion over twenty years (1995-2015). Envisaged broad investment areas are: environment management (\$48 million), participatory forestry (\$351 million), production-directed programs (\$960 million) and institutional development (\$641 million).

The overall thrust of the FSMP and the NFP, and particularly their components under the people oriented programs to manage the environment, constitutes the backbone of the current forestry sector's strategy, Creating conditions where people will benefit directly by participating actively in sustainable forest management will therefore be the main challenge for the Government. In this sense, the major policy issue now is institutional and legislative reform to ensure implementation of the NFP's participatory management approach. A recently completed (1997) FAO-funded TA has recommended a series of urgent institutional and legal reform measures.

The sector's reform process has, therefore, reached a crucial stage and concrete steps towards effective implementation need to be taken without further delays. Sundarban conservation and sustainable management presents a unique opportunity in this direction.

Project Description

Origins to Status Quo

History

(Extracted from “Bangladesh Biodiversity Conservation in the Sundarbans Reserved Forest Project: Aid Memoire”)

1 In 1996 Country Assistance Plan for Bangladesh included technical assistance for the preparation of a project for the conservation of the Sundarbans Reserved Forest (SRF). Accordingly, project preparation technical assistance (TA) was approved to prepare a feasibility study for the proposed Project.¹ The consultants submitted a draft feasibility study report² in July 1997, which was commented on by the Bank and the Government, and considered at a final tripartite meeting held in Dhaka on 11 September 1997. The Government confirmed its commitment to the proposed Project at the tripartite meeting, subject to the incorporation into the final report of further comments made by the Bank and the Government. The final report

of the consultants was submitted on 15 November 1997.

“2. The Bank fielded a Fact-finding Mission (the Mission) for the proposed Project which visited Bangladesh from 23 November to 12 January 1997. A field trip was undertaken to the SRF, Mongla port and Khulna from 1 to 6 December, to see the reserved forest, to discuss a strategy for implementing the Project in the impact zone which borders the SRF, and to visit typical households, and non-governmental organizations (NGOs) in the area.

The Mission met with the Honorable Minister of Environment and Forest, and held discussions with senior officials of concerned Government agencies, the Association of Development Agencies in Bangladesh (ADAB, including the Khulna chapter of ADAB), potential beneficiaries and civil society groups, and the Palli Karma-Sahayak Foundation (PKSF). Discussions were also held with potential

bilateral donors (UK, Dutch Governments), the United Nations Development Program, and the World Bank.

"3 A wrap-up meeting, chaired by Mr. A. Ahamad, Secretary, Ministry of Environment and Forest (MOEF), was held on 10 December to discuss a draft aide memoire, which reflects the understanding reached between the Government, NGOs and the Mission. A list of persons met by the Mission and participants attending the wrap-up meeting is given in Appendix 1.

"4 The Mission wishes to express its thanks to the Government and the representatives of the various organizations that provided assistance. It is understood that this aide memoire is subject to the approval of the higher authorities of the Government and the Bank."

Basic Facts

The Sundarban Bio-diversity Conservation Project was formulated with a budget of US\$ 77.5 million to be contributed by a loan by ADB to the Government of Bangladesh of US\$ 33.9 million, and Grants from the Global Environment Facility of the World Bank US\$ 12.2 million, and the Government of the Netherlands 3.1 million.

The rest of the expenditure was expected to be contributed by the Government of Bangladesh US\$ 15.6 million,, the Palli Karma Sahayak Foundation in the form of Micro-Credit capital for NGOs US\$ 6.8 million,, and contributions by NGOs on Human Resource Development US\$ 1.9 million and from beneficiaries US\$ 3.8 million. in the form of License fees etc. to collect forest resources.

The commencement date of the project was April, 2000 and the project was expected to be completed by December 31, 2006.

General Objective:

The overall objective of the project is to develop a sustainable management and bio-diversity conservation system for all resources of Sundarbans Reserve Forest. The specific objectives include:

- To promote and implement a system of bio-diversity conservation and sustainable forest management system.
- To improve the institutional capacity to manage the SRF itself.
- To reduce the poverty level of about 3.5 million people living in the impact zone by expanding economic opportunities, improving social infrastructure, improving organi-

zation for resource users and facilitating stakeholder participation in resource management.

- To undertake activities adhering to increasing awareness of the environment and eco-tourism and building necessary infrastructure.
- To develop a sound wildlife man-

agement system for the Sundarbans To provide adequate training for professionals and user groups., to provide various other services and studies etc., to develop a strong forestry database through MIS, to improve planning, monitoring & applied research capabilities, etc.

At a Glance

Activities Performed

The principal activities performed up to June 2003 are as follows:

Name of Activities

1. Enrichment Plantation	Nursery for 100 ha. pin.
2. Gol pata plantation	60 ha.
3. Homestead plantation	2 lac seedlings

On-going Activities

Name of Activities

1. Enrichment Plantation	100 ha.
2. Gol pata plantation	80 ha.
3. Homestead plantation	2 lac seedlings
4. Assisted natural regeneration	79 ha.
5. Road side and embankment plantation	50 km.

Review of studies & literature

Reconnaissance of Impact Zone- Upazila Profiles

Community development & social forestry in impact zone Training

Brief Description of findings/results

0.98% of the total work has been achieved within June 2000.

Technical Reports Prepared

Inception Report, November 2000

Fisheries of the Sundarbans (Draft) — interim Technical Report, vol 1 & 2, 26th July 00, Gary Bernacsek

Upazilla profiles and community development action plan for Satkhira district, 29 th July 2000, Andrew Jenkins

Report on species database user manual, May 2001, Mr. Walther Warner

Update on TSI interventions in 2000, 2001 and 2002, May 2001, Wander Benthem

Consolidated fisheries TOR, 10 April 2000, Garry Bernacsek

Work plan for apiculture, 5 May 2000, Michael Burgett

Fisheries survey of North central Sundarbans, 27 th June 2000, Garry Bernacsek

Current Status

From the very inception of the project, citizens, NGOs and journalists began to view the project and its implementation activities critically and began to express their dissatisfaction both in respect of the project design itself, as well as the manner in which it was being implemented. The criticisms were on three aspects. First of all, the project was not being implemented in accordance with the design. Secondly, there were serious doubts as to whether the project will be able to achieve the declared objectives. Thirdly, there were criticisms regarding the design itself.

ADB officials also visited the region periodically. The ADB conducted a mid-term evaluation of the project. As a result of continuous advocacy, people's demand, media campaign and improper activities of the designed project, the ADB suspended the project.

It was announced in Manila on September 10, 2003 that, following consultations with the Government of Bangladesh, ADB has suspended its loan and two associated technical assistance grants for a conservation project in the Sundarban Reserve Forest.

The move came pending a redesign of the project, through a participatory and consultative process, involving the Government of Bangladesh and all stakeholders, and improvement in financial management. As of June 2004, the ADB is waiting for the government to fulfill the originally agreed conditions.

ADB's Board of Directors had approved the US\$ 37 million loan for the Sundarbans Bio-diversity Conservation Project in November, 1998. The loan became effective in August 1999 and the original closing date is 31st December, 2006. The total cost of the project was US\$77.7 million, involving funds also from the Global Environmental Facility and Government of the Netherlands. The executing agency is the Forest Department of the Ministry of Environment and Forest.

However, the project encountered difficulties with the design and implementation, including lack of adequate financial management. With more than half of the loan period elapsed, less than one quarter of the project has been implemented as of end-June, 2003 and only 23% of the funds had been disbursed.

The project aims to develop a sustainable management and bio-di-

versity conservation system for the forest, and reduce the poverty of 3.5 million people living around the Sundarbans. It also envisages instituting a participatory system to conserve and manage the forest and its biodiversity as multidimensional resource, introducing modern management systems that involve all stakeholders in the 17 sub-districts around the forest.

While no further withdrawal can be made until and unless ADB decides to lift the suspension, the decision does not affect disbursements committed through outstanding let-

ters of credit. In addition, to meet requests for payment received by ADB before effectiveness of the suspension date, ADB may make disbursements to pay for civil works, shipment of goods, and consulting services rendered beforehand.

It was decided that the project would be re-designed on the basis of consultations with the local people. Accordingly, in a letter addressed to the Minister of Finance, Government of Bangladesh, the ADB suspended disbursement of funds for the project.

The letter reads as follows:

Loan No. 1643-BAN(SF): Sundarbans Biodiversity Conservation Project including TA 3300-BAN and TA 3158-EIAN (GEF)

This letter serves as a notification of the suspension of the Borrower's right to make further withdrawals from the loan account for Loan No. 1643-BAN(SF) including 2 associated technical assistance projects, TA 3300.BAN and TA 3158-BA 4 (GEF) Sundarban Biodiversity Conservation Project (the Project) until the conditions for lifting the suspension has been met.

On account of serious implementation delays and lack of proper financial management of the Project, ADB's Management has decided to suspend the Loan. The decision was made in accordance with ADB's Special Operations Loan Regulation, Article VIII, Section 8.02, which states that ADB may suspend the right of the Borrower to make withdrawals from the Loan Account if (i) the borrower has failed to perform obligations under the Loan Agreement, (ii) the Project Executing Agency has failed to perform obligations under the Project Agreement; or (iii) a situation has arisen which may make it improbable that the Project can be successfully carried out in manner consistent with its original objectives.

Through previous missions that visited Bangladesh, ADB informed the Government of Bangladesh (GOB) of the possibility of suspension of the Loan. In

October 2002 Mr. Toru Shibuichi, Country Director of our Resident Mission, met with His Excellency Minister Siraj to discuss the possibility of suspending the Loan. The possibility of Project suspension was also raised with the Ministry of Environment and Forests and the Forest Department in the following missions and documents (i) review missions of August, October and December 2002; and March and July 2003, (ii) our follow up letter to the Ministry dated 25 October 2002, (iii) Aide Memories of the review mission fielded from 8-19 August 2002; and (iv) Memorandum Of Understanding of the review mission fielded from 25 Feb - 6 March 2003. Because of the lack of further significant progress, the Ministry of Environment and Forests and the Economic Relations Division were informed that the Project's suspension would be recommended to ADB's Management in meetings with Mr. Frederick C. Roche, Director, SAAF and Country Director, BRM on 16 July 2003.

Despite the suspension, the Forest Department should proceed with activities relating to the reformulation of the Project, as agreed in March 2003. Although during the suspension period no disbursement would be allowed, ADB would be able to retroactively finance its share of the reformulation cost once the suspension is lifted. As the revision will allow FD a final opportunity to take ownership of Project in a manner consistent with the Project's original objectives, funding the revision cost would show FD's commitment to the Project.

ADD Management approved the following conditions to consider lifting the suspension:

- (i) MOEF/ID shall have revised the Sundarbans Biodiversity Conservation Project design according to a revision plan acceptable to ADB. Including the use of the participatory and consultative process as agreed in March 2003,
- (ii) MOEF/FD shall have reconciled the Project's accounts in compliance with ADB's Financial Management Guidelines; and
- (iii) MOEF shall have taken action to ensure compliance with the crucial loan covenants of the Project, including the SAC, the SMW and the SSC.

We propose to field an ADB review mission in the fourth quarter of 2003 to assess the progress in meeting the above conditions, following which a conclusion may be reached on whether to restore or cancel the loan.

Yours sincerely

Richard W.A Vokes
Director
Operations Coordination Division
South Asia Department

On learning about the suspension, the SBCP Watch Group and activists of the region reacted, because the people had not asked for suspension of the project, but only to have it re-designed. They understood that ADB has shifted its position. The ADB is now saying that the project is correct, and only its implementation was wrong. But the SBCP Watch Group and the people insist that the project itself was wrongly designed.

The SBCP Watch Group and other involved NGOs plan to influence the re-design of the project in the consultations which the Forest Department started holding again in May 2004 as a condition of the cancellation of loan suspension.

Institutional Setting of the FD within the MQEF

It has been recommended by the recent FAO Task Force report on institutional reform, that the serious imbalance that exists between the professional staff levels and support staff levels, not only in terms of the numbers but in terms of staff workload, should be rectified. The total professional personnel strength of the FD is 4,637 which comprises 3,572 positions under the Revenue Budget and 1,065 under the Development Budget. Against this total strength, which by itself is signifi-

cantly below the strength required for effective management of forest resources of the country, only 3,918 positions are in place, while the remaining positions are vacant. Not only is it important and necessary for the Government to increase the strength of the FD so the department can deliver its mandate for management of the country's forest resources, it is imperative that: (i) the vacant positions be filled; and (ii) the development posts be converted to the Revenue Budget posts so as to give permanence to the positions and provide some semblance of permanence to the department.

With respect to management of the Sundarbans, rectification of this imbalance is particularly critical. Professional staff strength as per the feasibility study in the SRF comprises: (i) 167 positions under the Revenue Budget (against a total staff strength of 1,044), against which only 137 are in position (30 positions vacant); (ii) 49 positions under the Development budget (Environment Management Division and Management Plan Division, against total staff strength of 150). In order to manage the SRF effectively, a minimum core professional staff strength would be required. Most of the required strength can be achieved through filling up of the vacant positions (after these are con-

verted from Development Budget to Revenue Budget), redeployment of staff from existing divisions into the new.

Sundarbans Management Agency, and promotion from Foresters (FRs) to Deputy Forest Rangers (DFR5), DFRs to Forest Rangers (FRs), FRs to Assistant Conservators of Forests (ACFs), ACFs to Deputy Conservators of Forests (DCF), DCF's to CFs, and re-designation of the field staff positions (such as boatmen to forest guards). These actions would reduce the incremental cost for management of the Sundarbans to a significant extent.

NGO Involvement in the Project

In the project document, the following has been stated in respect of NGO involvement.

The Sundarban Bio-diversity Conservation Project (SBCP) is a project of the Forest Department of the Ministry of Environment and Forest.

The NGO involvement is to provide the Forest Department with the assistance necessary to develop resource user groups and associations with a view to sustainable resource extraction and management of Sundarban Reserve Forest (SRF) resources.

The process of NGO selection was done through open advertisement in newspapers. Accordingly, 24 NGOs were selected and duly approved by the Ministry of Environment and Forest. Most of the contracts were signed in September 2001. The NGOs were selected on the basis of the following criteria:

- Registered either with the Department of Social Services, Ministry of Women and Children Affairs or the NGO Affairs Bureau;
- Partner organizations of the *Paul Karma-Shahayak foundation* (PKSF);
- Maintain an accounting system consistent with the standards required by PKSF;
- Maintain a revolving fund of at least Taka two millions,
- availability of annual reports and audit reports;
- have at least two years experience of community development work in the concerned upazila,
- have formed 50 groups in the upazila;
- are able to provide staff with appropriate qualifications, technical expertise and training;

- have an office/infrastructure in the concerned upazila, including training facilities, and have the ability to develop accommodation facilities for their staff in the upazila near the working site;
- have at least five years of experience in group formation, motivation and mobilization work related to rural development and/or biodiversity conservation activities; and
- have experience of specific types of rural development work, such as income and employment generation, provision of micro-credit, and improvement of social services such as education, health and sanitation, and supply of safe drinking water.

The NGOs carry out activities necessary to increase income, cre-

ate alternative employment and improve social service access among the Sundarban users, in order to reduce pressure on the SRF. The role of NGOs in implementing the community development activities within the impact zone has been considered crucial in the project document.

Though guidelines were given in the project for NGO involvement, no consideration was given to those guidelines. In spite of its being a biodiversity conservation project, the NGOs were selected on the basis of their micro-credit operations. While the NGOs and their apex body ADAB were engaged in critical review of the project, division was created among the NGOs by advertisements inviting applications for partnership selection.

Concerns

Lack of Consideration of Poverty Reduction

After reviewing the Sundarban Bio-diversity Conservation Project it was found that the outlook of the ADB appears incapable of serving the interests of the common people inhabiting the Impact Zone and in favor of the developed countries and multi-national and local exploiters.

Though the main financial contributor ADB speaks of conservation, it has prepared the project from the perspective of globalization, by saying that commercially valuable species of timber should be conserved. Secondly, they do not have any policy on shrimp, even though there is a growing market for shrimp in the developed countries. ADB also does not express any opinion regarding oil & gas exploration, because that is also in the interest of developed countries. To this has been added the convenience of the local power

structure, as seen by the silence of the ADB on the heavy corruption in the Forest Department, which is the principal agency responsible for its deterioration. ADB's promotion of eco-tourism will again result in benefiting mostly rich entrepreneurs and forest officials.

Though the project document admits that poverty has increased in the region because the agricultural lands have been turned into shrimp ponds, only micro-credit has been proposed as the means to eliminate poverty, without expressing any need for inquiry as to how it should be used. Simply proposing cattle rearing and poultry farming without suggesting any method to stop the spread of shrimp farming is not helpful. As investment in those enterprises have proved profits in other areas of the country, it has been taken for granted that those pursuits will be profitable in this region too, though the local inhabitants believe that the salinity spread by shrimp aquaculture

has destroyed all grazing lands and thus made such pursuits impossible. Hence, what is likely to happen is that they may buy boats and nets and go to the Sundarbans to collect shrimp fry, or invest the loan money in shrimp aquaculture itself, as a result of which the environment will be further degraded and the ecological balance in the Sundarbans will be lost.

Therefore it is necessary to think more seriously about the negative impacts of shrimp aquaculture in the Impact Zone of the Sundarbans and formulate appropriate policies for the region. It has already been accepted that shrimp aquaculture is not sustainable, whether in the extensive form or in the intensive form. The revenue earned from the export of processed shrimps is nothing compared to the colossal damage to the environment and the socio-economic well-being of the people. Reports of spontaneous movements against shrimp aquaculture have been periodically appearing in the newspapers. In this perspective, the silence of the project document on this subject is not understandable.

In the absence of strict monitoring and accountability to the people, the "eco-tourism" proposed in the project document is likely to further damage the environment. Unscrupulous tour companies are

likely to construct permanent habitations inside the forest in the name of constructing "tourist lodges". As such, for the appropriate development of this industry, environmentally conscious tour companies as well as environmentally conscious tourists are necessary.

Misguided Project Design

When faulty administration and lack of monitoring have been pointed out as the major weakness throughout the country including the Sundarbans, merely formulating a project for conservation without thoroughly reforming the entire system, will be simply like giving a facelift. It will not be advisable also to neglect the projects that are on going or coming to conclusion in areas adjacent to the Sundarbans, especially in the water resource sector.

Under the Khulna Jessore Drainage Rehabilitation Project (KJDRP) aided by the Asian Development Bank, controversial regulators are being built only a few kilometers upstream from the Sundarbans. It will also not be advisable to neglect other proposed or on-going projects like the Gorai River Rehabilitation Project or the Ganges Barrage project. Though the closure of the environmentally polluting Khulna Newsprint mill has been proposed, noth-

ing has been said about the other polluting industries or the port of Mongla.

Therefore it is necessary to revise the project under an integrated, all-encompassing, point of view. The antecedents of the advisory organizations to be appointed in connection with the project will also have to be closely examined, especially as regards their roles in respect of environment and participatory development. The present process of issuing licenses to prospect for petroleum and gas will also need to be carefully considered. If any accident of the nature of Magurchara ever happens in the vicinity of the Sundarbans, it will result in colossal damage to the environment and bio-diversity of the Sundarbans.

As such it is absolutely clear that the protection and development of the Sundarban Reserve Forest will be possible only when the people are actively involved with the project from the very start. Wherever a conflict of interest may arise, the environment and the interests of the marginal groups must get priority.

The component of the project that has prominently come under question is the one on "Effective Management of the SRF". For this, the project proposes to create a

Sundarban Management Unit (SMU) with the existing personnel of the Forest Department. By giving total responsibility to manage the forest to the sector most responsible for the damage to the resources and environment of the forest, the project has created better opportunities for the corrupt officials of the forest department, and the local moneylenders and traders in forest produce.

Though the SBCP talks of an integrated plan for the conservation of bio-diversity, there are serious defects in project formulation, as shown below:

- a) There is no acknowledgement or mention of utilizing the peoples' traditional-cultural knowledge, and their experience of conservation through generations of living in this region.
- b) commercial shrimp aquaculture in the Impact Zone threatens bio-diversity, increases the number of land-less, reduces food security, and generally denies security and access to state services for the majority of the population. Stressing only population pressure shows lack of a sense of responsibility in formulation of the project.
- c) There is no policy position or action plan to address pollution by the use of chemical fertilizers and

pesticides in agriculture in upstream areas.

d) The proposed privately owned social afforestation, to be located outside the Sundarbans, is likely to lead to mono-culture, and not based on bio-diversity and ecologically sound principles.

e) Though the Sundarbans is situated in the cyclone-prone zone, no provision has been included in the SBCP for disaster management.

f) Lack of a historical review of the negative environmental and social impacts of construction of roads, bridges, culverts, embankments, sluices and polders in the Impact Zone and beyond has caused massive environmental and ecological damage to the entire region including the Sundarbans.

g) Peoples' needs for cooking fuel and housing materials have not been assessed or provided for.

h) Micro-credit has been imposed without any guidelines as to its utilization.

i) The project has accused the poor people of the region for depletion of resources. While in fact, the local money-lenders, traders in forest resources and a section of corrupt forest officials are responsible.

The poor people are only employed as workers in the Sundarbans.

j) Moreover, a study by the ADAB in 1998, conducted on the advice of the funding agency ADB, had implicated forest officials as prime culprits for the plundering of the Sundarban resources. But the Forest Department itself has been chosen to "manage" the Sundarban according to the SBCP.

k) The greatest emphasis is given to eco-tourism. The SBCP does not give due consideration to the possible destructive effects of eco-tourism on such a highly sensitive ecosystem as the Sundarbans.

l) The project "hopes" that economic benefits will accrue to the local poor people by promoting eco-tourism. But the experiences in other parts of Asia-Pacific have shown that the poor get only 3% of the benefits.

m) A large portion of SBCP is devoted to Research, and only the Donors can appoint Research personnel. But in spite of availability of qualified persons within the country, preference is being given to less qualified foreigners. Thus a large part of the peoples' monetary resources are exported.

n) Deep suspicions have been

generated already in respect of the transparency and accountability of the SBCP. One of the conditions in the project is that, except for local perishables, all purchases must compulsorily be of foreign origin, even if the cost is higher. People see this as a trick to export the monetary resources of the people.

o) The absence of Gender policy and provisions for Peoples' participation in the entire project document is quite noticeable. But specific Policy or Guidelines for the same are absent.

p) The SBCP lacks Transparency. It has been an experienced fact that collection of information from SBCP or ADB is not easy.

Industrial Shrimp Cultivation-A New Curse for the People Inhabiting the Impact Zone

During the 1980's, Shrimp Aquaculture came as a new curse in the Impact Zone of the Sundarbans. The principal economic activity in the region at present is shrimp aqua-culture. The agricultural lands of the region have now been transformed into shrimp farms known locally as "gher".

A dramatic change has occurred in the traditional occupations of share-croppers, agricultural labor-

ers, small and marginal farmers, fishermen and others.

Though this change is said to be beneficial in the macro-economic sense, it is questionable. In the local sphere, shrimp cultivation has thrown an evil shadow over the lives of the people of the region, especially the poor. The shrimp farmers have forcibly occupied the agricultural lands of the poor and marginal farmers, as a result of which they have now turned to the forest in search of an alternative source of livelihood, thus increasing pressure on the steadily depleting resources of the Sundarbans. But at the same time, the local people have been, for over a decade, engaged in a movement against shrimp aqua-culture, even at great risk to their lives. They want to get back their lands; they want to produce crops and local varieties of fish to meet local requirements.

The people in the impact zone believe that if the government prohibits shrimp aquaculture in the region and if the local people resume agricultural activities, the poor and marginal farmers will benefit and a lot of employment opportunities will be created in agriculture and related activities.

Shrimp farming has also negatively affected cattle rearing and

keeping of poultry and ducks. As all sources of employment have become closed, large numbers of the affected people have been constrained to turn to collection of shrimp fry or post-larvae shrimp as an alternative occupation. In a survey conducted by NGOs, it has been found in the occupational map, that shrimp fry collection is the only occupation that is carried on in the Sunderban throughout the year.

In a chart representing the changes that have occurred in the last 30 years, the depletion of shrimp post larvae is clearly depicted. Even the shrimp fry collectors say that it is not sustainable, and the crab and shell collectors are also of the same opinion. In the above mentioned NGO study, it was found that the only cause for the depletion of other species is shrimp aquaculture. According to that study report, shrimp aquaculture is also responsible for many other impacts. As a result of decrease in the availability of rice straw for thatching, resulting from the decrease in agriculture, wild hay from the Sundarbans is being over-exploited.

The increase in salinity of the region has killed off all vegetation, resulting in acute shortage of fuel wood, for which also pressure has increased on the resources of the

Sundarbans. The reduction in the number of cattle has also reduced the availability of cow-dung, which is used as an alternative to firewood.

As such it is absolutely clear that the protection and development of the Sundarban Reserve Forest will be possible only when the people are actively involved with the project from the very start. Wherever a conflict of interest may arise, the environment and the interests of the marginal group should get priority.

Over-exploitation of Sunderbans Resources

One of the principal causes of degradation of the Sundarban forest is the over-exploitation and plundering of its resources. As a result of illegal extraction of timber and other non-timber forest products as well as the massive destruction of huge numbers of post-larvae and fry of other varieties of shrimps and fishes while collecting the post-larvae of Bagda (*Penaeus monodon*) shrimps have drastically reduced the resources of the Sundarbans.

Generally every year about 300,000 people are engaged in collecting timber, firewood, honey and beeswax, thatching materials, meley reeds and in fishing in the Sundarbans. In addition to the

people employed by the contractors, the people living in the vicinity of the Sundarbans are also dependent on the forest to a great extent. The fuel-wood needs of nearly 50,000 people who enter the Sundarbans to collect post-larvae of shrimps have also contributed to the denuding of the forest. During the year 2000-2001 alone, more than 470 million post-larvae of Bagda shrimps have been collected from the Sundarbans.

The animal resources of the Sundarbans are also being exploited illegally. As a result of high demand and very high prices in the international market for tiger skins, many tigers are being killed. Deer are also being illegally hunted to meet local demands.

Biodiversity Degradation

The Sundarbans forest straddles the border between India and south-western Bangladesh. It is the largest contiguous block of mangrove ecosystem in the world, having a total area of approximately 10,000 square kilometers. The Sundarbans Restricted Forest (SRF) comprises slightly over 60 percent of this area (6,017 sq. km.), and sprawls across the ancient delta of the Ganges River in the extreme south west corner of Bangladesh. The SRF offers habitats for the reproduction and growth of

fish and shrimp, and for many species of birds and wildlife, including the Royal Bengal Tiger (*Panthera tigris*)⁷. It also offers tourism and recreation benefits, and is a major pathway for nutrient cycling and pollution abatement.

Lying within a zone of cyclonic storms and tidal bores which periodically devastate coastal areas, the SRF provides a resilient buffer and protects the lives and assets of approximately 3-4 million people living in the immediate vicinity, as well as offering regional protection to infrastructure and urban populations in major towns such as Khulna and the international shipping port of Mongla. The SRF also accounts for over half of all reserved forest area in Bangladesh, and is the largest single source of forest products supplying about 45 percent of all timber and fuel wood output, and providing income and subsistence for at least half a million households.

It is to the credit of the Forest Department (FD) that the boundary of the SRF has remained relatively intact since it was demarcated in 1875. However, while there has been little permanent encroachment, there has been considerable in-migration in the areas bordering the SRF (the impact zone), and the number of people using the SRF is

increasing rapidly. Seasonal in-migration also occurs, swelling the population in the impact zone even further.¹ It is estimated that the Sundarbans currently contributes over Tk4 billion (\$93 million) to GDP including ecotourism and wildlife (without valuing fuel wood). Most of the value currently comes from marine fish breeding and nursery grounds, inland freshwater fish and prawns, and prawn culture.

Pollution from Mongla Port and the expansion of upstream agriculture, shrimp-based aquaculture and industries located on the Hoogly and Padma river systems, pose a serious threat to the ecosystem. Moreover, intensive and illegal harvesting of wood and non-timber forest products has contributed to a significant decline in the forest cover. Over fishing and overexploitation of wildlife species are also placing increasing stress on the viability of the ecosystem. These practices have been encouraged by low prices for licenses and permits which are far below economic levels and which need urgent review.² Official revenues received by the Government for use of SRF resources in 1995/96 totaled Tk190.3 million (\$4.4 million), compared to the annual operating bud-

get of Tk115.7 million (\$2.7 million) for all FD operations in the SRF. To illustrate the financial constraint faced by the Government

In effectively managing the resources of the SRF, effective tiger protection alone would cost the equivalent of \$2.4 million annually (89 percent of the annual budget) if international norms were applied.⁹ Apart from financial constraints, the urgent need for improved institutional capacity to manage the SRF as a genuinely multi-dimensional resource has been highlighted in recent technical assistance provided by the Food and Agriculture Organization of the United Nations, as part of the Integrated Resources and Management Project (IRMP), 1994-96.

1 The Royal Bengal Tiger population was most recently estimated in excess of 350 individuals (Tarnang 1994), or approximately 10 percent of the world's population.

2 It should be remembered that the Chakoria Sundarbans in eastern Bangladesh has been completely denuded and replaced over the last decade by shrimp-based aquaculture. Shrimp disease infestation has undercut the viability of aquaculture operations, as in many other parts of the region, leaving a degraded environment and an unprotected coastline.

Activities Taken by Affected People and NGOs

When the project was first being formulated, the NGOs of the 17 sub-districts surrounding the forest conducted a survey in the region under the leadership of ADAB (Association of Development Agencies in Bangladesh). The survey was to identify the means of livelihood of the more than 3.5 million people inhabiting the region, most of whom are wholly or partially dependent on the forest. The NGOs conducted surveys to assess the needs of the people, possibilities for alternative employment options and other social indicators.

However, during project formulation, the views of the people were not seriously taken into account. After the project began in April, 2000, various peoples' groups were formed and people of various localities began to express their opinions about the project. Different advocacy campaigns started locally, nationally and internationally. At one stage in this process, in November,

2002, the SBCP Watch Group was re-organized, and the various currents of opinion converged on one platform. Thereafter, the SBCP Watch Group commenced its campaign systematically, which is described below:

SBCP Watch Group

SBCP Watch Group

Period: November 15, 2002 to December 2003

Implemented Activities by Affected People and NGO's:

Documents/ Paper Collection and Review of SBCP

- Inventory of 98 Documents (on Sundarban and SBCP) compiled.

Team Development

- Developed core team and study team

Study

- Prepared study design and conducted study
- Prepared draft study report.

Compilation

- Draft position paper prepared on the basis of review of collected papers / documents, and 3 workshops in Shyamnagar, and Dacope thanas were conducted; draft position Paper in process of finalization
- All newspaper clippings on SBCP since 1997 to 2003 compiled, photocopied and distributed
- Draft study report 15 copies compiled & disseminated

SBCP Group Orientation/ Sensitizing/Capacity Building

- Training of SBCP Watch Group associate members were held in February 17, April 15 and May 15, 2003

Grass Roots Mobilization/ Consultation and Network Building

- Three consultation programs were held at 7 Jan. Shyamnagar Upazilla, 8 Jan Satkhira & 11 Jan Dacope workshop with different professional groups in most areas of Impact Zone; 16 workshops were held at Shyamnagar- January 7, March 10 and 13, 2003. Satkhira- January 8, 2003, Dacope- January 11, Bajua- March 14, Patharghata- February 28, Harinagar- March 7, Sarankhola March- 11, 15 and 22, Paikgacha- March 16 and April 14,

Batiaghata March 15, Mongla- March 17, Koyra- March 24, 2003

- 10 consultation programs were held with different individual occupational groups at Koyra 3, Kaligong, Sarankhola, Horinagar, Morelgong, Paikgacha 2 and Dacope during May 25-30, 2003.

- 5 meetings were held with Mawali, Bowali and SBCP Partners in Dacope, Batiaghata, Paikgacha, Shyamnagar, Debhata on 2-6 August, 2003, organized by member organization of SBCP WG for collection of information about alternative livelihood

- 3 meetings were held with non-direct user groups (Mohajon, Business man etc.) for collection of information about social economic condition and alternative livelihoods in Shyamnagar, Dacope, Koyra on 22-24 September, 2003

- 5 meetings were held in Dacope, Batiaghata, Shyamnagar, Paikgacha, Morrelgonj on 18-22 October, 2003 for collection of information on lives of women in the Impact Zone of Sundarban.

- 12 meetings were held in Dacope, Batiaghata, Shyamnagar

(2), Paickghcha, Morelgonj, Koyra (2), Rampal, Khulna Sadar (2) and Sarankhola during 15-26, July, 2003 for opinion sharing and World Mangrove Day observance (July 26)

Letter campaign in impact zone area

- 2000 letters sent to ADB from Impact Zone

Thana based press conference

- 10 Press conferences were held at Koyra-March 6, Shyamnagar March 12, Paikgacha- March 6, Mongla-March 17, Dacope- March 14, Rampal- March 18, Batiaghata-March 17, Morrelgonj- March 22, Shrankhola- March 24 and 27, 2003

Regional level seminar

- Organized a regional level workshop in Zia Hall, Khulna on March 27, 2003 (registered participants =732, others = 100)

Press conference (Khulna)

- Press conference was held on suspension of SBCP on 28 September, 03, in Khulna press club.

Meeting with national & International level

- Meeting with ADB mission was held on March 3, 2003
- Round table (informal) meeting at national level in Dhaka

Upazila (sub-district)-wise Network Building

- Opinion sharing between MPs, UP & local professional people of Sundarbans adjacent areas.

Alternative Livelihood Source Identification

Fellowship of reporter /Journalist

- Fellowship of 2 reporter/journalist for media coverage and collection of information (case study, articles etc) on 1st July to 30 September, 2003

Campaign Material Development and Printing (Documentation)

- Fact sheet-01 and 02 (5500 Bangla, 2500 English), Leaflet 1600, Booklet 6300 were disseminated among grass roots organizations, journalists, UP members & chairmen, civil society, MPs, ministry, teachers, students, GOs, NGOs, CBOs, local, national & international organizations and individuals

- Fact sheet-3: 2000 copies published and disseminated.

- Fact sheet 04: 2000 copies on campaign materials reprint.

- 7000 booklets printed and disseminated on 'compilation of people's voice' (consultation findings) + seminar papers

- Published booklet on women's Livelihood in Sundarban Impact Zone.

Peoples Opinion

At one stage during the campaign, a regional workshop was organized at Khulna on March 27, 2003. About 800 persons, including a minister, members of parliament, leaders of public opinion, members of local government bodies in the Impact Zone of the Sundarban, different groups of forest users, experts from Khulna and Dhaka, representatives of professional associations, Teachers and students of Khulna University, as well as representatives of the Forest Department and the ADB country office in Dhaka participated in the workshop. At the conclusion of the workshop, a document termed "Khulna Declaration" was unanimously approved, which has later received acceptance with all concerned circles.

A regional workshop was held in Khulna on March 27, 2003, to discuss the SBCP. The more than 800 participants included forest resource extractors, male and female members of local elected bodies of areas adjacent to the Sundarban, Khulna university teachers and students, civil society leaders of professional associations, NGOs, nationally well-known environmental activists, government officials including the Forest Department, representatives of ADB from its country office at Dhaka, members of parliament and an Honourable Minister.

At the end of the workshop, a resolution titled the "Khulna Declaration" was adopted, demanding accountability and transparency of the Forest Department, participation of the people in the forest management, more in-depth study of ecotourism and other measures.

Project Monitoring

Monitoring against ADB Environmental Provisions

Environmental Considerations in Bank Operations. OM Section 20. Jan. 1997

Due to the lack of access to project documents, monitoring against ADB's relevant OM section was only possible to a very limited extent. Although the 1997 OM requires that an Initial Environmental Evaluation (IEE) be conducted and made available 120 days before Board approval, at the time of the consultations on SBCP, the IEE was not available. When it finally was disclosed, project implementation had already started.

In absence of any other project documents, the involved NGOs and the case study writer monitored the project on the basis of the two following two ADB documents below which are reproduced in parts.

Inception Report of November, 2000

On page 6 of this Report, it is stated:

"The first draft was circulated in May-June, 2000 for review and suggestions. During and following the Inception Report Workshops in Dhaka and Khulna in July 2000, many oral and written comments were made by the Forest Department, other GOB agencies, funding agencies, NGOs and stakeholders such as fishermen and produce extractors."

Written review and comments were presented by ADAB (Association of Development Agencies in Bangladesh) not only in these two workshops, but at every opportunity, whenever possible and discussions were held with ADB. Now it remains to be seen, how far these

opinions of ADAB have been considered, or whether they were taken into consideration at all.

In describing the "Impact Zone of Sundarbans" on page 8, it is written: "The area designated as the Project Impact Zone supports a population of about 3.5 million people in 17 upazilas and 154 unions. About 77 unions representing 500,000 people already depend largely on SRF resources. Five of these upazilas have large SRF areas, as their boundaries extend down to the ocean, and 2 upazilas have marginal mangrove areas outside the SRF."

Regarding Management of SRF resources by the people of the Impact Zone, it has been written, "The project will use participatory methods in the communities of the Impact Zone adjacent to SRF to assess peoples' use of resources and to integrate rural and community development programs with the objectives of the project."

On page 12, an outline has been given in respect of NGO activities for the development of the people of the Impact Zone: "Many NGOs, working in the Impact Zone will be contracted for undertaking group formation and training for alternative livelihood activities, social afforesta-

tion, community development, biodiversity awareness and forming consensus and agreement for limiting SRF extractions. ADAB will assist in NGO selection and facilitate their activities."

On page 35 the special characteristic of the strategy for implementation of the project has been stated as follows: "The project has many features with high degrees of uncertainty, which will require a process of adaptive management. Where it is found that initial assumptions have to be changed, there must be adaptation of project strategies and intercessions"

About the role of NGOs in development of the people of the Impact Zone, on page 69, it has been stated that NGOs undertake "operations for social mobilization, organization and training of user groups to exploit SRF resources on a sustainable basis with alternative livelihood activities including micro-finance services".

As the principal source of funds for NGO activities, it has been stated in page 69:

"Credit will be made available to the NGOs by the PKSF which will on-lend micro-credit for income generating activities".

On page 70, the document considers **the methods of extraction of SRF resources by the people of the Impact Zone, concentration of user groups etc.** During the inception phase, members of the department carried out reconnaissance of all the upazilas of the Impact Zone. An important finding of the reconnaissance was that out of the 154 unions (groups of villages) in the Impact Zone, The “Sundarban Users” who enter the forest for extraction activities are concentrated in 77 unions’. A significant proportion of these concentration unions are in only three upazilas: Shyamnagar in Satkhira District, Koira in Khulna District and Sharankhola in Bagerhat District.

Therefore, it is suggested that social and economic development efforts in the Impact Zone should focus on development activities, as far as it is practicable, in these “concentration unions”.

On peoples’ development, the document states,

“The project loan agreement and related documents lay considerable stress on community development “as a key activity for improved social and economic status in the Impact Zone, as it can facilitate alternative income earning activities

such as forestry from homestead and roadside plantations, village poultry programs, apiculture and eco-tourism”.

As regards the users of Shyamnagar and their needs: the document states (in page Annex 25) that,

Other important identified needs are

- Improved employment opportunities for both men and women
- Land for the establishment of permanent homesteads
- Improvement of education opportunities

The reasons for the ever increasing dependence of the people of Shyamnagar on SRF resources are shown as under, “the pressure of community use of Sundarban resources has been increased substantially by major changes in land use in the Impact Zone from paddy to shrimp cultivation and the associated reduction in agricultural labor demand. If this process continues and forms of agricultural development which increase labor demand as well as land productivity are not developed, these increasing pressures may continue to increase community resource use despite project activities”.

Regarding the change in land use in Shyamnagar, it states in regard to the, 'Impact of changes in land use:

"About 75% of the available land in the upazila has been brought under Bagda cultivation and the land still available for agriculture is mostly single-cropped with broadcast aman paddy, so that very little regular employment is available in agriculture.

The per hectare employment generated by Bagda cultivation is very much less than that generated by agriculture, even by broadcast aman.

It is reported that before the development of large scale Bagda cultivation, there, was a considerable amount of seasonal grazing and gleaning available and so livestock and poultry raising was much more widespread. These changes which have reduced employment and the opportunities for livestock raising have increased the pressure on the SRF since it is one of the few resources still available to poorer classes".

Mission Report - MR No.14 December 06, 2000.

- This report describes the activities of the SBCP during November and

December, 2000 and program for January, 2001.

- Partnership with the Palli Karma Sahayak Foundation (PKSF) has been set as an essential criterion for the selection of NGOs.

Comments By ADAB

From the very **beginning, ADAB has been presenting** its opinion about the extensive damages caused to this region by the existing methods of shrimp cultivation, and the miseries caused to the people inhabiting the Impact Zone by the massive unemployment created by that industry. ADAB has expressed its opinion that it will not be possible to reduce pressure and dependence on the SRF while continuing to permit shrimp cultivation in the present manner. Further, ADAB has stated that it will not be possible to increase alternative employment opportunities in the Impact Zone by means of micro-credit on the present PKSF model.

As such it is essential that a clear-cut policy be framed in respect of shrimp cultivation and rigorously enforced, and micro-credit be utilized in a more appropriate manner. But it is surprising and disconcerting that in spite of this negative impact of shrimp cultivation in the Impact

Zone, and in spite of the ever increasing pressure on the Sundarbans exerted by the impoverished people of this region, no clear-cut policy on shrimp cultivation has been enunciated in the Revised Inception Report; instead, the issue has been totally sidelined.

ADAB has expressed its opinions from the very beginning that while permitting shrimp cultivation in the present manner, it will not be possible to promote sustainable development in this region, and that the PKSF model of micro-credit is not appropriate for this region. But without giving any consideration to the opinions expressed by ADAB, partnership of PKSF has been made a pre-condition for NGOs to work under this project. On the other hand, there are many NGOs working in the Impact Zone who are not at all partners of PKSF that have achieved

remarkable success in peoples' development.

Although the need and willingness for "Adaptive Management" has been clearly expressed on page 35 of the Revised Inception Report, no change has been effected in respect of micro-credit policy, and in spite of the repeated objections of ADAB and the inhabitants of the Impact Zone, that issue has not been addressed.

On the other hand, the date for submission of applications for NGO participation has been advanced. In the light of the above, there is adequate reason and justification to presume that all talk about "peoples' participation" is mere eye-wash, and that the old policy of disregarding peoples' opinion and "top-down" policy implementation are still prevailing.