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## People's Costing for Donors' wasting

*A tale of Sundarban Biodiversity Conservation Project (SBCP)*

### The illusion of poverty reduction and biodiversity conservation

Sundarban in Bangladesh is the single largest mangrove forest in the globe with very rich biodiversity. It is also a landmark of ancient heritage of mythological and historical events with stunning natural beauty and resources. A total of about 334 species of plants, 165 algae and 13 species of orchids are recorded. The principal tree species is Sundri, which covers about 73% of total landmass. It is further enriched with 373 species of fauna of which 32 species are mammals, 35 species reptiles, 8 species amphibians, 186 species birds, 14 species tortoise, 30 species snakes and 120 species. Many

of the species had lost over the decades and some are endangered now. A large number of local communities and indigenous people (Munda) are

exclusively depending on sundarban. For reasons obvious, sundarbans was under the focus of national and international communities. Under this backdrop, UNESCO declared Sundarban as its 798<sup>th</sup> heritage site on the 6<sup>th</sup> December 1997. People begin to see new dream for sundarbans and its people (Sundarban Forest Division).

**Development Intervention and Foreign Assistance:**

#### Box-1 : Sundarban factsheet

- ♣ **Total area:** 6,017 sq. km of which, Land: 4,143 sq. km; Water: 1,874 sq. km
- ♣ **Location:** situated at the southern costal part of Khulna, Bagerhat and Satkhira district lying in between latitude 21°39'00" and 22°30'15" North, longitude 89°12'54" and 89°29'04" East.
- ♣ There are 450 rivers, creeks, estuaries and canals in the sundarbans
- ♣ The name of the sundarban derived from the name of the principal trees '*Sunduri*' (*Heritiera fomes*). Besides, Some people presumed that from the word '*Samunder*' (meaning sea), first '*Samundarban*' and then the '*Sundarban*' name came into existence.
- ♣ In, 1869, the then British government, first took control over Sundarbans management. In 1878 it is declared as Reserve Forest and placed it under the control of Forest Department.
- ♣ Administered by 2 divisions (Sundarban East and West) Which are further composed of 4 Ranges and 58 Compartments.
- ♣ 3 wildlife sanctuaries were established in 1977
- ♣ **Common animals:** tiger 350-400; deer: 0.1- 0.15 million; Crocodile: 150-200, monkey: 40,000-50,000.
- ♣ **Dependents:** About 3.5 million people (*Mouali, Bawali, chunary, Munda, fishermen etc.*) directly or indirectly depends on its resources.



**Source:** Forest Department, **Map:** Banglapedia



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সচিবালয়

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বাড়ি- ৪০/এ, সড়ক- ১০/এ, ধানমন্ডি, ঢাকা- ১২০৯, বাংলাদেশ। ফোন: ৮৮০-২-৮১৫ ৮২৭৪,  
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In the early 1990s the Bangladesh Government (GoB) expressed its determination towards expanding and conserving country's remaining natural forests through devising an adequate policy and planning framework, including appropriate institutional mechanisms to promote peoples' involvement in forest management and conservation. In 1991 the GoB launched Forest Sector Master Plan (FSMP). Followed by the FSMP, in 1994, the GoB instigates the National Forest Policy (NFP). The FSMP and NFP in concert provided the backbone of the contemporary strategy of Participatory Forest Management (PFM). In the same row, the Sundarbans Biodiversity Conservation Project (SBCP) project was undertaken by the GoB, the largest project of its kind, aiming at establishing a proper management system for conserving the biological diversity and securing the environmental and biological integrity (SBCP, Inception Report, vol. 1) Of the Sundarbans. The 'reduction of poverty' was accredited as the strategic development objective of the project (See, box-2).

association with an ABD loan and a grant from the Government of the Netherlands.

Between 1998 and 2005, only 19 projects out of 70 ADB-financed projects in Bangladesh addressed "Agriculture and Natural resources", 7 of which were in the form of "loan". Bangladesh received a total of 40.7 billion USD from ADB till 2002-2003 for various projects. However, the ADB projects (e.g. Khulna-Jessore Drainage Rehabilitation Project (KJDRP); Modhupur National Park Development Project (MNPDP), popularly known as Modhupur Eco-Park) implemented in Bangladesh are highly criticized for the Bank's policies and mechanisms of implementation.

The GEF activity in Bangladesh is appeared lesser to the ADB. In two focal areas out of its three projects in Bangladesh, the GEF had granted 25.4 millions USD. Of these three projects, two were under the "Biodiversity focal area" worth 13.2 million USD. Both projects were approved in 1999. The other project was implemented under the "Climate Change focal area".

#### Box- 2: Project Profile

<b>Project Name</b>	Sundarbans Biodiversity Conservation Project
<b>Sector</b>	Agriculture & Natural Resources /Environment & Biodiversity
<b>Strategic Development Objectives</b>	Primary: Sound Management of Environment Secondary: Poverty Reduction
<b>Project Components</b>	Effective Organization of SRF; Biodiversity Conservation and Sustainable Resource Management; Socioeconomic Development of the Impact Zone; Ecotourism and Environmental Awareness; Technical Advisory Group (TAG), Monitoring, and Research Studies; and Effluent Treatment.
<b>Initial Listing by ADB</b>	1 July 1996
<b>Executing Agency</b>	Forest Department, Ministry of Environment and Forest (MoEF)
<b>Finance Mode</b>	Out of altogether 77.5 million USD, ADB Loan 33.9 million, GEF grant 12.2 million USD, Netherlands 3.1 million, GoB input 15.6 million, PKSF loans through NGOs 6.8 million, NGOs 1.9 million and Beneficiaries 3.8 million USD. The original budget of USD 88.2 million was eventually reduced with the withdrawal of the Nordic Development Fund input of USD 4.5 million.

#### Project Financing and Role of Donors

The bulk of the finance for the SBCP came from The Asian Development Bank (ADB) loan and a grant of the Global Environment Facility (GEF). ADB started to closely coordinate with the World Bank (WB) in Bangladesh's forestry sector loans since the 1980s. The WB also funded the Forest Resource Management Plan (FRMP) while UNDP and FAO provided TAs to the forestry sector over the last two decades. In fact the WB through its partners and associates has poured in millions of dollars into forestry projects in Bangladesh since the 1980s, with key focus on joint forest management, capacity building and training of forest personnel, research and development of forestry institutions, livelihoods enhancement through forestry projects, creation of carbon sinks, commercial plantations for forest regeneration, transfer of technology and information on forestry and biodiversity conservation. However, especially in the biodiversity focal sector, WB's money came through GEF in 01 March 1998 (council approval on October 1, 1999) for the SBCP in

#### Focus Sundarban

In 1996, the ADB incorporated country assistance plan for Bangladesh including a Technical Assistance (TA) plan for the preparation of a project towards conserving the Sundarbans Reserved Forest (SRF). The TA was immediately approved in preparing a feasibility study for the proposed project. The report was submitted in July 1997. After submission of the final report in November 1997, an ADB fact-finding mission worked on it for finalization.

The objective of this project was to conserve the SRF, which is of national and international importance, and to reduce poverty in and around the Sundarbans. The project covered the SRF itself and the surrounding 17 thanas (approximately 0-20 km outside the SRF border), referred to as the 'impact zone' comprising 3.5 million people. The anticipated benefits from the projects were included:

1. to reduce poverty through expanded economic opportunities,
2. to improve social infrastructure,

3. to promote organization for resource users, and
4. To facilitate stakeholder participation in resource management, and a supportive set of policies, especially for charging economic prices for access to SRF resources.

**New name in ADB's failed queue**

The SBCP were subject to severe criticism in Bangladesh for its failure to deal with corruption and people-detached policy. Criticism of the SBCP has been put forward by the SBCP Watch Group, an initiative of the individuals and peoples' organizations inhabiting the Impact Zone of the Sundarbans, which ask for an effective re-design of the SBCP in line with local peoples' concerns. According to the watch group, the SBCP failed to identify the root causes of poverty and destruction of the biodiversity of the Sundarban and has on the contrary blamed the local people even without effectively consulting them while designing or implementing the project.

SBCP as: (a) the project was lacking in the ownership by the GoB; (b) low priority given to financial management of the project; and (c) As per the GoB and ADB agreements the Sundarban Management Wing remained dysfunctional during the mid-term review of the project. The mission found 'significant divergence of views between the Chief Conservator of Forests (CCF) and the Forest Department (FD)' and therefore expressed its dissatisfaction, as the ADB 'must not tread on the dubious grounds of seeking consensus between the field and Head Quarters'. The mission accredited that till then the GoB made quite



Shrimp Farming

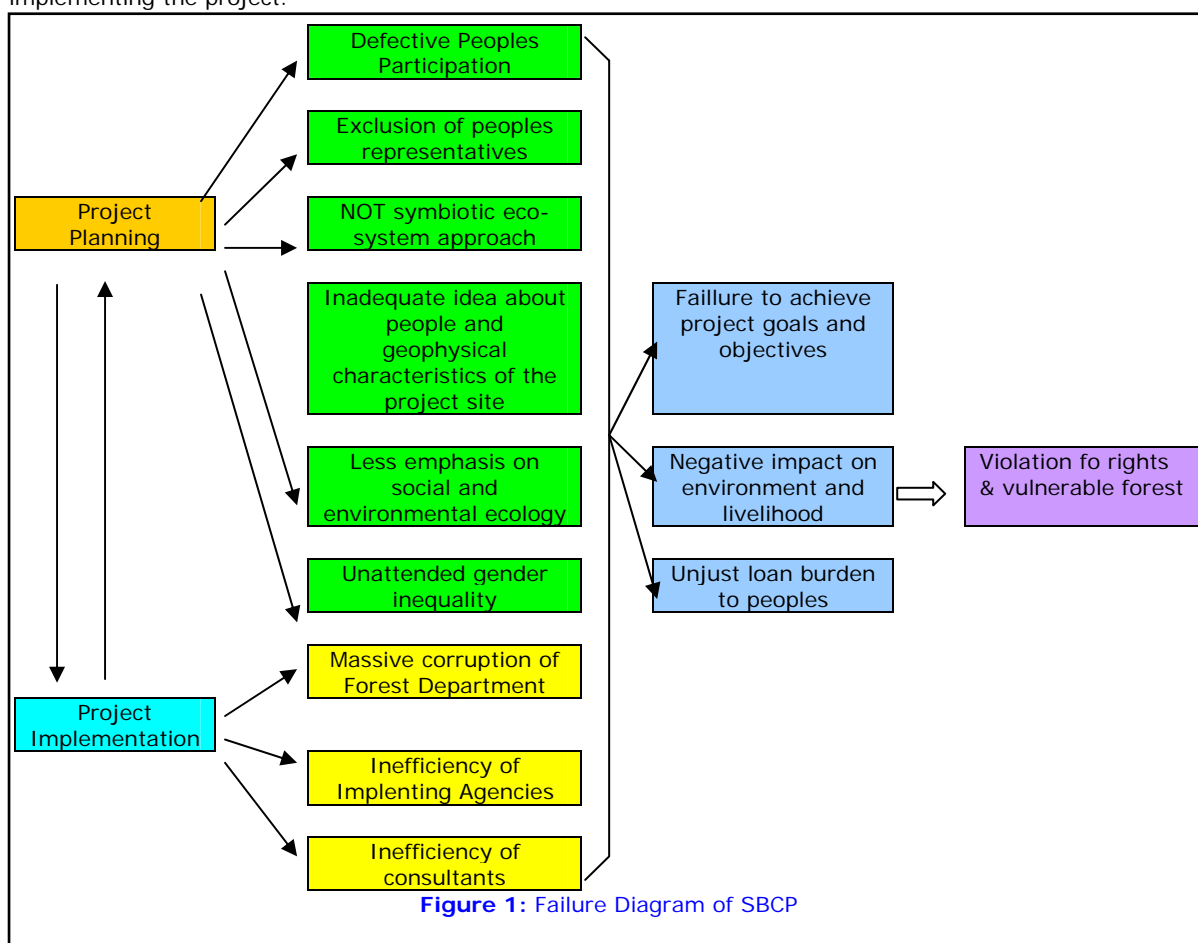


Figure 1: Failure Diagram of SBCP

The SBCP was planned to run for seven years (July 1998-June 2005). The project was formally instigated in March 2000 and was suspended in 2003. Finally, the ADB officially cancelled the project in January 2005. The ADB first suspended the borrower's (GoB) right on September 4, 2003 and stipulated three conditions for lifting the suspension, namely: (1) revision of the project design according to a revision plan acceptable to ADB; (2) reconciliation of project's accounts in compliance with ADB's financial management guidelines and (3) to meet the terms of crucial loan covenants of the project. The ADB review mission visited Bangladesh on October 2004 and expressed their views on the

extensive efforts to revise the project instead of the discontinuation of funding, however, it could not perceive the proposed set up for the project by the ADB as 'implementable'. The mission further ascertained that the ADB should explore vigorously for a more acceptable mechanism of project implementation. The mission finally made certain that the SBCP was running without any accounts mechanism and the claim for the existence of such accountability in that office would be a 'travesty of truth'. The ADB moreover noticed that the frequent changes of secretaries (in SBCP) contributed to put up a 'poor show' and indicated as 'something' had gone 'terribly wrong'. Therefore, the ADB finally

cancelled the loan (notified by a letter to the Ministry of Finance on 13 January 2005) and reallocated the remaining funds of the loan to another project (Emergency Flood Damage Rehabilitation Project) as per request from the GoB.



The deprived woman

There was an apprehension by the civil society groups that the project was ill conceived in terms of its design, while the SBCP's official statements claimed that the project

was failed due to its implementation process. The ADB provided the reason that the project encountered difficulties with the design and financial management throughout its execution. By the end of December 2004, despite elapsing nearly three quarters of the loan period, only one quarter of the funds were disbursed and about one quarter of the project was implemented. It was expected that the project will create alternative income generation opportunities for 1, 70,000 people of impact zone. But output of the project frustrated the people.

### Environment Impact and Mitigation

While preparing the project an initial environmental assessment was conducted by the ADB. In the summary of the initial environmental examination (SIEE) project-related environmental impacts were adjudged as predominantly positive, with no major adverse environmental impacts. The SIEE indicated that only a small number of proposed activities might contain the potentials of adverse environmental impacts. It was thus considered that the net environmental benefits would outweigh any residual adverse impacts after mitigation measures to be carried out. For instance, the SIEE report exposed that there would have been a medium risk of misusing micro-credits to establish undesired shrimp ponds. The report, to avoid the risk, suggested some mitigation measures like avoiding construction of new ponds and rehabilitation of unproductive ponds. Notably, the expansion of shrimp aquaculture has been recognized as one of the most destructive human activities in mangrove forests during the past two decades in many regions of the world. Several reports indicate that shrimp aquaculture has been destroying mangroves in countries like the Ecuador, Honduras, Vietnam, Malaysia, Thailand and Bangladesh (i.e., Chokoria Sundarbans). Despite the fact, excavations of shrimp ponds within the forest areas were recognized by the SIEE report as a medium risk component. Regardless of public concerns over the destructions of their agricultural lands and fisheries diversity by the shrimp farms within the forest, the SBCP operated micro-credit programs in encouraging shrimp farming within the SRF zone. Catching shrimp larvae in the Sundarbans causes severe loss of aquatic biodiversity as many species (up to three hundreds) are discarded after being caught in the nets. Again shrimp requires the same nutrition, as the mangroves need. Therefore, shrimp culture is contradictory to mangrove growth. In considering the public views and overall consequences, the concept of 'the net environmental benefit' which 'would outweigh any residual adverse impacts after mitigation measures to be carried out'

as envisioned by the SIEE reports appeared as unrealistic.

### Social & Gender Dynamics

Initial assessments did recognize that gender issues would require attention in the impact zone strategy. Approximately 50 percent of the direct beneficiaries in the impact zone would be women, including access to micro-credit for alternative income earning activities. Women were required to having considerable control over the earnings from their production enterprises, leading to higher household expenditures on social priorities, such as food and education for the children. Project design failed to identify and address the social and gender dynamics (agrarian structure, gender inequality, access to natural resources and decision making etc.)

### Sidelined GEF & ADB's own policies

Most of the local people acknowledged that for the first time they had come to know the name of SBCP from this study interviewer. A few knew about the SBCP but were uninformed about the project rationale as well as remained uncertain on the benefits of the project meant for them. Taking the GEF's definition of public involvement as a benchmark, it can be argued that dissemination of information and meaningful consultation with stakeholders were not properly ensured during the project preparation phase.

The GEF project review criteria were guided by 10 operational principles, including the following four, to which the SBCP had failed to implement: (I) the

#### Box : Convention on Biological Diversity (CBD)

CBD adopted in 1992 at Rio de Janeiro and signed by 157 countries emphasized biological conservation:

*"...Subject to its national legislation, respect, preserve and maintain knowledge, innovations and practices of indigenous and local communities embodying traditional lifestyles relevant for the conservation and sustainable use of biological diversity and promote their wider application with the approval and involvement of the holders of such knowledge, innovations and practices and encourage the equitable sharing of the benefits arising from the utilization of such knowledge, innovations and practices."* [CBD, Article 8 (j)]

Again The CBD states further asserts that the signatories shall, as far as possible and as appropriate:

*"...Protect and encourage customary use of biological resources in accordance with traditional cultural practices that are compatible with conservation or sustainable use requirements;"* [CBD, article 10(c)]

need to ensure consistency of GEF activities with relevant international conventions; (ii) full disclosure of non-confidential information; (iii) public involvement (including indigenous and local communities) and (IV) regular monitoring and evaluation. While the Convention on Biological



Diversity (CBD), ratified by the GoB, requires several compulsions relating to customary use of biological resources and traditional knowledge, despite being very relevant to the GEF activities in the Sundarbans were seemingly disregarded by the project. According to community experiences and locals' view, the SBCP documents remain more or less 'invisible' to them. Even after the suspension of the project, many documents relating to the SBCP remain highly confidential (e.g. audit report) as well as inaccessible or difficult to obtain from the executing agency (the FD). Even the ADB was found unfriendly and inaccessible to obtaining those documents.

While disclosing its Information Policy (1994) the ADB pronounced that the Bank would 'operate as an open, accessible institution' and would 'disclose information except when it might be perceived to affect adversely the interests of its member countries or the sponsors of its private sector projects'. However, some important project documents mostly remained inaccessible or unavailable from the Bank itself. The team, which undertook the study, asked the ADB for various project documents (e.g. project monitoring report, status report and so on). In response, the Bank provided some project documents, however, did not provide some vital documents those were needed in obtaining a complete and detailed picture of the SBCP. Despite Bank's statement of 'confidentiality and disclosure of information policy' affirming 'openness and accountability' in its operation as 'essential for its effectiveness' and accentuates the 'disclosure of information' 'on policies and operations' towards encouraging debate and dialogue (Confidentiality and Disclosure of Information: Our Framework Policies and Strategies. Asian Development Bank, Para 22 and 23i.), several key project documents of SBCP (e.g., fact-finding reports and audit reports) had never been placed in the public domain. Moreover, the documents, which were disclosed to public, had never been prepared or translated into Bangla (the state language of Bangladesh). Therefore all these documents still remain inaccessible to common people and the beneficiaries as well. The question therefore pertinently arises: Are there some facts about the SBCP that might '...affect adversely the interests of the Bank's'? Is this the reason why the ADB restricts the disclosure of the SBCP information? To its own assertion, the Bank 'as a public institution', 'is accountable to its shareholders and as well to 'others providing support to this institution', it is yet not clear whether the Bank is truly accountable to the communities who are supposed to be the so-called 'beneficiaries', in the end those who would be liable for paying back the (ADB) loan!

### Violation of Indigenous policy

Nevertheless, as mentioned earlier, the SBCP project documents controversially accused the indigenous people and local communities for destroying the forest instead of valuing their traditional knowledge, skills, and customary resource uses. Despite ADB's declaration of extending its supports for the efforts of the GoB and other project sponsors towards the cause of indigenous people throughout the project was totally ignored. As of public understandings from the project, this study reveals that both the sponsor (here the ADB) and the implementing agency (FD, on behalf of GoB) failed to respect the

Bank's policy. Besides, some key elements recognized by the Bank in devising appropriate development plan for the indigenous people were ignored. For example: (i)...during project design of a development plan that takes into full account the desires and preferred options of indigenous peoples affected by the project; (ii) studies to identify potential adverse effects on indigenous peoples to be induced by the project, and to identify measures to avoid, mitigate, or compensate for these adverse effects;"(The Asian Development Bank's Policy on Indigenous People, 1998, Appendix, page 1)  
The words 'desires' and 'preferred options' for indigenous people affected by the project were not evident in the SBCP concept.

The project concept uses confusing language with regard to Indigenous and Local communities' rights to the forest. Local people maintain that the evident causes of SRF destruction are declining fresh water flows in the forest, increasing salinity and mammoth smuggling of timber and other forest products like nypa leaves from the forest by outside businessmen along with privileged musclemen in connection with corrupt FD officials. Moreover, the issues relating to corruption in the FD as indicated by the project inception report the whole project design did not take into account of the views of local people. Thus the SBCP has failed to comply with Article 8(j), 10 (c) and 10 (d) of the CBD. The inhabitants of the SBCP project area have experienced a restriction on their traditional uses of forest resources. They too felt lack of participation on project's decision-making phase on conservation and sustainable use of biological diversity. In view of the common people, the project had been negatively contributed towards establishing a 'sustainable' system of use of the SRF. Most of the forest products happening to decline and the decline are more obvious due to both direct as well as indirect impacts of the project. (See section 3.1.1 for details).

The project moreover failed to respect the Mataatua Declaration on Cultural and Intellectual Property Rights of Indigenous People (see box 5 for details) as the project was not obliged to implement its declaration.



Collected *golpata* for use

### Failure to understand the nature of Forest and Forest Department

Mangroves are worldwide known as one of the most productive but vulnerable ecosystems in the world (Alongi, 2002; Clough, 1992). Along with world mangroves, the Sundarbans is too critically vulnerable for its geo-hydro-physical location and over-exploitation. As per ADB's environment policy, its environment assessment process begins with the identification of potential projects and verifying project components whether financed by the ADB or co-financiers. To ADB, the borrower is responsible for doing the environmental assessment in conformity with its environmental assessment

requirements. The borrower is also responsible for implementing the recommendations of the environmental assessment. As per available official information, the study is convinced that the GoB, borrower in the SBCP, did not disclose any 'environmental assessment report'. The Bank further delineates, "The integration of environmental

considerations in SBCPs will be measured by the extent to which they can identify critical environmental issues facing development and poverty reduction in the country, and to provide credible lending and non-lending responses to these issues. Paradoxically the

most common criticism against the SBCP by the local people and activists towards the project design which almost completely failed to identify the key issues affecting the Sundarbans (e.g. the decrease of fresh water flow in the southwest coast, top dying of sundari species, tiger death, increasing trend of siltation etc.) and potential threats to the integrity its ecosystem. Local communities and concerned professionals also share the same view.

Despite the infamous image of a corrupt institution the FD, it would be expected that the project design would have included anticorruption measures or safeguards in the inception phase. However, the inception report remains mysteriously silent about the anticorruption measures or management. The ADB first suspended the project in September 2003 and finally cancelled it in January 2005 accusing the FD for restraining implementation of the project. The citizen's organizations (like the SBCP watch group and Bangladesh Civil Society Watch Group) criticized the project for being plagued by the corruption of the FD as well as other project related parties

However, the study could not gather any investigative reports on project-related corruption. The study moreover remains unclear whether such investigations were ever carried out as part of ADB or GEF evaluations. Significantly, ADB's general policy of 'not disclosing any anticorruption reports to any external parties' prevents exposure of corruption in this project. Therefore, ADB's contradictory disclosures policies have arguably helped to cover up any corruption in the SBCP and restricted further public scrutiny and debate on this issue.

*"If you tell me that the SBCP aimed to strengthen the FD for better management, please note that the whole FD is now more corrupt than it ever was"-said Mr. Ebrahim Sheikh. He asked, "Is that an indication of management?" Yousuf Ali, a bawali of Nilburi, Munshiganj stated, "FD officials are the middle men for forest smugglers. They don't care for the felling cycle, breeding seasons for fisheries, golpata-growing seasons - absolutely anything. If SBCP were to protect the forest, why did it not find these culprits who destroy the forest? Why did not it reorganize the FD offices with good officials? Why didn't it monitor and investigate these illegal actors?"*

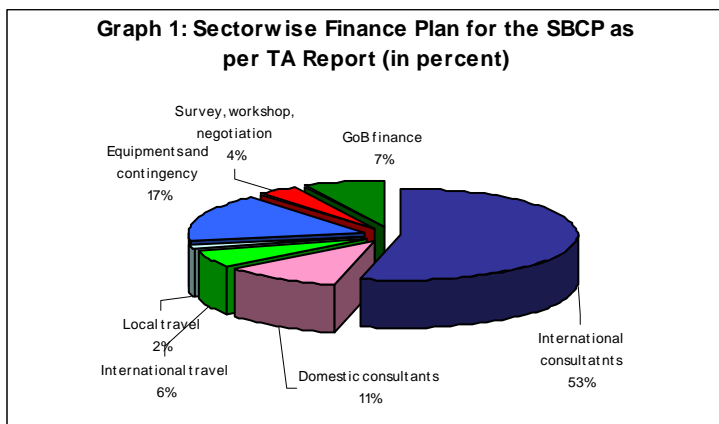
### Glutton consultancy

The Technical Assistance (TA) report of the ADB reveals that the SBCP was designed to spend about 53 percent of project's total budget for foreign consultancy services and 11 percent for local consultants. A further 6 percent and 2 percent of the total budget was planned respectively for

international tour and local travel. Which implies a total 72 percent of the budget was planned to be spent against consultancy services.

The dead line for the project was December 31 2006. However, the ADB suspended the loan on 4 September 2003. On 16 February 2006 Mr. Byung Wook Park,

Assistant Controller, Loan Administration Division requested to the Secretary, Economic Relations Division (ERD), GoB, for refunding the impress fund (the initial advance) of 1.42 million USD. After the ADB's claim FD scrutinize and argue that as initial advance ADB provided 1.5 million USD, to which, till then the FD had already spent 1.063 million USD, so



### Box 11: The irony of Consultancy

"...ADB was directly involved in the selection and appointment of the individual consultant through ARCADIS from GEF grant. 15 International consultants were recruited and fielded, although it was felt that those consultants had only minimum qualifications and knowledge on Mangrove forests. Many of them did not perform their responsibilities though major portion of the TA fund was spent. Not only that, the last team leader Mr. Stephen Devenish has left the country without submitting the report. However, with the 50 percent of the project time elapsed, 70 percent of the TA (400 person months) have been consumed..."

*Letter written to Mr. Toru Shibuchi, Country Director, ADB Bangladesh Resident Mission, Dhaka by the Secretary, Ministry of Environment and Forest, vide memo no. MoEF-Secy-2004/840, Dated: 25-10-2004*

ADB can claim only 0.427 million USD instead of 1.42 million USD. The issue still then remained unresolved. Albeit, while examining the financial management of the FD part the ADB appointed internationally reputed Chartered Accountant (CA) firm, namely A Kashem and Company could not find any major irregularities.

What is significant, 14 percent of total disbursed money was spent against international consultancy, which was never handed over to the FD. Again, the total amount of disbursement against the foreign consultancy services was 6.32 million USD (46 percent of the total disbursement). According to the ADB Review Mission Report, 2.27 million USD was spent against foreign consultancy, which was 61.7 percent of the total utilized money. Despite

spending most of the utilized money for consultancy, the result of the project remained highly unsatisfactory. Even the ADB itself blacklisted the ARCADIS Euroconsult for their poor performance.

### Sustainable livelihood: unkept Promise

One of the project's strategic objectives was "poverty reduction", minimized livelihood vulnerability. So this study has tried to investigate the pre and post socio-economic status of people of these communities who were expected to achieve some betterment in their lives. People from the two study areas commented that their income has been



Restricted Entrance of SRF

shrinking day by day because of forest destruction and several other adverse socio-economic practices like FD harassments, large scale shrimp farms,

agricultural land encroachment, crop failure etc. Presently, most of the families living around the Sundarbans adjacent areas are of low to very low income, generally around 1000-2500 Taka (currency of Bangladesh, 1 USD equals to 72 taka) per month. According to the indigenous and local communities, the main indicator of their declining livelihood security is the growing number of local people who are now engaged as daily laborers rather than fishing, agriculture or small-scale forest extraction. This is because "land is encroached by socially privileged men from the adjacent big cities who have increased the area used for shrimp farming and other reasons, as well as constant harassments of people by the FD when entering the jungle for livelihood purposes – even while carrying *FD passes*" – explained by Dipak Munda from local *Munda* indigenous people in *Munshiganj*.

### Accountability: For whom?

People very strongly argued that it was none but ADB (mostly) and FD (partly) have to be held responsible for the failure of SBCP and demanded punitive action against them. Many said people who took money in the project should repay the loan. Others say the government should arrange a public "vote" before taking such internationally-financed projects. Karim Sheikh, a local schoolteacher said:

*"This is such a bad loan that you can accuse every one and no one at the same time. The irony is that the so-called experts consumed most of the money in the project, but we all have to pay for this. When we plan such big projects, our government should be more careful in every step how to spend money."*

Most people in local communities in the Sundarbans haven't heard the name of GEF and ADB in their lives. However, one frequent comment made by them is that, if the GEF and ADB are funding agencies that support activities to do "better things" in a country, they should understand and realize who should be the implementing and executing agencies and what is the past record of such agencies. They must put emphasis on the local

people, researchers and other professionals while designing a project because few foreign people know the local situation, and most do not even understand local culture, society and livelihoods. People stress that they have to find where the problems lie and search for their own solutions to the problems. "The design should therefore come from us. The funding agencies also must monitor such designed projects through us."

According to these people, project design is a crucial stage and the people doing the design must know the exact environment (socio-economic and natural environment). The baseline studies and monitoring and evaluation should be one of the strongest stages elements to ensure the project design is based on real situations on the ground, because once the project has started it is difficult to go backwards. "We should debate, argue, discuss, examine and think before designing a project. If GEF or ADB wants to lend or grant us money, they should strictly judge if the project is designed rightly or nor. If they don't, we don't want their money."

The project begins with fundamental mistakes. It is evident from the SBCP design and subsequently from its implementation that the project designs failed to understand the importance of hydrology in regulating mangrove eco-system. Like other significant mangrove niche of the globe the

### Box 6: 'FD did not feel ownership of the project'

The FD did not like the project because of its process of formulation, especially aspects related to peoples' participation and NGO's role. Therefore the Sundarbans Steering Committee- SCC was set up in words but not in the field. The money was handled by the respective organization (ADB and GEF) and much of the money was spend for the consultants. After complaints from different sectors, the Bank decided to revise the project in 2003. The situation was thus a little clarified and it transpired that the contribution from the Dutch government at the end was less than the money earned by the Dutch consultants. The Bank insisted that the FD should "own" the project but the FD was not keen in "owning" it as it stood. As a result the ADB cancelled the project in January.

**Mr. Shamsul Huda**  
Ex-director, SBCP

Sundarban as a whole is often called as the product of tidal estuary i.e. the region of a river with variable salinity due to the sea and also an inlet where the sea water is diluted with the inflow of fresh water. Furthermore the ecogeography of the area is totally dependent on tidal effect.

The formation of delta region and navigability of water bodies are directly linked up with the tidal flow. Fluctuation of tide determines the flora and fauna (Marine, limno biotic, terrestrial and arboreal) of the different regions of same mangrove area, and their abundance or absence can also be explained to a great extent, only by careful study of tidal influence.

Mangrove water body supports drifting pelagic organism, different kind of diatoms, nekton (fishes) benthic fauna, coelenterates, polychaetes, and many more organisms with micro floras. These organisms are major component of mangrove ecology food chain. Tide also acts as dispersal agent of mangrove plants.



People firmly believe that SBCP was not undertaken for the wellbeing of Sundarbans and themselves. This project accelerated the destruction of forest. The project relied mainly on foreign experts and did not employ the local experts. In fact, consultants of the SBCP were employed according to the Banks guideline prescription, where 25 percent was provided by the Bangladeshis and 75 percents were hired from abroad. This division can be termed as ignorance from the part of bank because several Bangladeshi experts successfully worked with the Integrated Resource Management Plan of the SRF project (1992-95) funded by UNDP and FAO. The consultants from abroad were well educated in their respective field according to their bio-data, but their experience of working in this part of the world and in this particularly sensitive environment were far from

#### Box 7: Status of forest resources

Indicator	Status
Timber tree	Declining
Matured tree	Declining
Jungle bush	Increasing
Availability of fish	Declining
Agriculture Production	Declining
Honey	Declining
Golpata	Declining
Other forest resources (Herbal medicine, fruits etc)	Declining

Source: FGD, 2005

adequate. For example, Mr. Khasru Chowdhury, a tiger specialist, claimed that, the consultant for avian fauna have no experience on bird of indo-malayan affinity. The SBCP authority allowed him to learn about the birds of indo-malayan areas for six months on SBCP's fund before working in the SRF. Furthermore, SBCP consultants opted for studying flora and fauna of the SRF- a repetitive job; which had been well studied by H.Hendrichs (1975) J-H. Blower (1985), Chaffey (1985) and Integrated Resource Development of the SRF (1992-95). The SBCP designers failed to determine next step, the inventory of minor lives like microflora, diatoms, pelagic organism, benthic fauna, coelenterates, crustations and invertebrates of the area that are the chief regulating body of the mangrove food chain.

In light of the project review and opinion from people's perspectives, it is clear that the project did not even begin to achieve its goals to conserve biodiversity and benefit local communities. The fundamental reasons for the failure of the project were its incomplete, unrealistic and unscientific design, larger part of which was handled by them. In all aspect, ADB must shoulder the burden of failure.

### Recommendations for Future Project

In view of the above, the following general recommendations can be made for any future project in the sundarbans.

- The local communities proposed to be affected by the project must have clear and accurate information about the project and relevant policies and practices of the proposing funding and implementing agencies.

- Donors' guidelines and directives on indigenous people and local communities must be clearly spelt out for recipient country and mechanisms of addressing violations and negligence must also be clearly stated.
- Information about any project proposal must be made available and accessible to the public in state language Bangla in advance.
- Public hearings must be conducted before the commencement of any further full-size biodiversity project to consult local community organizations, local communities. Public comments must be called for before the project is approved and sufficient time period must be allowed for sending comments. Redress procedures must be established.
- Denial of access to resources within the reserved forest or the protected areas should not be the purpose and objective of the projects. Traditional resource users should enjoy the right of access to the resources.

### Specific Recommendation

#### Policy

- ✘ Any project must properly consult with the local communities using culturally appropriate methods before its concept development. Funding agencies must comply fully with their own public participation policies and evaluate the field consultation reports before building up a project proposal.
- ✘ Policies should be reviewed, reformed and adjusted to promote the recognition, respect and application of indigenous practice, culture and tradition instead of focusing exclusively on alternative economic activities. Policies should be adjusted to avoid the development of unfair and stereotyped claims
- ✘ Aid organizations should review all available local policy (including state and local government policy) before project development. Necessary policy formulation, update and review should be a major component of project design and implementation. Policies should be formulated, reviewed and updated to identify possible corruption practices and measures to deal with them.
- ✘ The project plan should be circulated in written form to all communities in their own languages in well advance of the design finalization. Sufficient time should be allowed for project design to conceive the local community's perspective clearly.
- ✘ The planning for projects aiming to conserve the environment should stand on a strong scientific basis. While preparing a project concept, scientists of all related disciplines having context specific expertise should be involved to view the projects goal and reality from multiple angles.
- ✘ Any large project should first plan to examine the existing legal and governance situation to identify possible future implementation opportunities or constraints and gaps.

### Management



- ✗ The project funds should be handled by the implementing agency (ies) not by the funders. Above all, a comprehensive analysis, including the views of local people, should be carried out to determine if external funding is needed or not.
- ✗ Project management should be transparent to all parties by means of information disclosure, public consultation and flexibility. Project activities should be reviewed quarterly with the involvement of concerned local communities, interested parties, implementing and financing agencies. Scheduled project plans should be updated with learning from the review.

### Implementation

- ✗ Every project should be implemented in cooperation with local people so that the procedure can work smoothly and enjoy local support. Integration of different and concerned government agencies, institutes, wings, and departments is also necessary. Different social groups and sectors, especially those depending on local resources, have to be involved.

### Accountability and remedial action

The issue of accountability and remedial action came up quite strongly during this study. Failure lies with the agencies that designed and substantially implemented the project - the funding agencies not with people living around Sundarbans.

### Concluding Remarks:

As up to 30/9/2004, the donor of the SBCP project had disbursed 39 percent of the committed money whereas only 27 percent of this money has already been used. The FD on its part spent 533.74 million BDT (about 9.7 million USD) up to the date. A lion share of the money was spent against civil works (48%). 14 percent of this money was spent against international consultancy, which was never transferred to the FD. Again, the total amount of disbursement against the foreign consultancy services was 6.32 million USD (46 percent of the total disbursement). According to the ADB Review Mission Report, 2.27 million USD was spent against foreign consultancy, which was 61.7 percent for the total utilized money. Though the lion share of the utilized money had been spent for consultancy, yet the result was highly unsatisfactory. Even ADB itself blacklisted ARCADIS Euroconsult for poor performance. Hence, the Bangladesh implementing agency FD had no control on the use of GEF and consultancy fund rather burden of unimplemented plans falls with the funding agencies.

Thus, in no way, the funding agencies should desert the Sundarbans by blaming the forest department and local communities and at the same time burdening the people of Bangladesh to pay back the loan which were not used at all for the objectives set at the first place. The funding agencies of the SBCP should waive the loan repayment, as the failure was due to design failure and subsequent implementation, larger part of which were handled by themselves.

While local people maintained that the evident causes of SRF destruction were declining fresh water flows in the forest, increasing salinity and mammoth smuggling of timber and other forest products like nypa leaves from the forest by outside businessmen

and privileged musclemen in connection with corrupt FD officials, failing to tackle these direct and underlying causes of environmental damage and issues relating to corruption in the FD in the project design indicate that the whole project design did not take into account the views of the local people at all. The funding agencies should not be allowed to desert the Sundarbans but be made accountable to local people. Local resource users should be compensated for further restriction to their resources uses and their livelihood sources

The *IFI Watch -Bangladesh* is prepared at the Unnayan Onneshan/The Innovators by its *Policy Analysis Wing*. Dewan Muhammad Humayun Kabir prepares the current issue under the guidance of Rashed Al Mahmud Titumir based on *Deserting the Sundarban* by Jakir Hossain and Kushol Roy.

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The **Nijera Kori** is a continuous and diverse movement focusing on social mobilization and ensuring accountable democratic structures, targeting the most marginalized groups through the development of autonomous landless organizations with an emphasis on gender equity.



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The **Forest Peoples Programme**, is registered as a non-profit NGO in the UK and Netherlands. The programme was originally established by the World Rainforest Movement and works to secure the rights of forest peoples to control their lands and destinies.

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