



## Global Environment Facility

**MOHAMED T. EL-ASHRY**  
CHIEF EXECUTIVE OFFICER  
AND CHAIRMAN

March 29, 2000

Dear Council Member:

I am writing to notify you that we have today posted on GEF's website, a medium-sized project proposal entitled *Sri Lanka: Conservation of Globally Threatened Species in the Rainforests of Southwest Sri Lanka*. The GEF will contribute \$749,713 towards a total cost of \$975,713.

This medium-sized project will seek to protect the rainforests of Sinharaja and Kanneliya-Kediyagala-Nakiyadeniya (KDN) using community co-management approaches. While focusing on these two forests, the project will aim to spread the benefits to other forests in Sri Lanka. Specifically, the project will:

- Develop a buffer zone community that will cooperate in the conservation of the selected rainforest ecosystems;
- Develop a suitable model for securing collaboration between the local community, state agencies and other stakeholders in managing rainforests;
- Secure sustainable use of non-timber forests products; and
- Provide adequate forest protection against encroachment and illicit logging

The proposal is being posted for your information. We would welcome any comments you may wish to provide by April 18, 2000, in accordance with the procedures approved by the Council.

If you do not have access to the Web, you may request the local field office of UNDP or the World Bank to down load the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such request, please confirm for us your current mailing address.

Sincerely,

Cc: Alternates, Implementing Agencies, STAP



**United Nations Development Programme**  
GLOBAL ENVIRONMENT FACILITY



Date: 27 December 1999

To: Mr. Kenneth King  
Assistant CEO

Attention: Program Coordination

From: Rafael Asenjo  
GEF Executive Coordinator *Rafael Asenjo*

Subject: **Submission of Medium Size Project Brief for GEF contribution of [less than \$750,000] [~~between \$750,000 and \$1 million~~]: Contributing to the Conservation of the Unique Biodiversity in the Threatened Rain Forests of Southwest, Sri Lanka**

Enclosed is a project brief for "Contributing to the Conservation of the Unique Biodiversity in the Threatened Rain Forests of Southwest, Sri Lanka" submitted to UNDP by IUCN- The World Conservation Union, Sri Lanka. Please note that the project has been endorsed by the GEF national operational focal point in Sri Lanka.

In accordance with the operational guidance for the preparation and approval of medium-sized projects, we are submitting this to the GEF Secretariat for action by the Chief Executive Office (CEO). We understand that the Secretariat will recommend to the CEO that the project be submitted to the Council for approval, that it be returned for revision or that it not be developed further.

We are simultaneously circulating copies to UNEP/GEF, World Bank/GEF, STAP and the Biodiversity Convention Secretariat for comments to the GEF Secretariat. We expect to receive these comments within 15 working days. Therefore, we look forward to receiving the CEO's decision on or before 21 January 2000 but understand that the project will not be formally approved, even if the CEO has endorsed it, until the Council has reviewed it [within the following 15-day period, namely by 11 February 2000 [as part of the next work programme].

Thank you and best regards.

cc: Ahmed Djoghlaf, UNEP  
Lars Vidarøus, World Bank  
Madhav Gadgil, STAP  
Rohit Khanna, UNEP/GEF  
Mark Griffith, UNEP/STAP  
Cailestous Juma, CBD  
Ramon de Mesa

## PROJECT SUMMARY

| <b>Project identifiers</b>   |  |
|--|--|
| 1. Project name: Contributing to the Conservation of the Unique Biodiversity in the Threatened Rain Forests of Southwest Sri Lanka   | 2. GEF Implementing Agency: UNDP   |
| 3. Country or countries in which the project is being implemented: Sri Lanka   | 4. Country eligibility: Sri Lanka ratified the CBD in March 1994   |
| 5. GEF focal area(s): Biodiversity   | 6. Operational Program/Short-term measure: OP3 - Forest Ecosystems   |
| 7. Project linkage to national priorities, action plans and programs: The Biodiversity Action Plan and the Forestry Sector Master Plan accord high priority to the in situ conservation of forest biodiversity, placing special emphasis on the threatened, fragmented rainforests.  |  |
| 8. GEF national operational focal point, and date of country endorsement: Ministry of Forestry and Environment; 1, June 1998   |  |
| <b>Project objectives and activities</b>   |  |
| 9. Project rationale and objectives:<br><br>Protection of the ecosystems in the rainforests of Sinharaja and Kanneliya-Dediyagala-Nakiyadeniya (popularly known as the KDN complex) through community co-management  | Indicators:<br><br>(a) Definition of new boundaries of Sinharaja and KDN<br>(b) Stability of the redefined conservation forest boundaries and forest resources as determined by the periodical forest resources inventories being carried out by the Forest Department<br>(c) Community participation management model functioning satisfactorily<br>(d) Unauthorized removal of fauna and flora stopped in the Sinharaja and KDN forest   |
| 10. Project outcomes:<br><br>a) Buffer zone community (and society at large) cooperating in the conservation of the selected rainforest ecosystems harboring globally threatened species<br><br>b) A suitable model developed for securing collaboration between the local community, state agencies and other stakeholders in managing the rainforest ecosystems<br><br>c) Sustainable use of non-timber forests products secured<br><br>d) Forests adequately protected against encroachment and illicit logging | Indicators:<br><br>• CBO's established and functioning in the buffer zones, providing livelihood opportunities and participating actively in forest conservation<br><br>• A functioning, replicable institutional set-up established in each forest, with the local community collaborating with state agencies and other stakeholders<br><br>• Non-timber forest products harvested/propagated so as to ensure sustainability<br><br>• Encroachments, illicit removal of forest products from Sinharaja and KDN reduced/eliminated. |

|  |  |              |      |               |               |               |        |              |  |
|--|--|--------------|------|---------------|---------------|---------------|--------|--------------|--|
| <p>11. Project activities to achieve outcomes (including cost in US \$ or local currency) of each activity:</p> <p>(a) Integrated buffer zone community development focusing on biodiversity conservation and livelihood issues<br/>GEF: US \$ 402,212; Govt. US \$ 36,000</p> <p>(b) Strengthening of institutional mechanisms to involve the community in decision making<br/>GEF: US \$ 49,059; Govt. US \$ 100,000</p> <p>(c) Use of non-timber forest products on a sustainable basis<br/>GEF: US \$ 76,530 Govt. US \$ 40,000</p> <p>(d) Improve forest protection from encroachment and illicit logging<br/>GEF: US \$ 196,912 Govt. US \$ 50,000</p> | <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Number of CBOs set up and trained</li> <li>• Communities able to develop new enterprises</li> <li>• Centers constructed, with provision for interpretation, visitors' lodging, and with good access and walking trails; education and awareness programs conducted</li> <li>• Profit from nature based tourism</li> <li>• Number of Forest Department staff and relevant officers of the provincial administration trained in community participation in forest conservation</li> <li>• Communities recognized by the state as stakeholders</li> <li>• Extent of NTFP collection from forests</li> <li>• Resource development in buffer zones through CBO enterprise; demonstration plots set up</li> <li>• Survey and land marking completed; incidence of forest offences eliminated/greatly reduced.</li> </ul> |              |      |               |               |               |        |              |  |
| <p>12. Estimated budget (in US \$ or local currency)</p> <table border="0"> <tr> <td>PDF:</td> <td>US \$ 25,000</td> </tr> <tr> <td>GEF:</td> <td>US \$ 724,713</td> </tr> <tr> <td>Co-financing:</td> <td>US \$ 226,000</td> </tr> <tr> <td>Total:</td> <td>US\$ 975,713</td> </tr> </table>  | PDF:   | US \$ 25,000 | GEF: | US \$ 724,713 | Co-financing: | US \$ 226,000 | Total: | US\$ 975,713 |  |
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| GEF:   | US \$ 724,713  |              |      |               |               |               |        |              |  |
| Co-financing:  | US \$ 226,000  |              |      |               |               |               |        |              |  |
| Total:   | US\$ 975,713   |              |      |               |               |               |        |              |  |
| <p>13. Information on project proposer:<br/>The Forest Department, in the Ministry of Forestry and Environment of the Government of Sri Lanka, is in charge of the biodiversity-rich natural forests of the wet zone. During the last 12 years it has taken several measures to secure the protection of these forests and is now ready to move into active participatory management, involving the buffer zone communities. The GEF funding will make a valuable contribution by helping to develop a suitable model for participatory management.</p>  |  |              |      |               |               |               |        |              |  |
| <p>14. Information on proposed executing agency (if different from above): The executing agency is the same as the proposing agency</p>  |  |              |      |               |               |               |        |              |  |
| <p>15. Date of initial submission of project concept: 9, October 1998</p>  |  |              |      |               |               |               |        |              |  |
| <p><b>Information to be completed by Implementing Agency</b></p>   |  |              |      |               |               |               |        |              |  |
| <p>16: Project identification number:<br/>SRI/98/G</p>   |  |              |      |               |               |               |        |              |  |
| <p>17: Implementing agency contact person:</p> <ul style="list-style-type: none"> <li>• Tim Boyle, UNDP – New York. Contact Numbers: email <a href="mailto:tim.boyle@undp.org">tim.boyle@undp.org</a>, phone: 212-906-6511, FAX: 212-906-5825</li> <li>• Manel Jayamane UNDP – Colombo, Sri Lanka, Contact number: <a href="mailto:manel.jayamane@undp.org">manel.jayamane@undp.org</a>, phone: 94-1-580 691-7, FAX: 94-1-581116, 501396</li> </ul>  |  |              |      |               |               |               |        |              |  |

18. Project linkage to Implementing Agency program(s)

The project fits in with Country Cooperation Framework of UNDP and its main thrust on sustainable human development in Sri Lanka. It addresses one of the critical environmental stresses identified in the Advisory Note on future UNDP Cooperation 1997-2001 that affects the biological resources in the country. The project clearly links with the prior assistance extended by UNDP in the project on Environmental Management in the Forestry Sector development and also GEF grants to the government of Sri Lanka for the preparation of the Biodiversity Strategy and Action Plan.

## PROJECT DESCRIPTION

### Project Rationale and Objectives

#### Historical Trends

Sri Lanka's natural vegetation is forest – tropical rainforest in the pre humid southwest of the country and monsoon forest elsewhere. Over the years, with the development of plantations and domestic agriculture and the growth of population, much of the forest was cleared, and the forest cover has dropped from 84% of the land area in 1881 to less than a quarter of the land area now. Deforestation has been heaviest in the wet southwest of the country where land was opened up to make way for tea, rubber and paddy and to accommodate the growing population. Sri Lanka's population of 18.5 million in a land area of 6,561,000 ha makes the island a very densely populated country, and what exacerbates the situation is that about half the population lives in the wet zone which covers a mere 25% of the land area.

#### The biodiversity of Southwest Sri Lanka

The remaining forests in the wet zone occur as fragmented blocks numbering over a hundred, which, *in toto*, cover less than 10 % of the zonal land area. They occur as isolated “islands”, many of them only a few hundred hectares in area, surrounded by villages or tea plantations. The biodiversity value of these forests began to be recognized about two decades ago. The emerging data from scientific studies in these forests showed that Sri Lanka, though one of the smallest countries of Asia, is one of the most biologically diverse. Norman Myers (1990) focused world attention on these beleaguered rainforests when he identified southwest Sri Lanka as one of only 18 areas of the world's tropical forests which he called “hotspots” – a hotspot being an area featuring (a) exceptional concentrations of species with exceptional levels of endemism and (b) that face exceptional degrees of threat.<sup>1</sup> Subsequently, Davis and Heywood (1994) recognized Sri Lanka as a biodiversity hotspot of global importance for the conservation of the world's floristic diversity.<sup>2</sup>

Southwest Sri Lanka has evolved its unique biota because of its geological history. The rainforests of southwest Sri Lanka are truly primeval and are of considerable evolutionary significance. Their ancestry dates back to the Deccan flora of a hundred million years ago when an unbroken stretch of forest covered both peninsular India and Sri Lanka. Since then the climate underwent sweeping changes elsewhere but remained relatively stable in southwest Sri Lanka, and, being climatically isolated, this area developed its own distinct biota. Some of the species of these forests are considered as relics of the ancient continent of Gondwanaland.

The angiosperm flora of Sri Lanka number 3360 species, of which 879 are endemic, and 90% of these are confined to the remnant forests of the wet zone. Some species are highly localized and

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<sup>1</sup> Myers, N. (1990). The Biodiversity Challenge – Expanded Hot-Spots Analysis. *The Environmentalist*, **10**, 243-256.

<sup>2</sup> Davis, S.D. & Heywood, V.H. (1994). *Centers of Plant Diversity, a guide and strategy for their conservation*. The World Conservation Union, Switzerland.

consist of populations of a few individuals in a single patch of forest. Some species, because of their rarity, have not been seen for over a hundred years and were rediscovered only recently during a biodiversity assessment of the forests of the country.<sup>3</sup> Among the fauna, there is a similar pattern of endemism and distribution. The number of species and the percentage of endemics in some of the faunal groups are as follows: fishes 59 (of which 27% are endemic), amphibians 37 (51%), reptiles 139 (50%), birds 237 (8%), and mammals 85 (14%). The vast majority, particularly among the fishes, amphibians and reptiles, are confined to the forests of the wet zone.

### Threats to Biodiversity

The deforestation that has occurred in the wet zone, by reducing the once extensive natural forests to isolated patches, has pushed many of the country's endemic species to the brink of extinction. A study carried out in sample plots located in five wet zone forests recorded 184 endemic tree species. Applying quantitative data to determine their status, it was found that all but 12 fell into one of the three categories of threat as defined by IUCN: endangered, vulnerable, rare.<sup>4</sup> Overall, of the 879 endemic species of flowering plants in the island, as many as 399 are threatened according to globally defined criteria. Among these are food plants, medicinal plants, valuable timber species, and relatives (species and varieties) of cultivated plants. The natural forests of the wet zone are the only refuge for the large majority of these species.

As regards Sri Lanka's fauna, the list of globally threatened species is very incomplete because of the absence of quantitative data for assessing the level of threat. The national list of threatened endemic species shows that in many taxonomic groups the level of threat is extremely high. For example, among the endemic fishes, amphibians, and reptiles, nearly all of the species are considered to be under threat, and among the mollusks, 76% of the species are threatened. Here too the majority of the species are forest dwellers in the natural forests of the wet zone.

The threat to these residual rainforests now comes primarily from the people in the surrounding villages. These people have for generations depended on the forest for food, medicine, fuel and fodder, and have cleared the forest when land was required for agriculture. An important use, particularly from the point of view of global benefits, is the use of plants for medicine. A study in Sinharaja identified 75 plant species growing in the forest and its buffer zone<sup>5</sup> used by the people for their food and/or medicinal value.<sup>6</sup> The medicinal properties of these plants, though

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<sup>3</sup> Green, Michael J.B. & Jayasuriya, A.H. Magdon (1996). Lost and Found – Sri Lanka's rare and endemic plants revealed. *Plant Talk*, January 1996.

<sup>4</sup> Gunatilleke, I.A.U.N. & Gunatilleke, C.V.S. (1991). Threatened Woody Endemics of the Wet Lowlands of Sri Lanka and their Conservation. *Biological Conservation*, **55**, 17-36.

<sup>5</sup> Buffer zone is here defined as the region bordering a protected area where restrictions are placed upon resource use or special development measures are undertaken to enhance the conservation value of the protected area.

<sup>6</sup> Gunatilleke, I.A.U.N. & Gunatilleke, C.V.S. (1991). Underutilized Food Plant Resources of Sinharaja Rainforest, Sri Lanka. In: *International Symposium on Food and Nutrition in the Tropical Forest – Biocultural Interactions and Applications to Development*, UNESCO, Paris.

recognized by traditional medical practitioners, have still to be evaluated scientifically and tested clinically. Local scientists, in collaboration with institutions abroad, are investigating a few species, but the vast majority have not yet been studied. If the present threats continue many of these species could be lost, depriving the world community of a potentially rich source of drugs for treating diseases. *The project will address the problem of continuing loss of biodiversity in these forests.*

#### Sri Lanka's Commitment to Conserve Biodiversity

Sri Lanka ratified the Convention on Biological Diversity in March 1994. This was followed by the preparation of the National Biodiversity Action Plan, which accords high priority to the conservation of forest biodiversity. The newly formulated National Forest Policy emphasizes the need to conserve biodiversity. The revised Forestry Master Plan of 1995 and the Five-year implementation program of the Forest Department give high priority to the conservation management of the biodiversity-rich forests in the wet zone. The Forest Ordinance has been amended to include a new category of forests – Conservation Forests.

#### Project Objective

The project will aim to secure the protection of the ecosystems in the rainforests of Sinharaja and Kanneliya-Dediyagala-Nakiyadeniya through community co-management. These two rainforests were chosen as sites of the project, due to their exceptional rich value in biodiversity and because there have been preliminary activities to secure community participation.

This project is expected to put in place a community based system in these two forests, noted for their high biodiversity and endemism, and provide the significant and vital component necessary for a truly participatory form of management. While focusing on these two forests, the project will aim to spread the benefits to the other forests in Sri Lanka. The training of field staff in community mobilization will also include personnel attached to the other conservation forests, and the model that is developed will be broadly followed in those forests. The project will, therefore, play a critical role in complementing the national efforts to secure the conservation of the globally threatened species in the rainforests of Sri Lanka.

#### Links with the Convention on Biological Diversity

The project addresses key provisions of the Convention on Biological Diversity, particularly Article 8(c), (d) and (e) which deal with conservation and sustainable use of biological resources in protected areas and the areas adjacent to them. The project is consistent with GEF Operational Program Biodiversity – Forest Ecosystems.

At present there is an ongoing GEF funded biodiversity project focusing on the conservation and sustainable use of an important component of Sri Lanka's biodiversity, namely, medicinal plants. It covers the wet zone as well as the other bioclimatic zones. The present project focuses on conservation through the protection of the ecosystem as a whole, and targets the most threatened ecosystem type, which is the rainforest. It will be strongly complementary to the medicinal plants project.



## **Current Situation**

Special concern for the conservation of the wet zone forests could be said to have originated with a study carried out in 1970, which revealed the critical role these forests played in protecting the watersheds of the country's river system – a function of paramount national importance. Following this study, the release of wet zone forests for development activities was severely curtailed, and only selective logging under the supervision of the Forest Department was permitted.

It was in the 1980s, following floristic and faunal studies in these forests, that their biological richness and the high endemism values came to light. No longer was the conservation of these forests a matter purely of national concern. It became a matter of global importance.

The National Conservation Review confirmed, through quantitative data, the high levels of endemism in the rainforest blocks of the wet zone. They ranged from 37% to 66% for woody plants and 14% to 52% for animals, and the proportion of endemics was generally higher in the smaller forests than in the larger ones. In the Welihena forest (198 ha), which is one of the 33 conservation forests, endemism among the tree species was near the top of the scale (64%). Two other small forests, Haycock and Kurugala, recorded exceptionally high levels of animal endemism, and the latter is the type locality for a new species of lizard, *Ceratophora sp. novo*, discovered during the NCR. Another feature of the wet zone forests is that many, including the small ones of a few hundred hectares, contain one or more rare species that are uniquely restricted to that particular site.

The government took many far-reaching steps to protect these biodiversity-rich forests. These are (a) imposing a moratorium on commercial logging in the natural forests; (b) carrying out an Accelerated Conservation Review of some important natural forests, followed by a more detailed biodiversity assessment of all the natural forests; and (c) deciding to set aside 33 forests to be permanently dedicated to biodiversity conservation and where commercial felling will be banned for all time. Conservation management plans are being prepared for these forests (12 prepared so far), and the implementation of these plans is accorded high priority in the Five-year Implementation Program of the Forest Department. On the legal side, the laws are being strengthened for the better protection of these forests.

The economy of the villages in the areas immediately outside the conservation forests (i.e. in the buffer zone) is based mainly on tea growing, supplemented by paddy cultivation. The single greatest threat to these forests is encroachment by the villagers to expand their tea holdings. Although there are many householders in the buffer zone that are at subsistence level, the majority have an earning capacity that is fairly high by Sri Lanka standards.

Illicit felling of timber in the forest, though not widespread, does occur, and it is generally the work of timber dealers from outside the villages. People from the village often remove poles and small timber for effecting house repairs or for putting up a shed in connection with village functions. To combat the latter, the Forest Department has donated an aluminium-prefabricated structure to some CBOs, and the community's response to this confidence-building initiative has been good.

A third threat to forest biodiversity comes from the collection of non-timber forest products (NTFPs). Households in the buffer zone collect a wide range of products primarily for use within the village. However, what does greater damage to biodiversity is the collection of fauna and flora to be sent out of the village for sale or export.

The complementary policy, legal and administrative measures that are needed have been put in place for the full-scale implementation of the plans for the management of this high-priority conservation forests. Because of financial constraints, however, the government has to depend on external funding. Advanced negotiations are in progress for a loan from the Asian Development Bank for a range of activities relating to the management of these forests. Bilateral assistance is also expected from the government of the Netherlands, through the Food and Agriculture Organization. More donors are pledging assistance, and the baseline section of the table will fill up in the next year or two.

### **Expected Project Outcomes, with Underlying Assumptions and Context**

#### Participatory Management – a *sine qua non*

The government had already in 1990 banned all commercial logging in the natural forests of the wet zone. This action was taken at great cost since timber had to be imported to compensate for the loss in production, but it effectively put a stop to one major cause of biodiversity loss. One problem, however, remains – the steady encroachment by the people living in the areas adjacent to the forests. While recognizing the proximate causes, the Forest Department has, through dialogue with the local stakeholders, begun to identify and take cognizance of the need to address the underlying causes. It has taken the first steps in this direction by (a) acknowledging the people's rights to some benefits from the forest, (b) encouraging the people in the buffer zones of some forests to form community based organizations for protecting the forest, and (c) introducing confidence-building measures in some buffer zone villages. *A participatory form of management has, however, still to evolve.* This is what this project hopes to achieve. The participatory management scheme developed on this project will serve as the model for involving the community in the management of the other 31 conservation forests - a vital element for the successful implementation of those plans. For several of these forests, conservation management plans have been prepared, and more will be prepared in the next few years. Implementation will be carried out with financial support from the ADB, UMWP, and FAO/Netherlands government. More donor funding sources are expected to be identified. The GEF project, which is expected to develop a replicable model for participatory management, is therefore most opportune. The long-

term goal that this project will help to achieve is a well-established system of conservation forests collectively representing a refuge of globally important species.

Participatory management of natural forests, where the focus of attention will shift from the forest to the buffer zone and where the people will be brought in as collaborators, will be a relatively new experience for the Forest Department. Although participatory management is envisaged in the conservation management plans prepared so far, it will largely remain a dead letter unless new and bold initiatives are adopted. The Forest Department field staff will have to be trained in community mobilization, attitudes must change, and an effective model for participatory management has to evolve. It is envisaged that one or more partner organizations will have to work with the Forest Department for activating the community and providing technical and logistical support for the community-related activities, until eventually the Department develops its own institutional capacity to handle these tasks.

#### Environmental and Developmental Assumptions

The primary focus of the project is to involve the peripheral communities in a joint effort (with the Forest Department) to conserve the Sinharaja and KDN forests. In this context, two questions are of paramount importance. They are (1) Could the Forest Department personnel adapt to the changes needed to involve the community in participatory management? and (2) Would the communities living alongside the forest participate in its conservation once they organize themselves so as to improve their lot in the buffer zone and derive some limited but sustained benefits from the forest? The developments over the last five to ten years suggest that we could confidently answer both questions in the affirmative. The Forest Department has recognized the importance of winning the confidence of the people instead of treating them as adversaries, and confidence-building initiatives have been carried in several buffer zone villages. They have been encouraged to form CBOs. Health camps, rural strengthening programs and forest conservation awareness programs have been organized by the Department in some remote villages. The community itself is now much better informed of the importance of the forests, and PRAs carried out in many buffer zone villages reveal that they are more than willing to play their part in conservation. The stage is therefore set for involving the community in playing a part in the management of these forests.

Another factor to be considered in relation to community participation in forest conservation, in the context of the situation prevailing in the areas surrounding the forests, is the possible impact of a sharp fall in the price of tea. If this happens, many villagers will experience a sizeable drop in income. It is a community that has developed alternative income generating avenues and diversified its economy that would be best equipped to deal with such a situation, and through this means encroachment on the forest could be avoided.

#### Community mobilization – key to success

From field visits and discussions with village leaders and the people it was evident that the mobilization of the community for forest conservation has to be done through community-based

organizations (CBOs). Admittedly, there are many weaknesses in the existing organizations, but given the generally high literacy rate among the youth, their keenness and enthusiasm, and their appreciation of the values of forest conservation, the potential for capacity building within the framework of the CBO is very strong. New CBOs need not be formed if existing organizations, even if not now directed towards forest conservation, can include forest conservation within their mandate without conflicting with their current objectives. Technical and entrepreneurial skills must be developed within them. The members could be trained in a wide range of activities such as serving as field guides for nature-based tourists, providing advisory services to tea small-holders, providing extension services in agroforestry, etc. An innovative approach to providing much needed services of this nature for enhancing the resources in the buffer zone is necessary since the established institutions often do not reach out to the more remote villages. The CBOs should learn to believe in themselves and be self-reliant instead of expecting to receive direct handouts from the Forest Department to serve as incentives for protecting the forest. It is only by this means that a sustainable system of community participation can be set up, that will be guaranteed to outlive the project and remain sustainable.

In the context of the above-mentioned scenario, the overall objective of the project will be a viable and biodiversity conservation programme. It will function in the identified villages bordering the Sinharaja and KDN forests, with the active participation of the people through CBOs, providing a model for replication in the other rainforests set apart for the conservation of biodiversity. It is expected to achieve the following outcomes:

- a) Buffer zone community (and society at large) cooperating in the conservation of the selected rainforest ecosystems harboring globally threatened species
- b) A suitable model developed for securing collaboration between the local community, state agencies and other stakeholders in managing the rainforest ecosystems
- c) Sustainable use of non-timber forests products secured
- d) Forests adequately protected against encroachment and illicit logging

The project will be located in two of the largest and most biologically diverse forests – Sinharaja and the Kanneliya-Dediyagala-Nakiyadeniya (KDN) complex. Both Sinharaja and KDN are relatively large forests. For developing a system of community involvement in natural forest conservation, which is what this project aims to achieve, suitable clusters of forests had to be selected from the periphery of the forests. The villages selected at Sinharaja lie in the southern flank of the forest. For the KDN complex, when dealing with the redefinition of the boundary, the whole complex will be considered, but for the community based activities, it was more practical to select Kanneliya, which is the largest and most biologically diverse of the three units. (See map in Annex 1). The field survey carried out during project preparation has collected a wide range of socio-economic data, including populations, family size, income, education levels, age distribution, and this information will be useful during project implementation.

Sinharaja. The Sinharaja forest (11,280 ha) has been accorded the highest priority for conservation of biodiversity. The major part of it is virgin forest. It is a World Heritage Site, an International Biosphere Reserve, and a National Wilderness Area. The National Conservation Review (NCR) of the country's natural forests carried out from 1991 to 1996 recorded 337 species of woody plants in the sample plots that were inventoried in the Sinharaja forest. Of these species, 192 (57%) are endemic and 116 (34%) globally threatened.

For the project, two clusters of buffer zone villages together with the adjacent forest in the south of Sinharaja were selected. The villages are: Cluster 1: Kosmulla (population 507), Tambalagama (256), Madugeta (331), Warukandeniya (654) and Kolontotuwa (265); Cluster 2: Lankagama, Pitadeniya, Watugala, Mederipitiya and Keerawilagama

KDN complex. This complex (10,139 ha) consists of three conjoined forests forming the Kanneliya- Dediyaagala-Nakiyadeniya (KDN) group. It is a biodiversity rich lowland rainforest, which had for many years been selectively logged for supplying wood to a plywood mill. Timber felling was suspended in 1988. The NCR showed that, despite the logging, the forest has retained its high biodiversity value. The assessment recorded 234 woody species, of which 155 were endemic and 106 globally threatened. In terms of biodiversity per unit area, it rivals Sinharaja.

Two clusters of villages in the buffer zone together with the adjacent forest were selected for the project. The villages are: Cluster 1: Galandala (population 544), Koralagama (675), Panangala (789), Malhatawa (689), Hiniduma South (1020) and; Cluster 2: Weerapana South (1154) and Weerapana West (850).

### **Activities and Financial Inputs Needed to Enable Changes**

The setting aside exclusively for conservation of 33 natural forests of the wet zone, selected for their high biodiversity and endemism, is a major step in the effort to ensure the survival of hundreds of globally threatened species in the rain forests of Sri Lanka. The baseline activities outlined earlier represent the government's commitment to conserve Sri Lanka's unique forest biodiversity. For effective conservation, the need to consider the local people as stake-holders and to involve them in planning and management is paramount, and this has been explicitly recognized by the Forest Sector Master Plan and the Forest Department's Five Year Implementation Program. Community participation has indeed been given a place in the proposals for the management of the conservation forests. However, it needs to be recognized that participatory management in relation to natural forests involves a radical departure from management practices hitherto adopted and it involves breaking new ground. The Forest Department has therefore decided that the task of developing a suitable participatory management scheme should be carried out as a special project. The ultimate objective is for the Department to build its own institutional capacity, with support from this project, so that eventually community based activities for forest conservation can be mainstreamed into the Department's regular work

program. For the current project it is proposed that the Forest Department work with one or more partner organizations with experience in community-based activities. The model developed through the project and the lessons learnt would be applied when implementing the management plans of the other conservation forests.

The project activities proposed for funding by GEF under the Alternative will produce outputs that will not only be applicable to the two forests covered by the project but would have considerable outreach. They will make a highly significant contribution to the conservation of the threatened species in the rain forests of the country in terms of establishing a viable scheme for community participation in management, and so produce global and national benefits. The activities proposed for funding by GEF are set out below.

### **Project Activities**

The project activities are divided into four areas, corresponding to the project outcomes set out above.

#### **a) Integrated buffer zone community development focusing on biodiversity conservation and livelihood issues**

This activity will focus on establishing conservation centers, strengthening CBO's, improving livelihoods, develop entrepreneurial skills and securing an active participation of the people in forest conservation activities. There will be a social mobilization in the 17 selected villages, to be carried out with the assistance of social mobilizers recruited from among the villagers and sociologists with the necessary qualifications and experience. Training courses will be conducted in organizational development and institutional strengthening as well as in sustainable production and use of natural products. The project will help organizing business information for entrepreneurs and assist the people to identify enterprises, preparing feasibility studies and dealing with banks for credit. Also, it will assist CBOs in registering as cooperative societies and as companies, and liaise with the private sector to start joint ventures with the CBO's.

There is considerable scope for enhancing the appreciation of the high biodiversity value and global importance of the two selected forests by promoting nature based tourism, an activity in which the community could play an important part. One of these forests is a World Heritage Site and the other is equally rich in biodiversity. It is proposed to set up a Conservation Centre in each forest, with facilities for visitors' stopover and for interpretation. The CBOs will play an active role in all the associated activities. Ecotourism will also open opportunities for the village people to trade in local products. The conservation centres and a range of inputs (guide books, video, popular articles, etc.) will be used to disseminate information island wide on the biodiversity value of the rainforests. These activities will be carried out through NGO and CBO participation. In consultation with the Forest Department, an agreement will be reached to divert a proportion of the entrance fees to the CBOs in recognition of their participatory role.

Priming funds will be provided through the project to enable the CBOs to initiate resource enhancement and enterprise development activities in the buffer zones, the funds being recovered and credited to the CBOs to build up their resources. The priming funds provided to each CBO will, in fact, operate as a revolving fund to give an initial impetus for strengthening capability and developing self-reliance. The funds will be provided to each CBO once it has established a legal identity and registered with the government.

The total cost of this set of activities is estimated at US \$ 438,212, of which the GEF project contribution will be US \$ 402,212 and the government contribution US \$ 36,000.

**b) Strengthening of institutional mechanisms to involve the community in decision making**

This activity will address the lack of authority and recognition of communities by the state in dealing with forest and improve the dialogue between the different stakeholders in forest conservation. The proposed activities will include the training of the Forest Department field staff and relevant officers of the provincial administration in community participation in forest conservation. Since the model developed on the project will be more widely applied, the regular curriculum for training of forest officers (at the Sri Lanka Forestry Institute) will include community mobilization and participatory management, and as an initial step, instructors will be given the necessary training. The State-CBO linkage will be institutionalized through the setting up of Village Participatory Management Committees where the Forest Department, provincial administration, relevant state agencies, and the CBO will be represented. A substantial component of the cost (primarily staff time of Forest Department and other state agencies) will be borne by the Government. The total cost is estimated at US \$ 149,059, of which the GEF project contribution will be US \$ 49,059 and the government contribution US \$ 100,000.

**c) Use of non-timber forest products on a sustainable basis**

At present, many NTFP's are harvested in excess of sustainable levels. Discussions will be held between the CBOs, Forest Department and other stakeholders on the types of NTFP's that could be harvested, the levels of harvesting and the issue of permits for this purpose. Enhancement of NTFP's in the buffer zones\* will be encouraged. Targeted research will be carried out to obtain benchmark information in relation to levels of use, methods of use, and propagation of commonly used forest species. Demonstration plots will be established in the buffer zones (using results of the research where appropriate) to promote conservation, sustainable use and propagation of non timber species, and also on the raising of timber species appropriate to the area. The demonstration plots will be located in state forestland, outside the conservation forest i.e. in the buffer zone; their precise location will be determined once the project gets underway. The total

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\* In Sri Lanka, there's no legal definition of buffer zones as yet, nevertheless the Forest Department acknowledges the importance of the buffer zones and the villages within it. Also, besides private land the buffer zones contain state forests outside the conservation forests.

cost is estimated at US \$ 116,530 of which the GEF project contribution will be US \$ 76,530 and the government contribution US \$ 40,000.

d) **Improve forest protection from encroachment and illicit logging**

Sinharaja and KDN as well as the other conservation forests were surveyed, land marked, and gazetted as reserves several decades ago. These landmarks no longer represent the true forest boundary because creeping encroachment has occurred from the periphery inwards over the past decades. With the recognition of the high biodiversity value of these forests and the renewed measures being taken for their conservation, the forests are being redemarcated and new boundaries established, leaving out the long standing encroachments. The establishment of fresh boundaries has been completed in a good part of Sinharaja, but a part of Sinharaja and the whole of KDN needs to be done. This will be an activity under the project. The project will also make provision for greater mobility for the field staff to visit the forests and the buffer zone areas. The total cost is estimated at US \$ 246,912 of which the GEF project contribution will be US \$ 196,912 and the government US \$ 50,000.

**Sustainability Analysis and Risk Assessment**

**Institutional sustainability** . The project has been designed not only to ensure sustainability within the two selected areas in Sinharaja and KDN, but also to provide a replicable and sustainable model that could be applied to the management of the other wet zone forests that have been specially selected for giving protection to the threatened endemic species in the country. The project focuses on the people, through CBOs to be formed (some have already been set up but need strengthening). Building capacity within the CBOs aimed at achieving self-reliance and improving livelihoods will ensure sustainability of the scheme. A number initiatives are planned – training in entrepreneurship, training in vocational skills, setting up small scale enterprises, improving agricultural productivity (e.g. productivity of tea small-holdings), adding value to NTFPs, participating in the management of non-extractive uses (e.g. nature-based tourism), etc. The CBOs will be encouraged to establish links with government institutions (i.e. other than the Forest Department, e.g. the Tea Smallholdings Authority) from which they could derive benefits for buffer zone activities and with NGOs and the private sector for enterprise development and sustainability.

**Recurrent costs**. The priming funds will be used to provide the initial impetus, and within the project period the CBOs are expected to start building up their own financial resources through loan repayments, income from ecotourism activities, etc. Beyond the life of the project, no external funds will be required for sustaining the participatory management system that would be set in place and ensuring that the forests would be conserved. The Forest Department's participation will be ensured through the divisional and range staff and the Department's administrative set up, and the recurrent funds required for maintaining these activities are provided by the government in the annual budget.



Funds for participatory management of the other conservation forests will be provided under baseline activities. The basic working model provided under this project would be applied in those forests too, so that after a few years, when donor funding ceases, the government's regular budget will be adequate to sustain the participatory management that would be in place there.

The sustainability of the benefits and the attainment of the goal will depend on the continuation of policy support for the conservation of biodiversity. The assumption is therefore that the national commitment to conserve biological diversity will continue, notwithstanding counter pressures that may arise for the clearing of forestland for agriculture. A reversal of policy, however, is unlikely to happen for several reasons. A number of legal and policy instruments, not to mention other initiatives, provide evidence of the high priority accorded to conservation of the environment in general and biodiversity in particular by successive governments. The National Biodiversity Conservation Action Plan has been approved by the Cabinet and will now be implemented. The Forestry Sector Master Plan of 1996 recognizes the importance of community involvement in forest management. In its latest endeavor to promote sustainability, the Forest Department will shortly be setting up a Conservation Fund which will be a revolving fund to be used for specific forest conservation activities. The conservation movement is in fact getting more firmly rooted in the ethos of the people, and anything that is seen as putting the clock back is unlikely to gain acceptance.

**Project risks.** The premise that increased community benefits from participatory forestry will result in a reduced threat to the forest has been questioned by some socio-economists on the basis of experiences in different countries. While there is some validity in questioning this premise, the failure of participatory management to yield the desired result would apply mainly to a situation where the people are extremely poor and the benefits derived by them are minimal. It should not apply to the situation prevailing in most of the peripheral villages in the wet zone. However, there will be people, prompted by greed and not by want, who would try to expand their land holdings by encroaching on the forest. This is where the law must be enforced. Law enforcement will have an important part to play in the project. This activity will be a regular function of the Department both during and after the life of the project.

### **Stakeholders Involvement and Social Assessment**

Socio-economic surveys based on randomly selected samples of villages had been carried out both at Sinharaja and KDN, so that a great deal of information was already available prior to project formulation. For project formulation, participatory rural appraisals were carried out on an in-depth scale in the villages within the project areas, from 1 March to 7 May 1999. The PRAs were carried out by a team of two graduate assistants, one of whom had had previous experience in this type of work. Both were trained on-site by the socio-economics specialist and the non-timber forest utilization specialist of the project preparation team. The team collected socio-

economic data as well as information on the perceptions and views of the villagers on forest conservation and related issues.

While the householders in the buffer zone villages obviously form an important group of stakeholders, it was necessary to identify the other groups as well. This was done through discussions with the communities and a brainstorming style workshop session. Annex 6 gives the stakeholder groups and the related problems and interests.

The key-planning tool used in project formulation was the log framework analysis (LFA). Two LFA workshops were held, one in the Divisional Secretariat, Tawalama, and the other in the Divisional Secretariat, Neluwa. Good stakeholder participation was obtained. The two sets of causal linkages that emerged, though they differed in some details, were broadly similar. A consolidated set of causal linkages and the corresponding objectives are presented in Annex 8.

The range of options presented by the objectives was considered in terms of four criteria: social acceptance, technical feasibility, financial feasibility, and chances of success. The options considered suitable for inclusion in the project on the basis of the evaluation fell into the following five categories: (a) strengthening the CBOs and recognizing their role, (b) greater appreciation of the value of biodiversity by the communities and society at large, (c) defining and marking the *de facto* forest boundaries, (d) sustainable use of biodiversity, and (e) curbing illegal forest activities. The outputs were developed accordingly.

#### Incremental cost matrix

| Cost/Benefit           | Baseline   | Alternative  | Increment  |
|------------------------|--|--|--|
| <b>Global Benefits</b> | <ul style="list-style-type: none"> <li>• Inadequate forest protection leads to encroachment</li> <li>• Illicit felling of timber leading to biodiversity loss and flood hazards</li> <li>• Unsustainable resource harvesting threatening endangered species</li> <li>• Lack of coordination between communities and state leads to forest degradation</li> <li>• Insufficient opportunities for resource management and alternative livelihood development limiting communities ability to pursue</li> </ul> | <p>Participation of forest dependent communities in conservation and sustainable extraction of forest biodiversity</p> <ol style="list-style-type: none"> <li>1. Globally endangered, endemic species conserved in the long run, allowing the derivation of option values (pharmaceutical prospecting and genetic breeding of crops and livestock, etc.) by the global community, present and future.</li> <li>2. Indigenous knowledge on use of biodiversity made available in the long run, improving</li> </ol> | <p>Due to incentives provided to local community through the GEF alternative, sustainable biodiversity conservation and use would be assured, leading to increased and sustained benefits to global community (both present and future) in direct and indirect uses of biodiversity.</p> |

|                          |   |  |  |
|--------------------------|---|--|--|
|                          | sustainability  | probability of success in pharmaceutical and genetic breeding of crops and livestock, leading to better livelihood and food security for global community, present and future.   |  |
| <b>Domestic Benefits</b> | <ul style="list-style-type: none"> <li>Communities in the peripheral villages are poor and use ecological unsustainable farming practices</li> <li>Rural communities lack the capacity to benefit from sustainable use of components of biodiversity</li> <li>Unsustainable use of the forest resources is endangering the critical watersheds</li> <li>Few to no opportunities for sustainable resource management or sustainable livelihood development</li> <li>Lack of recognition of communities by the state in dealing with forest conservation</li> </ul> | <p>Conservation and use (direct uses) of biodiversity and related indigenous knowledge is assured in the long-run (i.e. use is sustainable):</p> <ol style="list-style-type: none"> <li>Provides monetary income and non-monetary livelihood needs to communities in the periphery of forests through harvest of NTFPs, sustainably.</li> <li>Protects watersheds, providing water for domestic needs and irrigation, and controlling floods, in a sustainable manner.</li> <li>Sustained, productive use of NTFPs</li> <li>Improved welfare of forest-dependent communities.</li> </ol> | Sustained improvement of livelihood of forest-dependent communities in periphery of forests, with sustained benefits derived from use (direct uses, such as harvest of NTFPs) of forest-based resources (biodiversity) and non-forest resources. |
| <b>Costs (in US \$)</b>  | <ul style="list-style-type: none"> <li>Conservation mgt plans going into operation in many of the 33 biodiversity rich forests, but community involvement will remain weak. ADB US\$1,448,300</li> <li>State-community linkage achieved only between FD and CBOs, and that too marginally. FAO US\$105,000</li> <li>Non-timber forest products (NTFP) collection continues ad hoc, without sustainable</li> </ul>   | <ul style="list-style-type: none"> <li>Financial resources committed under baseline US\$ 7,335,624</li> <li>Integrated buffer zone community development focusing on biodiversity conservation and livelihood issues US\$438,212</li> <li>Strengthening of institutional mechanisms to involve the community in decision making. US\$149,059</li> </ul>  |  |

|  |   |   |   |
|--|---|---|---|
|  | <p>use considerations.<br/>ADB US\$322,000<br/>FAO US\$25,000</p> <ul style="list-style-type: none"> <li>• Forests re-demarcated and land-marked to control encroachment and illicit logging.<br/>ADB US\$1,709,900<br/>UMWP US\$365,881</li> <li>• Government resources available to the baseline activities<br/>US\$3,359,543*</li> </ul> <p><b>Cost of baseline:</b><br/>US\$7,335,624</p> | <ul style="list-style-type: none"> <li>• Use of non-timber forest products on a sustainable basis<br/>US\$116,530</li> <li>• Improve forest protection from encroachment and illicit logging.<br/>US\$246,912</li> </ul> <p><b>Cost of alternative:</b><br/>US\$8,286,337</p> | <p><b>Incremental costs:</b><br/>US\$950,713<br/>Of which,<br/>GEF US\$724,713<br/>Co-financing US\$226,000</p> |
|--|---|---|---|

- Note: The Sri Lankan baseline costs cannot be desegregated at this stage into the separate baseline components, and it is therefore given as a lump sum.

The baseline takes into account the following in respect of the conservation forests whose primary objective is the conservation of the country's unique forest biological diversity.

1. The trends in the Sri Lanka Forest Department's investments on forest protection
2. Investments planned by the Asian Development Bank
3. Investments planned by the FAO in conjunction with the Government of the Netherlands
4. Planned Upper Watershed Management Project (UMWP) activities

The incremental costs also includes an in kind contribution from the government of Sri Lanka that will cover the cost of salaries of personnel seconded for service on the project and for staff time of other officers involved in project work. This contribution is part of the investment on forest protection that has been forecasted on the basis of the Public Expenditure Estimates of the National Planning Department and the Five-year Investment Program of the Forest Department.

#### PROJECT BUDGET (in US \$)

| Component           | GEF     | Direct govt. funding**<br>(in kind) | Other sources # | Total   |
|---------------------|---------|-------------------------------------|-----------------|---------|
| PDF                 | 25,000  |                                     | -               | 25,000  |
| Personnel           | 92,647  |                                     | -               | 92,647  |
| Subcontracts        | 404,412 |                                     | -               | 404,412 |
| Training            | 35,588  |                                     | -               | 35,588  |
| Equipment           | 82,352  |                                     | -               | 82,352  |
| Travel              | 22,500  |                                     | -               | 22,500  |
| Evaluation missions | -       |                                     | -               | -       |

|               |          |         |   |         |
|---------------|----------|---------|---|---------|
| Miscellaneous | 87,214   | 226,000 | - | 313,214 |
| Total         | 749,713* | 226,000 | - | 975,713 |

\* This amount includes the PDF (\$25,000) which has already been provided.

\*\* It is not possible to desegregate direct government funding into these budget components at this stage, hence it is reflected as a lump sum under Miscellaneous.

# Other sources will not co-finance the project but will provide substantial baseline costs

+ The major items under subcontracts are conservation centres (95,588), repairs/construction of access bridges (80,882), survey and land-marking of the forests (154,412)

## IMPLEMENTATION PLAN

|   |                |   |    |    |    |    |    |    |    |    |
|---|----------------|---|----|----|----|----|----|----|----|----|
| <u>Duration of Project (in months): 60</u>  |                |   |    |    |    |    |    |    |    |    |
| Activities  | Project-Months |   |    |    |    |    |    |    |    |    |
|   | 0              | 6 | 12 | 18 | 24 | 30 | 36 | 42 | 48 | 60 |
| Set up and strengthen CBOs and establish conservation centers                         | -----          |   |    |    |    |    |    |    |    |    |
| Strengthening of institutional mechanisms to involve the community in decision making | -----          |   |    |    |    |    |    |    |    |    |
| Using non-timber forest products on a sustainable basis                               | -----          |   |    |    |    |    |    |    |    |    |
| Improved forest protection  | -----          |   |    |    |    |    |    |    |    |    |

The project-executing agency will be the Forest Department in the Ministry of Forestry and Environment of the Government of Sri Lanka. Some key aspects of project implementation are set out below.

**Mobilizing the communities, strengthening CBOs, building capacity and self-reliance.** These elements are central to the implementation of the project. It is proposed that for each village a social mobilizer be selected from the village (by the CBO) for activating and promoting the process of community mobilization. This should not be considered as a regular job provided under the project. It will require the selected person, who should have the required attitude and aptitude, to devote a part of his time to this task, and he would be paid an allowance. They need be in place only in the initial phase of the project, and provision is made for the first 30 months.

It is urged that the CBOs be entrusted with the following activities: maintenance of the approach roads, running the visitors' lodges, running the restaurants and providing some basic services at the conservation centers, maintaining the walking trails and the interpretation facilities, and providing guides. The CBOs could on their own attend to some of these activities, and in respect

of others they could link up with private sector organizations. Fees will be charged from visitors on the basis of agreements reached with the Forest Department, and a part of the income will be credited to the Department as rental while the rest will go to the Priming Fund. A toll could be charged for the use of the approach roads by private vehicles, and the income derived from this source disposed of in like manner. In all of the activities entrusted to the CBOs, the Forest Department should act as a regulatory authority to ensure that the tasks are performed in a proper manner and that standards are maintained.

The extent to which the above-mentioned functions may be devolved to the CBOs will depend on two basic factors: (a) the CBOs assuming legal identity and (b) the government giving approval for the recommended course of action. As regards (a), it is necessary that the CBOs register with government, and for this purpose registration under the Cooperatives Act is preferred to other options (such as registration with the Department of Social Services). Cooperative Societies are regularly supervised by the Social Services Department and their accounts subject to audit inspection. The ultimate objective should be for the CBOs to register as Peoples' Companies under the Companies Act. With regard to obtaining government approval for carrying out the aforesaid functions, it should be noted that the explicit and implied policy of the government is to involve the private sector in activities previously done exclusively by government organizations. In the forestry sector, there are many policy statements relating to the involvement of local people, and one that is of special relevance in the current context is the following policy statement on Institutional Support for Forestry Development: "Nature-based tourism will be promoted to the extent that it does not damage the ecosystems and insofar as it provides benefits to the local people".<sup>7</sup> It is urged that the Forest Department discuss this matter with the Director of National Planning and the Treasury and obtains approval for devolving the above-mentioned ecotourism-related functions to the local CBOs.

The CBOs will need assistance as regards drafting of agreements, the selection of persons for training, financial management, etc., and this will have to be provided by the project management unit. Disbursement of funds over a specified amount (to be determined in consultation with the Forest Department) should only be done after approval is obtained from the VPMC. The income and expenditure statements will have to be tabled at meetings of the VPMC.

**Awareness of Biodiversity Values**. To achieve the project goal it is of the utmost importance that an awareness and understanding of the biodiversity and other associated values of the wet zone forests be promoted so that the peripheral communities and society at large are sensitized to the need to protect these valuable assets. Since the two forests selected for the project are among the richest in biodiversity and endemism and are the most extensive of the forests scattered in the hinterland of the wet zone, they have to be the country's principal focus for awareness and educational programs, nature tourism, research, etc. in relation to forest biodiversity. These two forests should also be the focus for visitors from abroad who are interested in learning about the

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<sup>7</sup> Ministry of Agriculture, Lands and Forestry (1995): *Sri Lanka Forestry Sector Master Plan*, p.9.

primeval rainforests of Sri Lanka and their unique biodiversity. The benefits of protecting these forests, being of global importance, should be seen and appreciated by the global community.

Already, Sinharaja, a World Heritage Site, is widely known and receives many visitors for observation, study and recreation, and proper access is only through the Kudawa in the northeast. The project proposes to open a Conservation Center at KDN and to upgrade and refurbish the facilities available (which are very basic at present) at Pitadeniya in southwest Sinharaja.

**Village Participatory Management Committee(VPMC)** . The involvement of stakeholders outside those who are directly involved in project implementation (e.g. provincial administration, political leadership) will be enabled through the VPMCs. Two VPMCs will be established, one to meet in Neluwa and the other in Tawalama. The few villages falling within the Deniyaya range could also be represented at the Neluwa VPMC. The VPMCs will be presided over by the DFO Galle. The members will include the Divisional Secretary of the area or his representative, the representative of the Pradeshiya Sabha, the Range Forest Officer, and representatives of the CBOs. In addition, representatives of government institutions which are expected to serve the villages could also be co-opted (e.g. Tea Smallholdings Authority). The project manager will serve as the secretary of the VPMCs, which will meet at least six times in the year.

**Redefinition of boundaries.** It is vital that the newly defined boundaries of the forest are clear and undisputed. The Forest Department and the survey team (whether from the Survey Department or a licensed private survey organization) should work in unison to ensure that the rules with regard to the exclusion of encroachments are applied in a fair and equitable manner. Once the new boundary is established, the Forest Department should pursue action to see that those in occupation of encroachments outside of the newly defined boundary are given some legal right to occupation (e.g. long-term lease) and that this right is made contingent on their preserving the integrity of the new forest boundary running alongside their lots.

**Project Management** . The project areas fall within the Ranges of Neluwa, Deniyaya and Tawalama in the Forest Division of Galle. The DFO Galle will be in overall charge of the project. The project activities will be carried out by the Project Manager. Supervisory control of the project will be the responsibility of the DCF Environmental Management at the Forest Department headquarters in Colombo.

The project management unit will be set up at Tawalama, headed by a project manager, preferably seconded for service from the Forest Department's cadre (at the ACF or senior Forester level). Four graduate officers with the appropriate qualifications and experience will be recruited for working with the communities, training the social mobilizers, and activating and promoting the whole range of community based activities. They will function for the first four years only, after which the CBOs should be well-established and able to function on their own.

**Partner Organization(s)** . The Forest Department, acting as the executing agency, may need to work with one or more partner organizations as and when needed for carrying out the community based activities. This is due to the fact that the proposed project activities relating to community mobilization, CBO strengthening, and capacity building have not been regular functions of the Forest Department. Until the Department builds the necessary skills and adapts to working closely with the community, the services of one or more partner organizations would be necessary. The main tasks that may require support from such organizations are set out in the schedule given in Annex 2.

**Memorandum of Understanding.** The executing agency's contribution to project activities is vital. The activities of the Forest Department carried out through its headquarters and field staff in the project areas comprise the Department's contribution to the project. In addition, it is proposed that the Department provides the services of an ACF or senior Forester to serve as project manager. While the salary of this officer will be paid by the Department, the project will make provision to pay him a supplementary "secondment" allowance. Furthermore, it is proposed that the Department makes available the services of a driver for the vehicle that would be provided under the project. Finally, it is important that a non-technical version of this project brief be made available to the affected stakeholders. The Department should therefore take action to prepare a popular version of the brief (in the national languages) for distribution to the CBOs and the VPMCs. It is proposed that the Department signs a memorandum of understanding agreeing to provide these specific items, prior to the commencement of the project.

## **PUBLIC INVOLVEMENT PLAN**

**Stakeholder identification.** Since the project, in its essence, is community participation in biodiversity conservation, it is basically people-centered. The custodian of the forests is the Forest Department, and the primary concern of the Department in the context of the project is to conserve the threatened species in these forests. Hence the two key actors in the implementation of the project will be the Forest Department and the people in the villages bordering the forests. The latter would be acting through the CBOs. The role that each of these stakeholders would play is evident from the project outputs and activities.

The other stakeholders have also been identified and their continued involvement will be assured through the VPMCs, which are due to meet at least once every two months. The VPMCs will be a permanent institution that will continue to function beyond the project period.

**Information dissemination and consultation** . Information relevant to the project will be disseminated through several means. In the first instance, CBO members will be trained in entrepreneurship, technical skills related to resource enhancement, and biodiversity conservation. The trained personnel will be the medium through which information will be disseminated to the community. The trained guides, supported by interpretation material, will disseminate conservation information to visitors to the forest. Dissemination of conservation information on a



wider scale will be achieved by an educational program, video and TV spots, to be broadcast over national television.

Information generated from participatory research on non-timber forest products will be disseminated to the community through extension material and meetings with the CBOs. No privileged information will be generated through the project.

**Stakeholder participation** . The communities living in the buffer zone, whose stakeholder status has hitherto gone unrecognized, have been brought into the planning process through the project. They will continue to collaborate with the Forest Department and other stakeholders in the conservation of the forest ecosystems. The ingredients needed for securing their participation have been built into the project. They include CBO strengthening, buffer zone resource enhancement, and active participation in conservation and sustainable use activities with benefits flowing to the community.

**Social and participation issues** . By internalizing many of the benefits from forest conservation, the project is designed to remedy the past failure of forest management to recognize the linkage between the forest and the people living in the peripheral villages.

In the past, the major threat to the forest has been the creeping encroachments by households who through this means enlarge their tea smallholdings. In this respect, households with a genuine need i.e. where their agricultural holdings are unproductive and they are unable to mobilize resources to improve productivity, will be specially targeted for support to be provided through the CBOs under the project.

NTFP collection is not a major activity in the project area. In any case buffer zone resource enhancement will more than compensate for any restriction in NTFP collection that may come into effect with project implementation.

At present there is a fair representation from women in community meetings. Women will be encouraged to further strengthen their participation in CBO activities. By this means it will be ensured that activities that specially benefit women (e.g. cookery, dressmaking) would be among the areas identified for vocational training and enterprise development.

## **MONITORING AND EVALUATION PLAN**

At the field and Divisional level, the project management unit and the DFO will maintain a running record of activities, field inspections, forest offences recorded in the project area, etc. These documents will be important as means of verification of the progress of work.

Monitoring will be the responsibility of a special committee to be set up for the purpose, which will meet quarterly. The Conservator of Forests will preside at meetings, and the membership will

include the Director of Planning of the Ministry of Forestry and Environment, the Deputy Conservator in charge environmental management, the DFO Galle, the Divisional Secretaries within whose areas the project falls, two representatives of the CBOs, and any other stakeholders nominated by the Conservator of Forests. The DCF will submit a quarterly progress report to the Committee giving the progress on activities relating to the Outputs. Monitoring will be on the basis of work carried out in relation to the implementation schedule and the performance indicators.

It is proposed that a mid-term evaluation be carried out by a two-member team of experts, one of whom shall be a forest ecologist and the other a socio-economist. The evaluation will review the performance up to that point and indicate any modifications that may be considered necessary on the basis of the experience gathered during the first half of the project period.

An end-of-project report will be prepared by the Forest Department within three months of the completion date, setting out the achievements in relation to the expected Outputs and the contribution of the project to the achievement of the goal.

In terms of evaluation by the implementing agency, the project will follow current UNDP project evaluation processes such as the Tripartite Project Review, Program Performance Evaluation Reports, and the Mid Term and Final Reviews. These will be complemented with GEF monitoring and evaluation procedures, namely, the annual Project Implementation Review (PIR).

### TECHNICAL REVIEW

This is not envisaged since GEF financing will be less than US \$ 750,000.

### PROJECT CHECKLIST

| <b>Project Activity Categories</b> |                            |                         |                 |
|------------------------------------|----------------------------|-------------------------|-----------------|
| BIODIVERSITY                       | CLIMATE CHANGE             | INTERNATIONAL WATERS    | OZONE DEPLETION |
| Prot. area zoning/mgt. <i>X</i>    | Efficient prod. & distrib. | Water body              | Monitoring      |
| Buffer zone devt. <i>X</i>         | Efficient consumption      | Integrated land & water | Country program |
| Inventory monitoring               | Solar                      | Contaminant             | ODS phaseout    |
| Ecotourism <i>X</i>                | Biomass                    | Other                   | Production      |
| Agro-biodiversity                  | Wind                       |                         | Other           |
| Trust fund(s) <i>X</i>             | Hydro                      |                         |                 |
| Benefit sharing <i>X</i>           | Geothermal                 |                         |                 |
| Other                              | Fuel cells                 |                         |                 |
|                                    | Other                      |                         |                 |
| <b>Technical Categories</b>        |                            |                         |                 |
| INSTITUTION BUILDING               | <i>X</i>                   |                         |                 |
| INVESTMENTS                        | <i>X</i>                   |                         |                 |
| POLICY ADVICE                      |                            |                         |                 |

|                                |   |
|--------------------------------|---|
| TARGETED RESEARCH              | X |
| TECHNICAL/MANAGEMENT ADVICE    |   |
| AWARENESS/INFORMATION/TRAINING | X |
| OTHER                          |   |

**List of Annexes:**

**Annex 1: Maps of Southwest Rainforests of Sri Lanka**

**Annex 2: Stakeholder Identification**

**Annex 3: Abbreviations used in text**

**Annex 4: Endorsement letter**

**Annex 1 (insert maps 1-6)**



**Stakeholder Identification**

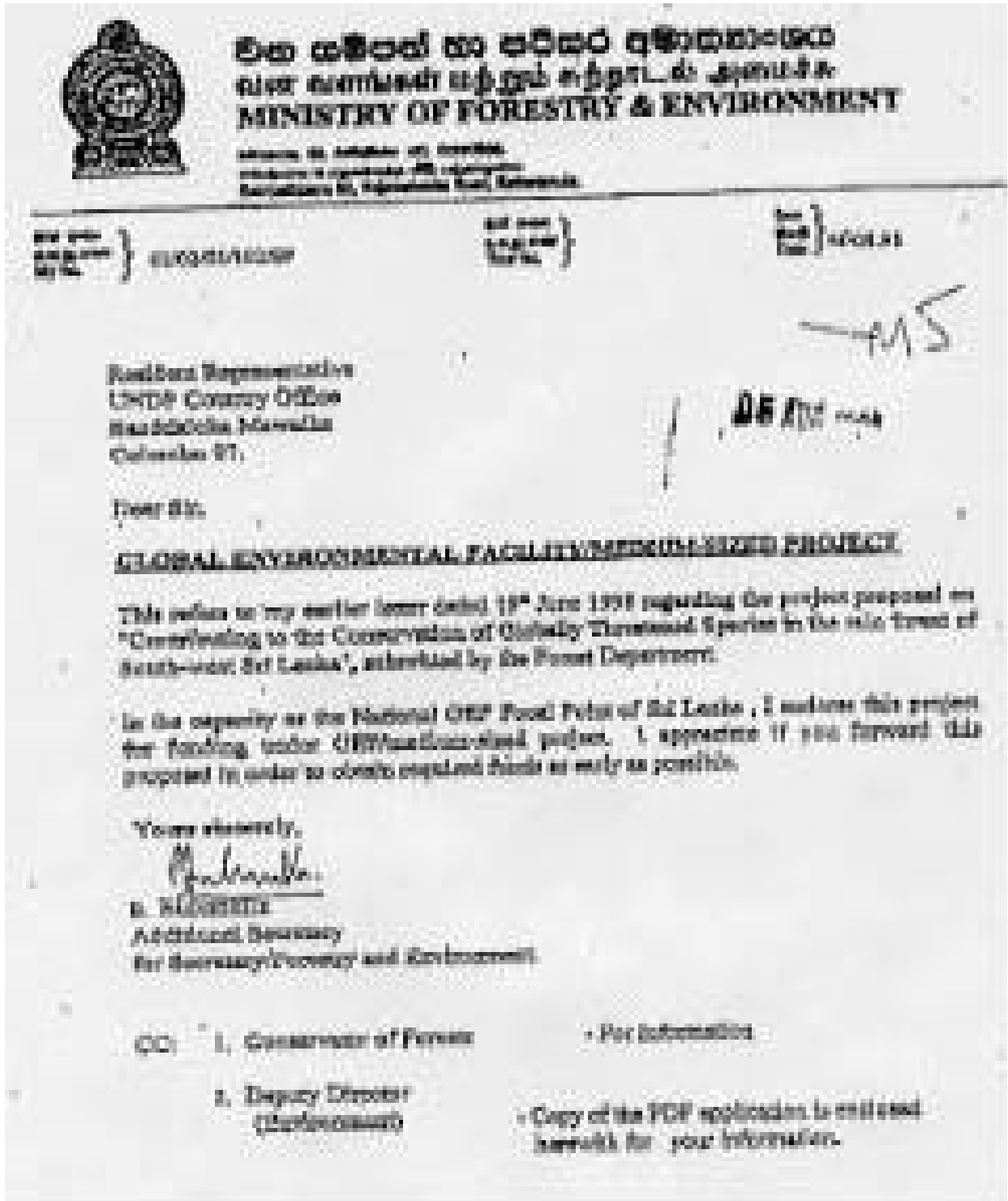
| <b>Interested Parties</b>                           | <b>Problems</b>  | <b>Interests</b>   |
|---|--|--|
| Community (acting through CBOs)                     | <ul style="list-style-type: none"> <li>• No authority to intervene in forest protection</li> <li>• Lack of recognition by the State in dealing with the forest</li> <li>• Lack of resources to implement activities beneficial to the community and promoting conservation</li> <li>• Poor awareness among community of value of forest to them</li> </ul> | <ul style="list-style-type: none"> <li>• To be actively involved along with the State in forest conservation and related activities</li> <li>• To be partners with the State in decision making</li> </ul> |
| Farmers in border villages                          | <ul style="list-style-type: none"> <li>• Diminishing income</li> <li>• Shortage of land</li> <li>• Shortage of timber</li> <li>• Growing scarcity of NTFPs</li> </ul>  | Productive and sustainable agriculture   |
| Youth   | <ul style="list-style-type: none"> <li>• Limited employment</li> </ul>   | Employment opportunities   |
| Forest Department                                   | <ul style="list-style-type: none"> <li>• Encroachment continues</li> <li>• Illegal collection of plants, animals</li> <li>• Illicit timber felling continues</li> <li>• Forest protection inadequate</li> </ul>  |  |
| Other law enforcing agencies e.g. DWLC, Police, etc | <ul style="list-style-type: none"> <li>• Not involved in forest protection</li> <li>• Unable to resist pressure from individual politicians</li> </ul>   | <ul style="list-style-type: none"> <li>• Awareness of importance of biodiversity and of the role they could play</li> <li>• To be involved in community development</li> </ul>                             |
| Political leadership                                | <ul style="list-style-type: none"> <li>• Not consulted in forest protection and conservation matters</li> <li>• Poor dialogue with State agencies</li> </ul>   | <ul style="list-style-type: none"> <li>• To be involved in the welfare of the community (voters)</li> <li>• To be seen prominently in forest conservation</li> </ul>                                       |
| Wider society – Sri Lanka                           | <ul style="list-style-type: none"> <li>• Loss of biodiversity</li> <li>• Flood hazards</li> </ul>  | Biodiversity and environment safeguarded   |
| Wider society - global                              | <ul style="list-style-type: none"> <li>• Loss of globally threatened species</li> </ul>  | Globally threatened species conserved  |

Other interested parties identified are state (i.e. other than the Forest Department) and parastatal organizations, NGOs, the private sector, but their importance in relation to the problem environment would be their positive role in problem resolution.

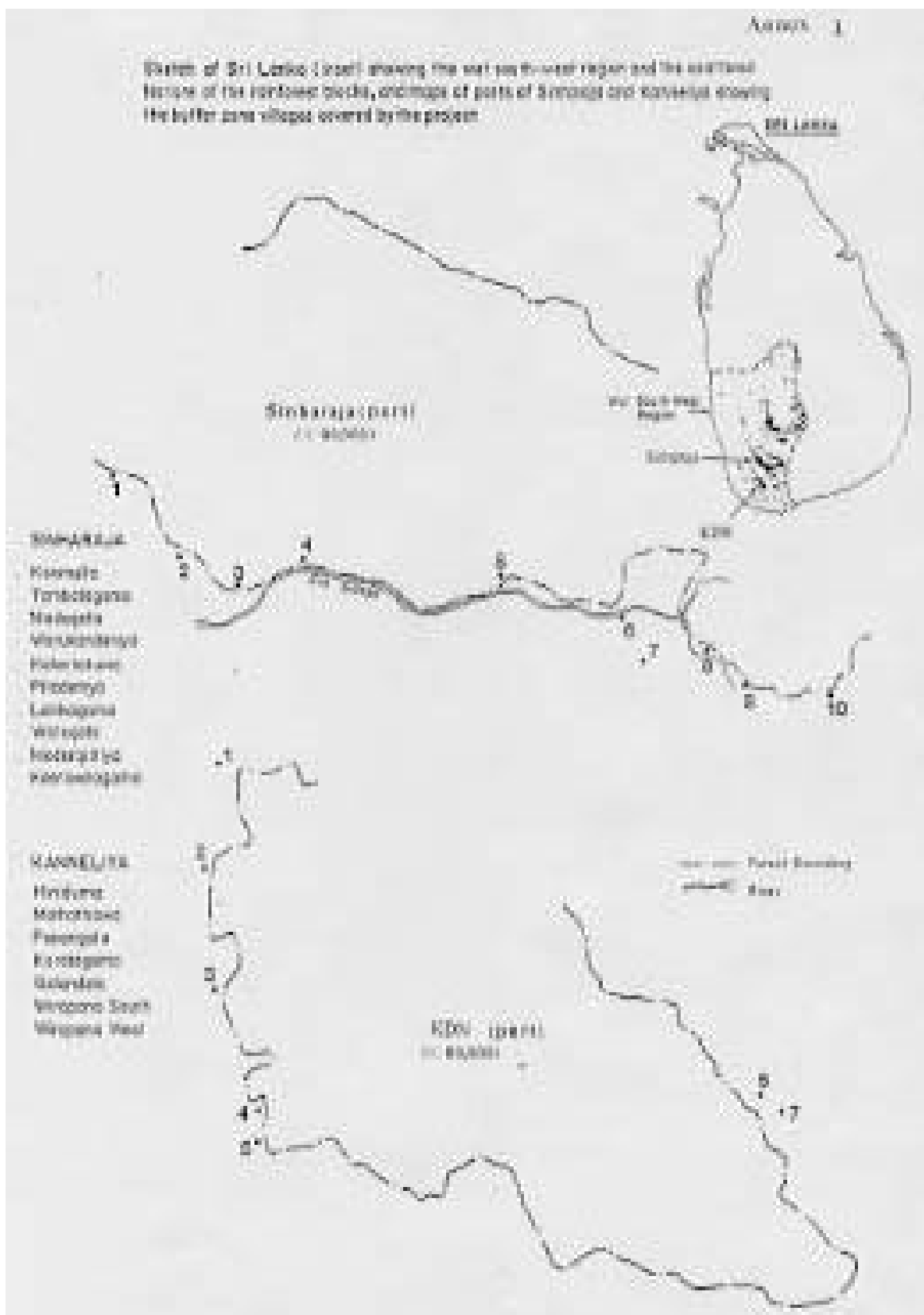
**Abbreviations used in the text**

|      |  |
|------|--|
| ADB  | Asian Development Bank   |
| CBD  | Convention on Biological Diversity                                 |
| CBO  | Community based organization                                       |
| CF   | Conservator of Forests   |
| DCF  | Deputy Conservator of Forests                                      |
| DFO  | Divisional Forest Officer  |
| FAO  | Food and Agriculture Organization of the United Nations            |
| FD   | Forest Department  |
| GEF  | Global Environment Facility  |
| KDN  | Kanneliya-Dediyagala-Nakiyadeniya forest complex                   |
| LFA  | Log Framework Analysis   |
| NCR  | National Conservation Review (biodiversity assessment of forests } |
| NTFP | Non-timber forest product  |
| PRA  | Participatory Rural Appraisal                                      |
| UNDP | United Nations Development Program                                 |
| UMWP | Upper Mahaweli Watershed Project                                   |
| VPMC | Village Participatory Management Committee                         |

Annex 4: Letter of Endorsement



## Annex 1: Maps





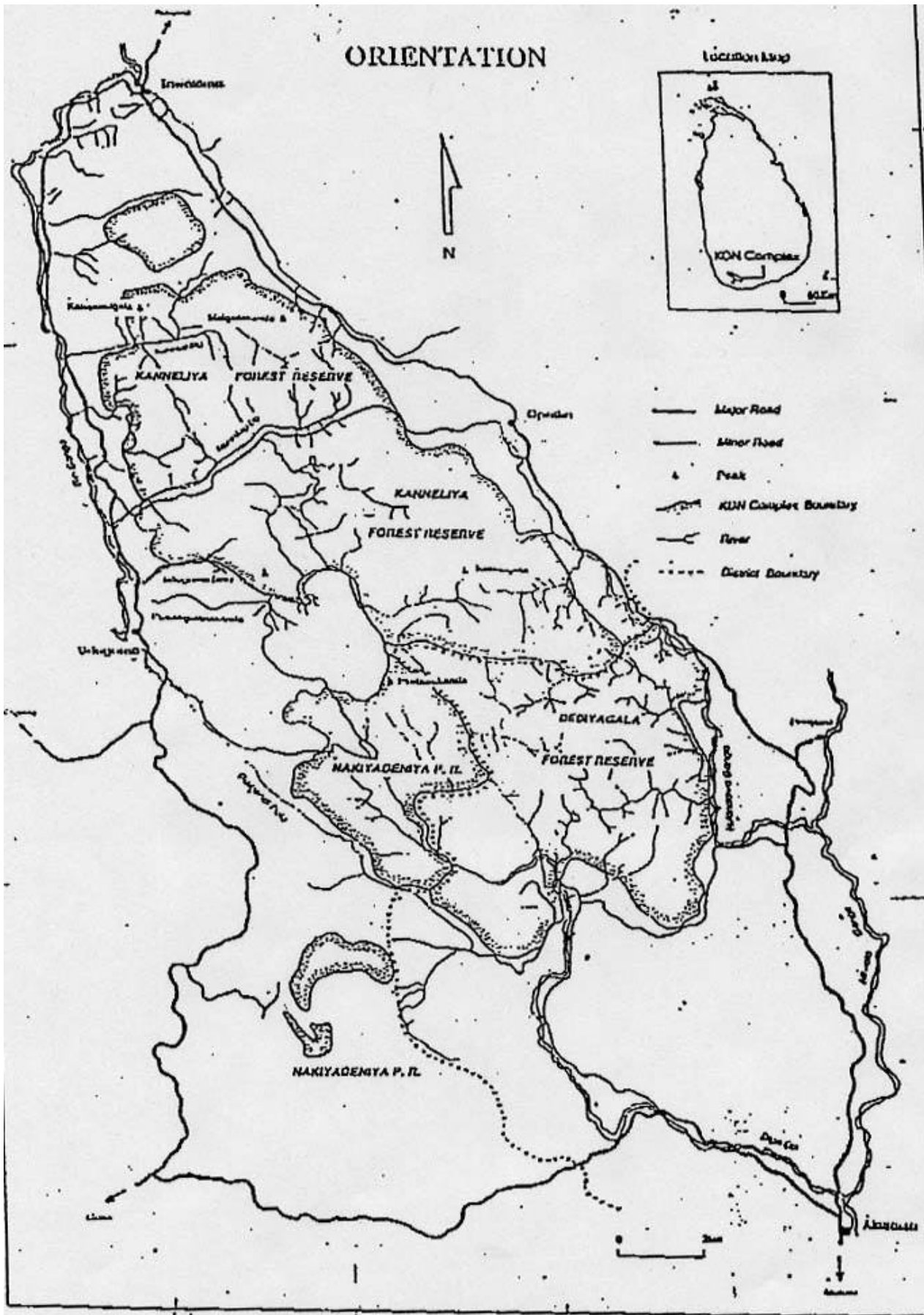


Figure 1: Location of Kanneliya - Dediyaqala - Nakiyadeniya (KDN) forest complex.

# LAND USE PATTERN ALONG THE BOUNDARY OF KDN FOREST COMPLEX



Figure 4: Land use pattern along the boundary of the KDN forest reserves

# Sukorojo Forest



KON FÜR



