

To: grievancebiz@iucn.org

2 April, 2010

Dear Sir/Madam,

Sub: IUCN's involvement in the Dhamra Port Project in Orissa, India

Over the past couple of years, various organizations and individuals have written several letters to the Director General, Ms. Julia Marton L efevre and other IUCN staff, expressing serious concerns at the nature of the IUCN's involvement in the Dhamra Port Project in Orissa. To date, these concerns have never been fully addressed or resolved. Considering that there is a new mechanism to register grievances about IUCN's private sector engagements, we re-state some of our main concerns below.

1. Lack of a scientific approach

In the absence of an objective, scientifically rigorous, comprehensive environment impact analysis of the port project, any mitigation plan prepared will lack fundamental baseline data, hence, will be incomplete and inadequate. It will at best address only some aspects of the port's environmental impact, while ignoring others.

2. Lack of attention to critical environmental issues

There is no indication that several critical environmental issues have been considered by IUCN. These include, but are not limited to:

- a) the issue of bilge and ballast water, and invasive marine species, now recognized as an enormous environmental and economic threat at a global level;
- b) impacts on water flow, sedimentation, nutrient flow, and trophic webs in Bhitarkanika National Park, a Ramsar site and soon-to-be declared World Heritage site, that is just four km from the port development site;
- c) impacts of channel dredging (for both construction and annual maintenance) on water flow, sedimentation, and coastal erosion, particularly in the Gahirmatha National Park, where massed nesting of olive ridley turtles occurs;
- d) impacts of "borrowing" sediments from within, or adjacent to, protected areas for land "reclamation" (i.e., land fill) at the construction site;

3. Lack of attention to critical social issues

There is no indication whatsoever that several critical social issues have been considered by IUCN. These include, but are not limited to:

- a) no baseline socio-cultural profile has been made available for the communities that live at the construction sites, or within the areas of influence;

- b) no socio-economic studies have been conducted for the communities that live at the construction sites, or within the areas of influence.

4. Lack of a holistic/integrated/comprehensive environmental and social approach

The Dhamra Port is not a single entity; several associated industries such as a ship building yard, a steel plant, and a port-based fertilizer plant are already being planned at the same site, and more are certain to appear in the near future. There are unconfirmed reports that Dhamra Port Company Limited (DPCL) has applied for more land for expansion. The cumulative environmental and social effects of all these industries have not been considered.

Dhamra is only one of nearly twenty sites where the Government of Orissa has planned or initiated construction of ports, and some of these have already resulted in intense social conflict as well as environmental problems. There has been no serious engagement by IUCN on the issue of unplanned coastal development and its consequences for marine biodiversity and marginalized coastal dwellers who depend directly on living marine resources and access to coastal areas.

5. Lack of concern for local expert opinion

Before the IUCN became involved in the Dhamra Port, DPCL had approached some members of the IUCN/SSC Marine Turtle Specialist Group (MTSG) to conduct environmental studies for the same project, but all of them declined for several reasons including: (1) absence of an adequate Environment Impact Assessment, (2) the unwillingness of DPCL to suspend construction while studies were in progress and (3) the lack of involvement of a range of stakeholders. The company also approached the Bombay Natural History Society and World Wildlife Fund-India to undertake the same studies. While the two organizations initially accepted funds, they later returned them when they became aware of the scale of the problems and the opposition of local NGOs.

When the IUCN's involvement in this project was first mooted, several local experts and organizations opposed it, including Wildlife Protection Society of India, the Bombay Natural History Society, World Wildlife Fund-India and local members of the MTSG. The then Regional Chair of the MTSG strongly recommended that the IUCN not proceed without genuine consultation with local conservation groups and stakeholders. Furthermore, all these individuals and organizations conveyed their concerns about DPCL and this project to IUCN.

However, these recommendations and concerns were expressly ignored and, the IUCN became involved in the project with no local expertise or participation. There are several sea turtle biologists in India, with a cumulative research experience of several decades in Orissa. Not a single one of them is in favour or a part of IUCN's involvement in this project.

6. Lack of consultation with local stakeholders, organizations

In addition to the exclusion of local in-country specialists, no genuine stakeholders' meeting on the Dhamra Port project has ever been conducted by IUCN/MTSG. Both the Orissa

Traditional Fishworkers' Union and the National Fishworkers' Forum (the apex body for the traditional fisher community) have voiced their opposition to the port in the national press and to the IUCN through Orissa Marine Resources Conservation Consortium (OMRCC). Numerous Indian NGOs working in this region and specializing in this subject have also not been consulted. Such lack of consultation squanders unique and considerable local expertise, besides sidelining local members.

More than two years after the commencement of IUCN's consultancy, a one day technical workshop was conducted at Bhubaneswar, Orissa in February 2009. It cannot be construed to have been truly participatory as presentations by the IUCN consultants on their activities at Dhamra dominated the agenda, while the meeting organizers ignored the fundamental concerns repeatedly expressed by local membership over the preceding months. Besides, some MTSG and IUCN members and several organizations with a longer history of involvement in the Dhamra port issue were not even invited to participate.

7. Due Diligence

IUCN's engagement with the private sector is governed by its 'Operational Guidelines For Private Sector Engagement' which states that a preliminary due diligence should be conducted "prior to any substantial direct engagement". It further states that this document be made "available to the members through the membership website". However, the due diligence report on DPCL has not been made public. Secondly, the document was done by an in-house team which validates IUCN's actions. In order to ensure neutrality, it ought to have been done by an independent panel consisting of local IUCN members, environmental lawyers, other regional specialists and stakeholders.

A statement issued by the IUCN dated 4 June 2008 states, "It is important to remember that IUCN is not a regulatory organization and does not have a mandate to adjudicate in cases such as this: rather, it provides independent scientific advice when called on to do so. Any such involvement is neither intended nor should be construed as approving or disapproving a particular development but rather as a means to help those making decisions with respect to the conservation of nature."

And yet, the wholehearted support of the Port in public fora casts aspersions on the credibility and neutrality of the IUCN and MTSG engagement in this project. For instance, <http://lists.ufl.edu/cgi-bin/wa?A2=ind0803&L=cturtle&T=0&P=12430>. DPCL is using this support of the IUCN to claim that environmental impacts have been adequately addressed and mitigated. **This, in particular, has undermined countless other initiatives of local organizations, some of whom are IUCN members, in their attempts to mitigate serious environmental and social impacts of the port.**

Besides, the statement of 4 June 2008 raises other concerns. Is IUCN's only role to give advice "when called on to do so"? Would IUCN remain a bystander when the environment is being destroyed if its advice is not accepted? The IUCN Mission Statement "*is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and*

to ensure that any use of natural resources is equitable and ecologically sustainable.” Surely it behooves the IUCN to speak out, and not wait until asked. The words *"influence"* and *"ensure that any use of natural resources is equitable and ecologically sustainable"* do not reconcile with IUCN’s statement on its Dhamra project. Has IUCN abdicated its role as a voice for the environment?

It appears that the IUCN-DPCL agreement is driven by corporate concerns rather than environmental ones which has lowered the credibility of the IUCN in India and around the world.

Considering the above, on behalf of the organizations and individuals who have been expressing their concern about the anomalous, non-participatory form in which IUCN has engaged with the Dhamra Port project, once more we urge the IUCN to urgently take the following measures. We strongly believe that this would help clear the air on IUCN’s stand on this significant and controversial issue:

- I. Issue a statement that the IUCN abides by the precautionary principle and therefore does not support the construction of the Port in principle. Clarify, in this statement, that any advice that they provide could only mitigate some of the threats to marine biodiversity, endangered species, and local livelihoods and even then, only partially.
- II. Insist that the DPCL conduct an EIA that employs independent and objective BACI (Before-After-Control-Impact) studies to compile baseline ecological data, assess the impact on sea turtle movement, recruitment and nesting beaches, and the ecological effects on the Bhitarkanika National Park and Gahirmatha Marine Sanctuary.
- III. Urge the Government of Orissa to reconsider the unrestricted coastal development plan and to seriously integrate environmental and social concerns and mitigation into their planning.
- IV. Insist that all involved corporations and government agencies develop carefully considered contingency plans that must be approved by independent and competent bodies.
- V. Develop basic transparency in the dealings of IUCN offices, staff, and consultants in relation to the Dhamra port issue, including contracts and agreements, financial considerations, reports, etc.
- VI. Actively consult and engage with its membership, many of whom have long years of experience working in this geographical area, who speak the local languages, and who understand the complex socio-cultural-political realities of the situation. Also include representatives from local artisanal fishing organizations, NGOs and other relevant organizations in these consultations.
- VII. Revisit and review of the process of conducting due diligence not only with reference to DPCL but also the IUCN’s Private Sector Guidelines.
- VIII. Provide a timely and meaningful response to the present submission, rather than the accustomed lack of any response, or bland generalities that skirt the issues and/or pass on responsibilities to third, fourth, etc. parties.

- IX. Confirm that IUCN staff must abide by the Mission statement at all times and not interpret it in the manner shown in the IUCN statement on Dhamra.
- X. Confirm that IUCN has not abdicated its role as a voice for the environment.

We ask the IUCN to respect its members' views and opinions and ensure that in future they are fully consulted before IUCN enters any further partnerships or relationships of this nature. We hope you will appreciate the significance of the IUCN's cooperation in this matter for the future of conservation in this country. We look forward to a meaningful response.

Yours sincerely,

Signed on behalf of the following individuals and organisations



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