

**PROJECT INFORMATION DOCUMENT (PID)  
CONCEPT STAGE**

Report No.: AB5854

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<b>Project Name</b>	Strengthening Regional Enforcement for Wildlife Protection
<b>Region</b>	SOUTH ASIA
<b>Country</b>	Bangladesh, Nepal
<b>Sector</b>	General agriculture, fishing and forestry sector (70%); General public administration sector (30%)
<b>Lending Instrument</b>	Adaptable Program Loan (APL)
<b>Project ID</b>	P121210
<b>Borrower(s)</b>	GOVERNMENTS OF BANGLADESH & NEPAL
<b>Implementing Agency</b>	Bangladesh: Ministry of Environment and Forests (MOEF), Bangladesh Forests Department (BFD)  Nepal: Ministry of Forests and Soil Conservation, Department of National Parks and Wildlife Conservation
<b>Environmental Screening Category</b>	[ ]A [X]B [ ]C [ ]FI [ ]TBD (to be determined)
<b>Date PID Prepared</b>	July 14, 2010
<b>Estimated Date of Appraisal Completion</b>	August 18, 2010
<b>Estimated Date of Board Approval</b>	September 30, 2010
<b>Concept Review Decision</b>	Following the review of the concept, the decision was taken to proceed with the preparation of the operation.
<b>Other Decision <i>{Optional}</i></b>	<i>Teams can add more if they wish.</i>

## I. Introduction and Context

### A. Global and Regional Context

1. Natural habitats are vital for assuring sustainable development as they are the repositories of biological diversity (biodiversity), the raw material for natural selection and adaptation. They provide myriad services that enrich and sustain human life with both tangible and intangible economic and social value – including watershed protection, biological control of pests, crop pollination – and life-sustaining environmental services, such as breathable air and usable water. Imbalances in natural environments have been implicated in floods, declining water availability and quality, soil fertility loss, erosion, silting of rivers, poverty, spread of diseases such as ebola, malaria, and proliferation of invasive species. No surprise then that Goal 7 of the Millennium Development Goals (MDGs) seeks to reduce biodiversity loss, recognizing the link between poverty and natural resource depletion. Despite the difficulty in quantifying economic benefits, evidence suggests that conserving natural ecosystems makes sound economic sense with high payoffs to investments in conservation.
2. Recognizing the importance of preserving biological diversity a number of global treaties have been established. They include the Convention on Biological Diversity (CBD, 1992), the Convention on International Trade in Endangered Species (CITES, 1981), the

Convention on Wetlands (RAMSAR, 1971).<sup>1</sup> Most countries of the world have adopted legislation and created institutions for the protection of wildlife and their habitats.

3. Biodiversity is especially important to South Asia – home to 13-15% of the world's biodiversity and host to some of the most charismatic and endangered species on Earth. The charismatic appeal of many species can generate additional economic benefits from conservation. Ecotourism is globally the fastest growing and most profitable segment of the tourist industry.<sup>2</sup> Estimates suggest that the tourism revenues from habitats rich in biodiversity – though still under-priced and far below potential – run into significant sums and contribute significantly to livelihoods of the poorest.<sup>3</sup> The distributional impacts are, perhaps, even more significant with most of the benefits from forest resources – excluding timber – accruing to the poor and accounting for more than 50% of their (implied) consumption.<sup>4</sup>
4. Nepal's biodiversity is extremely important for the country's economy as well as the well-being of its people. About 80 % of Nepal's population is rural, many of whom depend on a variety of forest products for their livelihoods. Forests contribute to about 10% of Nepal's GDP.<sup>5</sup> The total forest area – 29% of the country – is the daily source of fuel wood, food, fodder, timber, and medicinal plants for the rural population. Some rural populations help to sustain and manage forests in many parts of Nepal.<sup>6</sup>
5. Bangladesh too is rich in floral and faunal biodiversity. Due to immense population pressures, over-exploitation of natural resources, deforestation, degradation, habitat loss, pollution, indiscriminate killing, hunting and poaching of wild animals, Bangladesh's environmental and ecological balance is under severe threat.<sup>7</sup> As an example, tigers once widespread in Bangladesh and in the 1930s reported in 11 out of 17 districts (Mitra, 1957) have dwindled in range and numbers. Today, the largest remaining tiger population is in the Sundarbans. The high regional demand and established international trade for tiger products (Nowell 2000; Nowell and Xu 2007) point to the likelihood of Bangladesh as a source of tiger parts.<sup>8</sup> The location of Bangladesh between India and Myanmar – countries

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<sup>1</sup> In addition, international institutions have formed around environmental issues such as the United Nations Environmental Program (UNEP), the International Union for the Conservation of Nature (IUCN), the Global Environmental Facility (GEF) and a myriad of national and international NGOs.

<sup>2</sup> <http://www.ecotourism.org/atf/cf/%7B82a87c8d-0b56-4149-8b0a-c4aaced1cd38%7D/TIES%20GLOBAL%20ECOTOURISM%20FACT%20SHEET.PDF>

<sup>3</sup> Gundimenda H, S. Sanyal, R Sinha and P Sukhdev, 2009, *The Value of Biodiversity in India's Forests*, Deutsche Bank. The study finds that, on average, each hectare of dense forest in India generates a net present value from ecotourism of about INR 65,192 (US\$1,350). This figure underestimates the potential value of undisturbed natural habitats because it excludes other benefits that forests bring, such as timber, fodder, traditional medicines, bio-prospectivity (e.g. new medicines), non-timber forest products and watershed benefits, among others, as well as the non-use (preservation) values.

<sup>4</sup> See for example Gundimenda *et al* (*op cit*) and also Gundimenda H, S. Sanyal, R Sinha and P Sukhdev, 2009, *The Value of Timber and Non Timber Forest Products in India's Forests*, Deutsche Bank

<sup>5</sup> Luintel, H. et al, 2009. *Community Forestry in Nepal: Promoting Livelihoods, Community Development and the Environment*, ForestAction. Kathmandu.

<sup>6</sup> Perhaps the best known example is the Terai Arc Landscape project in Nepal which has demonstrated considerable success in the past through approaches that harmonize livelihoods, sustainable development and conservation.

<sup>7</sup> Studies indicate that 4 to 5% of faunal species and about 10% of floral diversity have become extinct in the last century.

<sup>8</sup> There is little known about the national demand for tiger parts, although a 1997 survey reported substantial trade in tiger skins, teeth and claws (Nowell 2000).

that experience widespread poaching – may further increase the vulnerability of the Sundarban tigers (Nowell and Xu 2007).

## **B. Sectoral and Institutional Context**

6. Governments in South Asia are keenly aware of the benefits that biodiversity brings and the risks of biodiversity loss. South Asia, especially India, is a center of cutting-edge research on natural resource management and habitat conservation. Countries in the region have been among the world's leaders in adopting legislation and ratifying international conventions for biodiversity conservation. The countries have devoted substantial resources to habitat conservation and, more recently, to enforcement of anti-poaching legislation.<sup>9</sup> Despite investments in conservation, the region faces daunting challenges that are growing more severe.
7. *Habitat erosion.* Not only do many of the high profile endangered species (such as the top predators and elephants) require large amounts of land, but their habitats need to be connected as well to assure long-term genetic survival. Approximately 5% of land in the region has been granted Protected Area (PA) status which confers varying degrees of legal and actual sanctuary to wildlife.<sup>10</sup> But it is the forest corridors linking these PAs that are under unrelenting pressure from intrusive structures, such as new roads and expanding settlements. As a result, many endangered species subsist in isolated population clusters.<sup>11</sup>
8. *Poaching.* Though habitat fragmentation is a severe problem, it remains a medium-term threat. The most serious and immediate risk to many species is poaching for wildlife trade. Wildlife are killed for the flourishing illegal international trade in their skins, bones, flesh, fur, used for decoration, clothing, medicine, and unconventional exotic food. The primary market for many of these products is outside South Asia – often in East Asia for items of presumed pharmacological utility.
9. *Illegal trade.* Trade in wildlife is big business.<sup>12</sup> The International Criminal Police Organization (INTERPOL) suggests that the global value of the illegal wildlife related trade exceeds US\$20 billion per year and ranks with other global crime such as narcotics and the illegal weapons trade.<sup>13</sup> South Asian countries account for 13 to 15% of the world's biodiversity and so remain a lucrative target of the trade. Victims of the trade include the iconic tiger and elephant, the snow leopard, the common leopard, the one-horn rhino, pangolin, brown bear, several species of deer and reptiles, seahorses, star tortoises,

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<sup>9</sup> India Today, July 6, 2009. India, for example, has more than doubled the budget available for wildlife protection from about US\$15.3 million in 2008-09 to about US\$38 million in 2009-2010.

<sup>10</sup> The level of protection accorded legally and in practice varies considerably. In Bhutan, large tracts of land in PAs contain farms, houses a growing number of roads, logging and small industry. Elsewhere, the land under PA management is small (about 4.8%) and most forms of anthropogenic interference and commerce are often legally discouraged from these areas.

<sup>11</sup> Small, fragmented breeding populations are especially fragile and at risk of genetic bottlenecks, a condition that reduces the capacity to adapt to changing conditions. For as science suggests: “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one most adaptable to change.” *The Origin of Species*, Charles Darwin.

<sup>12</sup> Due to the clandestine nature of the enterprise, reliable estimates of the composition, volume and value of the trade remain elusive.

<sup>13</sup> Sinha S. 2010. Handbook on Wildlife Law Enforcement in India. TRAFFIC India/WWF India, New Delhi. Natraj Publisher.

butterflies, peacocks, hornbills, parrots, parakeets and birds of prey, and corals. Poaching techniques can be inhumane and indescribably gruesome – the more egregious methods include skinning or de-horning live animals – and transportation of live creatures in atrocious conditions. The UN Office of Drugs and Crime (UNODC) suggest that wildlife traders have links to other organized criminal activities (e.g. narcotics), presumably a reflection of the increasing returns to cross-border criminal activities.

10. *Responses.* Commendable efforts have been made by all the countries in South Asia to protect their wildlife and great strides have been taken and important lessons learned. All the countries are signatories to CITES, which was set up to promote cooperative responses to the effects of trade on endangered species. Recognizing the grave threats posed to wildlife from the illegal trade, all countries in South Asia agreed at the First Meeting on Illegal Wildlife Trade in South Asia convened by the Government of Nepal and held in Kathmandu on May 17-19, 2010 to develop institutional mechanisms to promote harmonized and collaborative approaches to common threats. The modalities of this agreement and the ensuing legal structures are still under discussion.
11. It is now clear that no one country – acting alone – can eliminate the perils to the region's wild resources. Close collaboration is needed among nations along the trade route, as well as the centers of consumption (e.g., East Asia and North America).<sup>14</sup> International coordination and resources to support national authorities to address the threat from the trade is limited and, at the national level, the front-line staff suffers from the lack of legal support, equipment, training, inter-agency cooperation and access to cutting edge investigative methods. Attempts to plug the gaps and to deliver assistance have tended to be ad hoc, and have often not been harmonized, well-structured or properly evaluated.
12. Accordingly, this project proposes a regional program to help build synergies and to provide tools for more effective enforcement of the wildlife trade. It would provide regional support for agencies in each country to address trafficking in wildlife commodities and build closer collaboration with the global efforts through existing organizations.<sup>15</sup> The effort would be multi-pronged, recognizing the complexity of the trade and the need for responses across the many links of the gruesome trade.

### **C. Rationale and background for regional approach**

13. Given that the core issue to be addressed by the proposed project is the mitigation of a regional public bad (illegal wildlife trade across borders), the supply of these “goods” being based throughout the South Asia Region (Bangladesh, Bhutan, India, and Nepal). Because they are located physically in border straddling areas (India/Nepal, India/Bhutan, India/Bangladesh), adopting and pursuing a regional approach seems to be the most sensible solution to ensure the effectiveness of this type of intervention in illegal wildlife trade and habitat management/conservation.

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<sup>14</sup> Numerous other NGOs focus on demand side management and through the GTI the Bank too has attempted to engage on this issue. The communications component of this project offers an opportunity to address some of these complex issues.

<sup>15</sup> The organizations include CITES, TRAFFIC, World Wildlife Fund (WWF), UNODC, Association of South East Asian Nations – Wildlife Enforcement Network (ASEAN-WEN) and INTERPOL (the world's largest international police organization).

14. On the demand side, the economic value of this trade is determined primarily by the cross-border trade which, in large measure, is channeled via Nepal and then beyond the South Asia Region.<sup>16</sup> Lack of uniformity in the enforcement of controls on illegal poaching or trade of animal products is a key missing component in combating this type of trade.
15. Geographically, the inter-connectedness of habitats and ecosystems between the countries participating in the proposed project are well known – Nepal and India in the Terai region; India and Bangladesh in the Sundarbans; and Bhutan and India in the Eastern Himalayas. Any activity in the habitat of one country will have repercussions on the other side. Therefore, wildlife management and habitat conservation efforts need to be coordinated to ensure that no actions in one country are detrimental to its neighbors.

#### **D. Relationship to Country Assistance Strategy (CAS)**

16. As a regional project aimed at addressing an environmental externality of global significance, this initiative is aligned with the broad sustainability priorities of the CASs for South Asia. The CASs for Bhutan and India recognize that regional knowledge partnerships are crucial to adequately provide solutions to issues concerning global public goods, such as wildlife conservation. Nepal’s Interim Strategy Note (ISN) has called for enhanced focus on the environment and climate change, with this priority as one of four pillars of the new Bangladesh CAS. The proposed project is most closely allied to the Bank-wide conservation priorities enshrined in the Global Tiger Initiative (GTI) – a coalition of multilateral institutions, countries and others launched by the President of the World Bank. It aims to operationalize and widen the objectives of GTI through an approach that is calibrated to problems that are relevant to South Asia, are regional in scope and are best addressed through harmonized approaches. It also supports the 2009 Pattaya Pledge with the World Bank, CITES, INTERPOL, UNODC and the World Customs Organization signing a statement in recognition of the threat posed by wildlife crime and agreeing to collaborate and bring resources to the problem.

## **II. Proposed Development Objective(s)**

### **A. Proposed PDO**

17. The development objective of the proposed project is to assist the participating governments to build or enhance shared capacity, institutions, knowledge and incentives to jointly tackle illegal wildlife trade and other select regional conservation threats. The project will focus on a selected set of country-specific initiatives, as well as key mutually agreed regional activities that are crucial to meeting the regional strategic goals.

### **B. Key Results**

#### **18. Key Performance Indicators**

- Development of at least (*number to be defined during project preparation*) protocols on common research agenda, knowledge sharing, collaboration and division of labor.

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<sup>16</sup> Sources of demand are largely outside South Asia and beyond the scope of the project, though it is envisaged that there would need to be close collaboration with organizations that do address this issue.

- Agreement among the enforcement agencies on at least (*number to be defined during project preparation*) regional protocols including approaches and solutions.
- Progress toward establishing at least (*number to be defined during project preparation*) regional programs and/or partnerships on staff training and skills enhancement in enforcement and conservation.
- Implementation of at least (*number to be defined during project preparation*) regional pilots or initiatives in wildlife enforcement and conservation.
- Greater awareness by stakeholders in national and regional institutions through vigorous communications and outreach, as indicated by the development and implementation of a state of the art communications strategy.

### III. Preliminary Description

19. Tentatively, the project would be structured around three themes: (i) capacity building for addressing the illegal trans-boundary trade in wildlife parts, (ii) a virtual regional center of excellence; and (iii) project coordination and communication/outreach plan. Two countries – Bangladesh and Nepal – have agreed to participate in the project. It is also likely that a formal request will soon be received from other countries in the region. It is emphasized that if a request is received from India there would be no investments in PAs and other wildlife habitats of India.<sup>17</sup>
20. A multi - phase adaptable program loan (APL) is proposed as the lending instrument for the project so that support is made available on basis of country readiness. In the current phase of the APL, expenditures on works in all countries will be limited to activities that *have no adverse safeguard implications* and involve mainly technical assistance and capacity building activities to improve enforcement capacity and build knowledge and institutions. This phase would provide the resources required to identify needs and undertake the preparatory work for regional activities that go beyond capacity building and that unambiguously enhance conservation outcomes.

#### **Component 1: Capacity building and cooperation for addressing the trans-boundary illegal wildlife trade**

21. The proposed project would provide regional support through capacity building for the agencies in each country to address the trafficking of wildlife commodities. It would support collaborative efforts and linkages between these countries as well as with ASEAN-WEN. Awareness raising activities and training of border and customs officials will be another priority. Adequately trained staff to conduct improved border enforcement would become a valuable and fungible resource because well trained officers would disseminate their knowledge as they rotate through positions in various parts of their respective countries. This component could include the development of a forensic laboratory in one or more of the collaborating countries, provided there is no adverse safeguard impact. Its use would be open to the others in the prosecution of wildlife-related crimes.

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<sup>17</sup> This recognizes the considerable resources that have been made available in India for PA management and also respects the views of a few prominent conservationists in India who have publicly objected to the Bank's engagement in PA management in India.

22. A useful model in the region is the Indian Wildlife Crime Control Bureau (WCCB). The bureau is well placed to play a more prominent role in curbing wildlife crime. In fact, Nepal is seeking to replicate this model which could be supported by the project. Based on the identified and agreed national priorities after completing stakeholder consultations, the initiative would help establish a regional network for combating trans-boundary illegal trade in wildlife products.
23. This component of the project will need to be developed in close collaboration and consultation with stakeholders, such as TRAFFIC, WWF, Interpol, CITES and UNODC. It will involve close coordination among the participating countries as well as other relevant NGOs and organizations.

### **Component 2: Virtual regional center of excellence for wildlife conservation**

24. This component would support the creation of a virtual regional center of excellence (VRCE) for wildlife conservation. The VRCE would be a network of scientists and practitioners in wildlife conservation whose mission would be to expand the scope and quality of research in wildlife conservation needed to develop a common response against illegal wildlife trade in and outside the region and to address other regional issues to be agreed by the participating countries.
25. The VRCE will provide the first (and only) coordinated response for research and knowledge dissemination on wildlife conservation in South Asia. By playing the role of coordinator and facilitator of knowledge and expertise, the VRCE could become a vehicle for promoting dialogue and good practices as well as disseminating knowledge. Because the center will be virtual and will have no central location or physical facility, it will rely heavily on state-of-the-art information and telecommunication technology to conduct its business and to attain its objectives. Its activities would focus on: (a) conducting applied research on wildlife conservation and institutional enhancement; (b) financing and piloting innovative schemes to curb wildlife crime and poaching; and (c) knowledge dissemination program. Addressing issues with a regional dimension would be the paramount criterion for funding VRCE activities.

### **Component 3: Project coordination and communications plan**

26. *Project coordination.* The project would be coordinated by a professional manager reporting to a regional team composed of expert representatives from each of the participating countries. The project management team would include professionals in the areas of project implementation, procurement, financial management, monitoring and evaluation. The Government of Nepal indicated that there would be a need for a stand-alone Project Management Unit (PMU) to be located in each participating country to manage project activities within each country.
27. *Project communications plan.* The proposed communications plan envisions a multi-pronged approach to meet local challenges while respecting the overall regional nature of the project. In order to achieve close communication and collaboration among the implementing agencies, the plan proposes to set up separate communications units within the PMUs that will implement coordinated strategies. A wide range of consultations with

various stakeholder groups will be conducted at the national and local levels. It is expected that rolling consultations will continue throughout the project cycle. To ensure that all stakeholders have a clear understanding of the project, mass communication tools will be used to explain the basic concept and principles.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered	Yes	No	TBD
<b>Environmental Assessment</b> ( <a href="#">OP/BP 4.01</a> )	<b>X</b>		
<p>As stated above, no major environmental issues are expected in the implementation of this project. The primary focus of the project is to build capacity through training, better communication and increased support for human resources. Each participating country will prepare an Environmental Assessment Framework (EAF) and Environmental Management Framework (EMF) outlining the procedures to be followed in screening subprojects, allocating specific accountabilities, and designing feasible, cost-effective solutions to impacts that may be identified. Responsibility for designing and implementing EMPs rests with project proponents as well as monitoring and evaluation and the costs of mitigation will be incorporated into project costs. The project will have a list of activities that will be ineligible for funding under the project. In addition, country specific screening frameworks will be developed and applied to all sub-projects. The project would also help prepare ESMF (when there may be a likelihood of impact) to prepare countries address environmental and social issues during post project period.</p> <p>In addition, existing guidelines, for example, IFC/WB's guidelines on health and safety related issues would be applied for investments that refurbish infrastructure. A checklist for applicable guidelines and where these needs to be applied would be prepared and incorporated in project design.</p>			
<b>Natural Habitats</b> ( <a href="#">OP/BP 4.04</a> )	<b>X</b>		
<p>While this policy is triggered, the project investments would be designed to result in better management of natural habitats. No natural habitats would undergo transformation of use with support from the project. For instance, reduced poaching or better managed ecotourism would strengthen and boost the conservation efforts. Project supported capacity building in management and patrolling will result in better protection of these areas. Natural habitats would greatly benefit from realization of project objectives in curbing illegal wildlife crimes.</p>			
<b>Forests</b> ( <a href="#">OP/BP 4.36</a> )		<b>X</b>	
<b>Pest Management</b> ( <a href="#">OP 4.09</a> )		<b>X</b>	
<b>Cultural Property</b> ( <a href="#">OPN 11.03</a> )		<b>X</b>	
<b>Indigenous Peoples</b> ( <a href="#">OP/BP 4.10</a> )			<b>X</b>
<p>All of the countries have indigenous populations. It is possible that project activities would indirectly affect such groups living in or near protected areas or involved (directly or indirectly) with the illegal wildlife trade. The countries will prepare separate IPFs outlining the procedures to be followed to bring any subproject that might have an impact --positive or adverse – into compliance with OP/BP4.10. The IPF will outline mandatory procedures for any proponent of a subproject affecting a tribal people to carry out the necessary culturally sensitive consultations and to allow indigenous people to participate in the benefits of the project.</p>			
<b>Involuntary Resettlement</b> ( <a href="#">OP/BP 4.12</a> )		<b>X</b>	
<b>Safety of Dams</b> ( <a href="#">OP/BP 4.37</a> )		<b>X</b>	
<b>Projects on International Waterways</b> ( <a href="#">OP/BP 7.50</a> )		<b>X</b>	
<b>Projects in Disputed Areas</b> ( <a href="#">OP/BP 7.60</a> )*		<b>X</b>	

#### Environmental Category: B

#### Tentative financing

Source:

(\$m.)

Borrower/Recipient

\* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

IBRD	
IDA	40.00
Others (specify)	
Total	40.00

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