



## NATIONAL PLATFORM FOR SMALL SCALE FISHWORKERS

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Memo No. NPSSFW / Conv-17/23

May 22, 2023

To –

**The Social and Environmental Compliance Unit (SECU)  
United Nations Development Programme.**

**Ref: Case No. SECU0014 Date. May 8, 2023**

**Sub: Comments on the Draft Investigation Report regarding the Project “Enhancing  
Climate Resilience of India’s Coastal Communities”.**

Sir / Madam,

Greetings from the National Platform for Small Scale Fish Workers (NPSSFW)

**We largely agree with the findings of the Draft Investigation Report made under the  
following heads –**

1. *The UNDP CO assessed some, but not all, risks in a manner consistent with SES and SESP requirements; and*
2. *The UNDP CO did not engage in meaningful, effective and informed consultation processes as required by the SES.*

**But it is strongly felt that these findings need to be strengthened with the following  
observations –**

- a. The Coastal Climate Resilience Project lacked in incorporating the status and role of coastal natural features /resources like mangroves or mudflats in the project influenced area and their contributions in achieving the project goals.
- b. Similarly, the project lacked in having a component for assessment of the threats that might be encountered by the project, especially the “development” activities sponsored by the government and private agencies.
- c. The project has also exhibited veritable weakness regarding the ways and means to approach the above problem. The project had no such in built mechanism. In other words, the environmental concerns and commitments of UNDP and GCF have not been carried forward specifically through the Terms of Reference (ToR) of the project.

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**Headquarters: 20/4 Sil Lane, Kolkata-700015, West Bengal, India. Phone & Fax-91-33-23283989.**

**National Convener: Pradip Chatterjee (Mobile: 9874432773)**

**Delhi Office: B48/T1, Dilshad Garden, Delhi-110095. (Contact: Dipak Dholakia. Mobile 9818848753)**

**Website: [http:// www. smallscalefishworkers.org](http://www.smallscalefishworkers.org) E-mail: [npssfw@smallscalefishworkers.org](mailto:npssfw@smallscalefishworkers.org)**



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- d. The project has been particularly weak in having living and effective connections with the communities reinforced by feedback or interaction with CO in the project area of influence. Traditional communities dependent on natural resources including the small scale fishing communities are the basic human resources to build up resilience against climate change and eco-destructive activities as well as the primary beneficiaries of that.
- e. There has been no space for local communities in project governance – this is another important weakness. In the instant case, the local communities dependent on natural resources, especially the small scale fishing communities in the coastal areas, who are by far the largest stakeholders of the coastal waters and their natural custodians have been relegated to the role of ‘complainants’.
- f. Last but not the least, it has been observed that the Andhra Pradesh Government is not intent to restore the mangroves and mudflats in the project influenced areas that have been degraded due to their “developmental” activities. It is also observed that there have been efforts to divert the degraded areas for other uses including commercial use.

**In view of the above the National Platform for Small Scale Fish Workers (NPSSF) of India recommends that –**

- A.** The Coastal Climate Resilience Project and Projects similar to that supported by UNDP and/or GCF must incorporate the following in their respective Social and Environment Standards (SES) and the Social and Environmental Screening Procedure (SESP) –
  - i. No activities detrimental to the project goal (like felling of mangroves, encroachment and destruction of mudflats etc.) will be undertaken, sponsored or allowed by the concerned government in both the project and the project influenced area. Non-compliance of these terms would attract suspension or termination of the project.
  - ii. Mandatory space should be provided for the natural resource dependent traditional communities (for example small scale fishing communities) living or working in the project area or the project influenced area for participation in the governance of the project.
  - iii. The project layout, including its outputs and anticipated outcomes as well as its Social and Environment Standards (SES) and the Social and Environmental Screening Procedure (SESP) should be discussed in details with the local communities with a view to take their free and prior informed consent.
- B.** The Coastal Climate Resilience Project in Coringa Wildlife Sanctuary area funded by UNDP, GCF and the Government of India has witnessed large scale destruction of mangrove cover and encroachments on mudflats with government support. Some of these

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have been challenged before the National Green Tribunal (NGT) and the Andhra Pradesh High Court. The government is showing reluctance in implementing the NGT directions. This fails the purpose of the project and calls for effective action. We recommend –

- i. Restoration of degraded mangroves and mudflats should be included in the project outputs and outcomes.
- ii. The above should be made mandatory for the continuation of the project in the area.
- iii. The project should be reinforced with a component of Community Monitoring in order to provide a space for the local natural resource dependent traditional communities including the small scale fishing communities to participate in and oversee the development of Coastal Climate Resilience.

Thanking you.

Your's Sincerely,

**Pradip Chatterjee**  
**Convener,**  
**NPSSF**

**United Nations Development Programme – OAI, Social and  
Environmental Compliance Unit**

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**Draft Investigation Report:**

Investigating allegations of non-compliance with UNDP social and environmental commitments  
relating to UNDP activities in the context of the following project:

“Enhancing climate resilience of India’s coastal communities”

**Case No. SECU0014**

**Date: 8 May 2023**

**Basic Data**

|                               |   |
|-------------------------------|---|
| Case No.                      | SECU0014  |
| Categories of Non-Compliance: | Social and Environmental  |
| Location:                     | Kakinada, Godavari District, Andhra Pradesh, India  |
| Date Complaint received:      | 14 July 2020  |
| Source of Complaint:          | Democratic Traditional Fishers Workers Forum (DTFWF) in association with Fridays for Future Andhra Pradesh (FFF AP) |
| Related Case(s):              | N/A   |

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## I. EXECUTIVE SUMMARY

1. On 14 July 2020, the Social and Environmental Compliance Unit (SECU) received a complaint relating to the “Enhancing Climate Resilience of India’s Coastal Communities” project (hereinafter the “Coastal Climate Resilience Project”).
2. The Coastal Climate Resilience Project is a project funded by the Green Climate Fund (GCF), implemented by the United Nations Development Programme (UNDP), and intended to support the Government of India in enhancing the resilience of coastal communities to climate change through ecosystem adaptation.
3. The project supports three sets of activities relevant to this complaint: (1) Conserving and restoring mangrove forests in 24 large “targeted landscapes” to enhance the resilience of the lives and livelihoods of the most vulnerable populations in those areas - mangroves act as natural barriers to extreme weather events, mitigating climate change-related impacts to those populations (Output 1); (2) support to vulnerable communities whose current fishing and farming livelihoods will be increasingly negatively affected by climate change in the 24 targeted landscapes (Output 2); and (3) strengthening governance and institutional frameworks for climate-resilient management of coastal areas – focusing on the development of climate change adaptation plans that harness ecological infrastructure to combat sea-level rise and intensified storm surges. The funding proposal indicates that these plans will promote safety of lives, livelihoods and property, and the smooth functioning of drainage, irrigation and drinking water systems (Output 3).<sup>1</sup>
4. For the first two sets of activities, the “targeted landscapes” to conserve and restore mangroves and to support the livelihoods of vulnerable communities were identified in general terms at the project approval stage. The precise boundary locations were not identified in the project document (Prodoc) or in the Funding Proposal submitted by the UNDP to the GCF.
5. For the third set of activities, the Prodoc and Funding Proposal note that “the project will work in the four coastal Smart Cities in the three target States (Kalyan in Maharashtra; Kakinada and Visakhapatnam in Andhra Pradesh; and Bhubaneswar in Odisha).”
6. A complaint submitted by the Democratic Traditional Fishers Workers Forum (DTFWF) in association with Fridays for Future Andhra Pradesh (FFF AP), raised issues related to one of the targeted landscapes – the “Coringa Wildlife Sanctuary and surrounding communities” landscape (hereinafter “*CWS and surrounding communities*”), and one of the coastal Smart Cities – Kakinada in Andhra Pradesh.

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<sup>1</sup>Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.36.

7. The complaint alleges that the destruction of a mangrove area in Kakinada, Andhra Pradesh by the State Government of Andhra Pradesh – an area 2.9 kilometers (km) from the Coringa Wildlife Sanctuary (CWS) - is leading to the total loss of livelihoods for fishing communities surrounding the CWS that depend on the mangroves. They claim that the removal of mangroves, done in preparation for a state housing project, is rendering these communities more vulnerable to intensifying cyclones, and placing the industrial city of Kakinada at greater risk.
8. The complainants acknowledge that the felling of the mangroves did not occur as an activity under the Coastal Climate Resilience Project, and that neither the UNDP nor the GCF were involved. They claim, instead, that the felling of the mangrove area threatens the achievement of the objectives under the Coastal Climate Resilience Project, is “against protecting [the] environment and safeguarding the ecological balance” and should have been prevented.
9. When the complaint was received by SECU, it was unclear whether the felling occurred within the project’s area of influence<sup>2</sup> and should have received attention by the UNDP Country Office (CO).
10. The Feasibility Study for the Coastal Climate Resilience Project describes that the *CWS and surrounding communities* targeted landscape area for Output 1 and 2 is 135,700 hectares in size and includes 82,799 people.<sup>3</sup> According to official government-gazetted maps, the CWS is only 23,570.29 hectares - less than one fifth of this area. The Feasibility Study and hectare calculations reflect that, when the project was designed, it was anticipated that project activities would occur both in the CWS and in the 112,120.71 hectares surrounding the CWS. Maps that were developed during project preparation did not indicate the boundaries of the “surrounding communities” under this targeted landscape.
11. While indicating to SECU that the felling was not within the *CWS and surrounding community* targeted area for Outputs 1 and 2, the CO also emphasized that the precise locations and beneficiaries of each intervention in the targeted landscapes would be

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<sup>2</sup> The project area of influence includes not only the defined project area, but related areas, as follows: A project’s area of influence is defined in the SES and in the SESP guidance as: “A Project’s area of influence encompasses (i) the primary Project site(s) and related facilities (e.g., access roads, pipelines, canals, disposal areas), (ii) associated facilities that are not funded as part of the project but whose viability and existence depend on the Project (e.g., transmission line to connect UNDP-supported hydropower facility), (iii) areas and communities potentially affected by cumulative impacts from the Project or from other relevant past, present and reasonably foreseeable developments in the geographic area (e.g., reduction of water flow in a watershed due to multiple withdrawals), and (iv) areas and communities potentially affected by induced impacts from unplanned but predictable developments or activities caused by the Project, which may occur later or at a different location (e.g. facilitation of settlements, illegal logging, agricultural activities by new roads in intact forest areas).”

<sup>3</sup> Enhancing climate resilience of India’s coastal communities Feasibility Study, February 2017. Available at: <https://www.gcfprojects-undp.org/tp/project/5991>



identified in implementation year 1 (which had been delayed due to the Covid-19 pandemic, travel restrictions, and project financial arrangements).

12. The project area for Output 3 more clearly appeared to include the site of the fellings, given that the Output includes work in the “Smart City” of Kakinada in Andhra Pradesh. In four coastal Smart Cities, including Kakinada, the funding proposal explained that the Coastal Climate Resilience Project will work with these cities “to develop climate change adaptation plans that harness ecological infrastructure to combat sea-level rise and intensified storm surges, promoting safety of lives, livelihoods and property, and smooth functioning of drainage, irrigation and drinking water systems.”<sup>4</sup>
13. In declaring the complaint eligible for a compliance review, SECU determined that the complaint raised actual or potential issues relating to UNDP’s compliance with requirements under the Social and Environmental Standards (SES) and Social and Environmental Screening Procedure (SESP), including those relating to (1) screening and application of SES project-level standards, particularly Standard 2: Climate Change Mitigation and Adaptation, and (2) consultation with potentially affected communities.<sup>5</sup>

#### *Screening and Application of SES Project-Level Standards*

14. UNDP Guidance on the SESP explains that screening should identify potential direct and indirect impacts to communities and the environment in the project’s area of influence (which includes the project site).<sup>6</sup>
15. The SESP, which was completed and signed on 24 March 2017, includes screening questions to assist UNDP COs in identifying these risks. Most questions are about how proposed *project measures might adversely impact* communities and the environment. However, at least one screening question – relating to climate change – asks whether there are climate-related risks and impacts posed *to the project*. More specifically, this screening question is as follows, “Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?”

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<sup>4</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.36.

<sup>5</sup> SECU’s eligibility determination is publicly available on its Case Registry: [https://secu.info.undp.org/sites/g/files/zskgke461/files/sites/registry/secu/SECU\\_Documents/SECU0014\\_%20Eligibility%20Determination\\_Final7d1398a4c104412397f3883f9d403d29.pdf](https://secu.info.undp.org/sites/g/files/zskgke461/files/sites/registry/secu/SECU_Documents/SECU0014_%20Eligibility%20Determination_Final7d1398a4c104412397f3883f9d403d29.pdf). SECU concluded that the three criteria for eligibility were met, and details of this assessment are set out in the eligibility determination.

<sup>6</sup> UNDP Guidance on the Social and Environmental Screening Procedure (SESP) explains that “Screening for potential adverse social and environmental risks and impacts encompasses all activities outlined in the Project documentation and includes review of potential direct and indirect impacts in the Project’s area of influence.” (UNDP Social and Environmental Screening Procedure (SESP), March 2016, at page 15). See, also, footnote 3.

16. If risks posed by climate change to the project are significant, the UNDP is required, pursuant to Standard 2: Climate Change Mitigation and Adaptation, to not only identify but also seek to mitigate these threats.<sup>7</sup>
17. The UNDP CO answered “yes” to the question in the SESP regarding whether project outcomes were vulnerable to climate change but did not identify specific climate change threats or acknowledge that development activities that *increase* the project’s vulnerability to climate change – including development activities that reduce mangroves as natural buffers to these threats – would be a concern.
18. SECU notes that the mangrove fellings at issue had *not* yet occurred at the time of the original screening. It also does not appear that any information about the possible mangrove felling for the housing development would have been available at the time of the original screening because the welfare programme under which the housing development falls was first introduced by the current Chief Minister of Andhra Pradesh ahead of the 2019 assembly elections.<sup>8</sup>
19. However, despite the lack of information about the housing development plans at the time of the original screening, subsequent housing plans and fellings in the project area of influence would have created a change in project context that could have changed the Project’s risk profile and prompted revisions to the SESP. That is, the SES/SESP indicate that “changes in the Project context that alter the Project’s risk profile” should prompt revisions to the SESP, a review by the Project Board or a subsequent Project Appraisal Committee (PAC) process, and an update of the Project Risk Log.<sup>9</sup> Examples of changes in project context that alter the risk profile of a project are provided in SES guidance, and include “armed conflict, mass migration, natural disaster, or discovery of previously unrecognized or undocumented cultural or natural heritage in the project-affected area”. The UNDP CO at some point after the original screening became aware of the housing development plan and the fellings. SECU was not provided evidence that the UNDP CO considered how this plan and fellings might increase project vulnerability to climate change.

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<sup>7</sup> SES Standard 2: Climate Change Mitigation and Adaptation, “Climate change risk assessment: As an integral part of the social and environmental assessment process, UNDP will ensure that proposed activities are screened and assessed for **climate change-related risks** and impacts of and **to Projects**. (emphasis added) If significant potential risks are identified, further scoping and assessment of vulnerability, potential impacts, and avoidance and mitigation measures, including consideration of alternatives to reduce potential risks, will be required.”

<sup>8</sup> <https://en.wikipedia.org/wiki/Navaratnalu>.

<sup>9</sup> Examples of a change in project context are given as follows in a footnote in the Guidance Note, “For example, armed conflict, mass migration, natural disaster, or discovery of previously unrecognized or undocumented cultural or natural heritage in the project-affected area.” UNDP Guidance on the SESP, March 2016, page 8 (Footnote 5).

## *Consultation with Potentially Affected Communities*

20. The UNDP CO also has duties under the SES to engage in “meaningful, effective, and informed participation of stakeholders in the formulation and implementation of UNDP Programmes and Projects.”<sup>10</sup> The approach to engagement must be articulated in *Stakeholder engagement plans*, which must be developed “for all Programmes and Projects.” These plans should be scaled to reflect the nature of the activity and its potential impacts.<sup>11</sup>
21. UNDP Guidance on Stakeholder Engagement explains that stakeholder analysis must be initiated early to make sure key groups are involved in the project planning process. It acknowledges that the full scope of project activities and stakeholders may not be available at this early point, but indicates that, as a result, the initial list of stakeholders should be “expansive” so as not to exclude relevant groups. The guidance emphasizes the need for stakeholder identification to be “as specific as possible” noting, “Use of overly general categories – such as “local communities,” “CSOs,” “indigenous peoples groups” – should be avoided, as they tend to communicate a lack of outreach and engagement.”<sup>12</sup>
22. As to the level of engagement, the SES guidance explains that stakeholder engagement should “empower stakeholders, particularly marginalized groups, and enable the incorporation of all relevant views of affected people and other stakeholders into decision making processes, such as Project goals and design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.”<sup>13</sup>
23. The Stakeholder Engagement Plan included in the Prodoc lists “local communities” “women’s organizations” “village organizations,” and the like, as stakeholders, with no additional detail. It does not indicate more specifically who would be consulted and when consultations would occur.<sup>14</sup>

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<sup>10</sup> 2015 SES, at page 51.

<sup>11</sup> 2015 SES, Policy Delivery Process and Accountability, pages 51-52.

<sup>12</sup> UNDP’s Guidance Note on Stakeholder Engagement (page 22) states, “The stakeholder analysis needs to be initiated early in order to identify key stakeholder groups and individuals to be involved in the project planning process. Since the full scope of project activities and potential stakeholders are not yet defined at this stage, an initial list of stakeholders – encompassing government, civil society, and, where relevant, the private sector – should be generated, relying on a desk review and expert input from the country focal points as well as governmental and civil society groups. Special care must be taken at this stage to ensure that the stakeholder identification exercise is an expansive one so that relevant groups are not inadvertently excluded. *To emphasize: Stakeholder identification should be as specific as possible. Use of overly general categories – such as “local communities,” “CSOs,” “indigenous peoples groups” – should be avoided, as they tend to communicate a lack of outreach and engagement.*”

<sup>13</sup> Ibid, at page 10.

<sup>14</sup> Prodoc, page 18.

24. Consultations for the project took place, including with some communities in Andhra Pradesh (including in Kakinada),<sup>15</sup> prior to project approval, but the nature of the discussions at this time with communities were broad and did not clearly address specific project activities.
25. As part of the public comment period on the draft Terms of Reference (TOR) for this investigation, SECU received a communication from the organization Scientists for People, requesting that SECU include in its compliance review an investigation of a similar destruction of mangroves in the nearby Kumbhabehishekam mud flat. Similar to the housing development, there is no allegation that the destruction of mangroves at this site occurred as an activity under the Coastal Climate Resilience Project. However, as with the housing development, the mud flat site is in Kakinada and located near to the CWS (1.8km). The communication from Scientists for People stated that this mud flat is an important site for migratory birds, including endangered species, and that all the species of migratory shore birds of the CWS visit the mud flat. Given the close proximity of the Kumbhabehishekam mud flat to the CWS, its location within Kakinada, and the similarity of the issues and concerns to the original complaint, SECU determined it appropriate to include this site within the scope of its compliance review.
26. In parallel to SECU's investigation, applications were also filed with the National Green Tribunal (NGT) challenging the lawfulness of the mangrove felling in preparation for the housing development and the mangrove felling that occurred at the Kumbhabehishekam mud flat. While the two processes (SECU's investigation and the NGT applications) are entirely distinct, and the questions posed before the tribunal are different in scope to those that SECU has considered, these applications are useful in the context of SECU's investigation because of the various facts that were established by the tribunal and the importance of the outcomes of these applications, which have a bearing on the Coastal Climate Resilience Project. In relation to both applications, there have been directives issued by the NGT to restore the mangrove cover.
27. During its field visit to India in April 2022, SECU met with local communities living in Dummulapeta and Parlovpeta, which are community settlements located directly adjacent to the mangrove area that was felled for the housing development site. It was clear to SECU from these visits and the first-hand accounts shared that the impact of the fellings had been profound.<sup>16</sup> First-hand accounts of the impacts include, amongst

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<sup>15</sup> The locations for the five community meetings that took place in Andhra Pradesh are listed as "Nellore", "East Godavari District", "Krishna wildlife Sanctuary", "Visakhapatnam", and "Kakinada". The minutes for these meetings are not included in the stakeholder consultations document provided by the Country Office. The stakeholder consultations document explains that the focus of these community meetings at this time was "on local people's perception of climate change, its impact on their lives, [and] the adaptation measures undertaken by the farmers and the communities".

<sup>16</sup> The NGT case, referred to in more detail in later paragraphs of this report, speaks to the ecological services provided by mangrove coverage and the impacts associated with the removal of this ecological service. The impacts of the mangrove destruction have also been widely reported in the media. For example, see:

others, unprecedented levels of flooding in the streets; rise in water levels and the accumulation of stagnant water, which increases the presence of bacteria and heightens the risk of disease; loss of ability to conduct small-scale fishing in the creeks, leading to loss of income and subsistence support; and social changes occasioned by the disruption to traditional fishing activities and the need to seek work opportunities outside of these communities. These impacts have been reported in the media. A technical study was not commissioned as SECU did not feel that a technical study was necessary since SECU's mandate is not to assess damages given the clear fact that the UNDP was not involved in the felling.

28. After a full review of the evidence, SECU offers the following findings and recommendations in relation to UNDP's obligations under the SES and SESP:

*Finding 1: The UNDP CO assessed some but not all risks in a manner consistent with SES and SESP requirements*

29. SECU determines that the UNDP CO, in screening for risks in the "CWS and surrounding communities" targeted landscape for Output 1 and 2, and in Kakinada for Output 3, should have, but did not, identify specific climate change risks to project outcomes, including the climate change risks posed by other development activities in the project's area of influence.
30. While the precise locations for project activities for Output 1 and 2 had not been determined at the time of the fellings, the designation of the "CWS and surrounding communities" as a targeted landscape, and the description of it as an area more than five times the size of the CWS with a population of 82,799 people, created an expectation that (1) the area and communities surrounding the CWS would benefit from the project and become more climate resilient, and (2) efforts would be made to understand the relationship of activities in close proximity to the CWS to project objectives.
31. Furthermore, SECU finds that the felled areas are located within the project site for Output 3 activities, as they occurred in Kakinada, a coastal city which was specifically earmarked for project activities under that Output. Since Output 3 involves the development of adaptation plans that are supposed to harness ecological infrastructure, the existence of, and/or threats to, ecological infrastructure—including mangroves—is highly relevant. As such, the felled areas are in the project's area of influence, which includes the primary project site(s).

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<https://www.thenewsminute.com/article/dire-impact-removing-mangroves-andhra-govt-housing-scheme-124722>  
<https://www.sociologygroup.com/kakinada-mangrove-forest-issue/>  
<https://www.thehansindia.com/andhra-pradesh/ngt-directs-andhra-pradesh-government-to-pay-rs-5-cr-for-damage-to-mangroves-769318>

32. Having answered “yes” in the SESP to the question about whether project outcomes were vulnerable to climate change, the UNDP CO should have sought, per the SES, to “ensure that the status and adequacy of relevant climatic information is identified” and should have undertaken a climate change risk assessment to identify potential risks, and risk avoidance and mitigation measures.<sup>17</sup>
33. Had the CO done this assessment, the CO should have been prompted to consider ways development activities in the project area of influence could increase these climate change threats, i.e., identify and address ways development activities, such as the housing development, in the project area of influence could reduce mangroves as natural buffers to climate-related threats to project outcomes.
34. In this situation, it would have been appropriate for the CO to attempt to identify and address the government’s competing priorities in this area, e.g., to attempt to identify the government’s priority to raze mangroves for other development, and then attempt to address ways this competed with the priority to build climate resilience and/or its plans to rely on existing resilience in developing an adaptation plan for Kakinada.<sup>18</sup>
35. SECU notes that the vastness of the targeted landscapes and the “ridge-to-reef” design posed a challenge to being practically able to identify all heightened threats of climate change. Moreover, SECU acknowledges that there was not information available about the fellings at the time of the original screening to inform a fuller assessment.
36. However, once the fellings occurred after the original screening, it created changes in the Project context that likely altered the Project’s risk profile. These changes, known to the CO, should have prompted a revision to the SESP at that time. The SES Guidance provides examples of analogous situations that result in a change of context, and which should prompt a revision to the SESP. In the same way that a natural disaster, which is an example used in the SES Guidance, would increase vulnerabilities and social tensions in a project area and make the operating context more challenging,<sup>19</sup> so too would an

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<sup>17</sup> 2015 SES, page 21.

<sup>18</sup> SECU notes another concern which is less important to the findings of this review given the timing of the fellings, but nevertheless deserves mention in this report. The UNDP CO and the project documentation indicated that since the precise location for project activities would be determined during project implementation, more comprehensive assessments and stakeholder consultation would be undertaken during the implementation phase. This delay of assessments is discouraged by UNDP Guidance, which affirms that the default position is to ensure that activities are identified and an assessment of the impacts associated with those activities are carried out before project approval (UNDP Guidance on SES Assessment and Management, at page 9).

<sup>19</sup> The mangrove felling resulted in changes to the project’s risk profile in the sense that this targeted landscape (the Coringa Wildlife Sanctuary and surrounding communities) is now more vulnerable to climate change impacts with the removal of the ecological barrier previously offered by the felled mangroves. This increases climate change risk to project outcomes. The felling has also resulted in increased vulnerability of communities and wildlife that depended on the mangroves, which results in increased pressure on the rest of the landscape, and could increase social tensions amongst communities members who receive benefits under the project and those that don’t.

increase in vulnerability to climate change from the removal of a natural buffer (mangrove coverage).

37. The updated SESP referred to the complaint submitted to SECU as a risk to the Coastal Climate Resilience Project. The right of communities to raise a concern about how a UNDP project might impact their environment or human rights is a right enshrined in UNDP policies and SECU's compliance process, which is a fully mandated oversight function. In adopting the policies and process, UNDP has determined that any possible risks posed to projects by the complaint process are outweighed by UNDP's need to ensure the protection of community rights and the environment.

#### Recommendation 1

38. The UNDP CO should update the SESP to acknowledge that the project could face heightened exposure to climate change-related impacts due to the mangrove fellings in the project area of influence, and that this heightened exposure could challenge accomplishment of the ecological and social objectives of the Coastal Climate Resilience Project. This acknowledgment should, in turn, prompt an assessment of opportunities to mitigate the impact of these fellings with due regard for the factual findings of SECU's investigation and the NGT findings and decisions.<sup>20</sup> Updates to the SESP should occur on a regular basis in response to changes in project context.
39. The UNDP CO should revise the SESP to remove reference to the complaint and SECU's investigation as a risk to project success.
40. SECU notes the institution's frequent use of the "ridge to reef" approach, which can result in vast project areas, as is the case in the Coastal Climate Resilience Project. The vastness of a project area can pose significant challenges to securing community rights in compliance with the SES. The UNDP should consider issuing a Guidance Note on the application of the SES in ridge to reef projects, so that clearer expectations can be set on the scope of required assessments in such projects.

#### *Finding 2: The UNDP CO did not engage in meaningful, effective and informed consultation processes as required by the SES*

41. The documents that were made available to SECU as proof of stakeholder consultations evidence that consultations were held in the run up to the submission of the project proposal to the GCF, but the minutes of community consultation do not evidence compliance with the SES requirement to empower stakeholders and incorporate their

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<sup>20</sup> UNDP Guidance on the SESP (page 11) explains that the first step in conducting a risk assessment is to gather and review all available information relevant to the Project's social and environmental aspects including "existing gender, human rights, social, environmental studies; applicable legal and regulatory framework; input from stakeholder engagement activities; relevant reports of UN or other agencies, such as Universal Periodic Reviews".

views in decision making processes around project goals and design, and the sharing of development benefits and opportunities.

42. All of the consultation documents shared with SECU by the CO are from 2016, with no evidence that consultations have taken place in Andhra Pradesh since the design phase,<sup>21</sup> apart from the 2019 overall project inception workshop and another inception workshop held in November 2022 which, according to the CO, included “district level officers of line departments and other stakeholders”. At this point these meetings would have taken place over six years ago (apart from the inception workshops), raising questions about how relevant these consultations would be in today’s context, particularly given the change in context that has occurred and the impact of that change in context on communities.
43. The Stakeholder Engagement Plan prepared during project design notes that “Given the geographical scale of this project, extensive stakeholder engagement will be required in order to determine – at a fine scale – the precise location and nature of each intervention in the target landscapes, as well as the individuals, households and organizations to be involved. As a result, and in accordance with the thorough method of site selection, a participatory approach will be used **during the first phase of project implementation (Year 1).**”<sup>22</sup>
44. The Stakeholder Engagement Plan then proceeds to outline the stakeholders that will be engaged with very little specificity. The plan identifies “NGOs/CBOs”, “Local communities”, “Women’s Organisations in villages” and “Village Organisations” as key stakeholders, in addition to various national and state government departments.
45. SECU finds that very little meaningful stakeholder engagement with local communities has taken place to date, at least in relation to Andhra Pradesh. The stakeholder mapping that was done for the Stakeholder Engagement Plan is insufficient and evidences a lack of outreach and engagement. SECU finds that the SES required more meaningful, effective and informed consultations in the design phase with civil society actors and local communities, who are crucial partners for advancing human rights-based development.

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<sup>21</sup> When asked by SECU to share records of consultations that have taken place in Andhra Pradesh since 2016, the CO responded indicating that what they had shared already (the record of stakeholder consultations that took place in the design phase of the project) was the only available record of stakeholder consultations.

<sup>22</sup> The Prodoc was signed on 17 September 2019. However, the Prodoc recorded that letters of agreement would need to be signed with the relevant forestry departments in each of the three target states as these state departments are best placed to coordinate the project activities on the ground. As explained in this report, the letter of agreement with the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh was only signed on 9 September 2022. When questioned about the delay in implementing project activities, the CO explained to SECU that this delay was as a result of the Covid-19 pandemic and national challenges relating to modalities for transferring funds.



## Recommendation 2

46. It has been six years between the design phase consultations and implementation of the project, at least in relation to Andhra Pradesh (in large part due to the Covid-19 pandemic). Satisfying the SES requirement to empower stakeholders, particularly marginalized groups, and enable the incorporation of all relevant views of affected people and other stakeholders into decision making processes, will require additional consultations to determine and address current needs and the change in context that has occurred and the impact of that change on communities.
47. The UNDP CO should urgently update the Stakeholder Engagement Plan and map the stakeholders in Andhra Pradesh who are to be engaged with to determine, at a fine scale, the precise location and nature of each intervention in the CWS and surrounding communities. Local communities and NGOs in each of the project's targeted landscapes should be consulted. Stakeholder input and concerns should feed into project activities, and records of consultations should explain how stakeholder concerns have been addressed.
48. For future projects, clearer processes for consultations should be established in the design phase. Even in situations where comprehensive consultations cannot take place until the implementation phase, where and how stakeholder consultations will be conducted should be clearer, and more should be done to identify appropriate stakeholder groups with more specificity.

## II. FACTUAL OVERVIEW

### The Complaint

49. On 14 July 2020 the Independent Redress Mechanism (IRM) of the Green Climate Fund (GCF) referred a complaint it had received to the Social and Environmental Compliance Unit (SECU) of the United Nations Development Programme (UNDP). The complaint related to the GCF-funded, UNDP-implemented project “Enhancing Climate Resilience of India’s Coastal Communities” [hereinafter the “Coastal Climate Resilience Project” (FP084)].<sup>23</sup> The project is the result of a successful funding proposal submitted by the UNDP to the GCF, and the UNDP is the GCF-Accredited Entity in charge of its implementation. The funding proposal states that the project’s sustainability is enhanced through the application of UNDP’s Social and Environmental Standards, and access by stakeholders to SECU, UNDP’s Independent Accountability Mechanism.<sup>24</sup>
50. The Coastal Climate Resilience Project is intended to support the Government of India to enhance the resilience of vulnerable coastal communities to climate change through ecosystem-based adaptation. The project targets the coastal areas of three states in India: Andhra Pradesh, Maharashtra and Odisha. At the center of the project’s ecosystem-based approach is the conservation and restoration of mangrove forests; these forests play fundamental roles as protective barriers to extreme weather events and as nursery habitats for fish and wildlife that are central to the livelihoods of local communities.
51. The complainants are communities represented by the Democratic Traditional Fishers Workers Forum (DTFWF) in association with Fridays for Future Andhra Pradesh (FFF AP). They allege that the destruction of a mangrove area in Kakinada by the State Government of Andhra Pradesh for the development of a housing project is leading to a total loss of livelihoods for fishing communities that depended on this mangrove area.
52. The complainants add that the destruction of the mangrove area will not only render the fishing communities more vulnerable to intensifying cyclones, but also place the industrial city of Kakinada at greater risk.
53. It is common ground, and undisputed, that the mangrove area was not felled as part of the activities under the Coastal Climate Resilience Project. As such, it was not immediately clear to SECU how the complaint relates to the Coastal Climate Resilience Project and the UNDP. The complainants allege that “these acts [of mangrove felling] are against protecting environment and safeguarding the ecological balance which are the main concerns for Green Climate Fund.”

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<sup>23</sup> <https://open.undp.org/projects/00097042> and <https://www.greenclimate.fund/project/fp084>.

<sup>24</sup> UNDP India, Enhancing Climate Resilience of India’s Coastal Communities Prodoc, 17 September 2019, p.56.

54. After further consideration and analysis, SECU understood that the essence of the complaint is that the destruction of the mangrove area by the State Government of Andhra Pradesh is inconsistent with – and threatens the achievement of – broader Coastal Climate Resilience Project goals to restore and conserve mangrove forests, and to harness the ecological infrastructure that they provide in the form of natural ecosystems to buffer against climate change risks, in the coastal region of Andhra Pradesh; the mangrove felling heightens threats posed by climate change to project outcomes and beneficiaries. As such, the complainants expected that the UNDP/GCF would take action to protect these mangroves. With regards to UNDP’s compliance with its social and environmental commitments, the complaint impliedly raised several possible concerns. The complaint impliedly raised a question about whether the felling had occurred within the project’s area of influence.<sup>25</sup> Such a determination influences application of requirements under the Social and Environmental Standards (SES) and Social and Environmental Screening Procedure (SESP), including those related to screening/due diligence, application of SES project-level standards such as Standard 2: Climate Change Mitigation and Adaptation, and consultation with potentially affected communities.
55. Kakinada, the city in which the destruction of the mangrove area occurred, is in Andhra Pradesh, one of the three targeted coastal states under the Coastal Climate Resilience Project. The funding proposal for the Coastal Climate Resilience Project explains that 24 target landscapes in the three states were selected for investments in ecosystem restoration and climate-adaptive livelihood activities. One of the selected 24 landscapes is the “Coringa Wildlife Sanctuary and surrounding communities”. The destroyed mangrove area that is the subject of the complaint is in very close proximity to the Coringa Wildlife Sanctuary (CWS).
56. Kakinada is also one of four coastal cities identified in the Funding Proposal and Prodoc under the third project output, “Strengthened governance and institutional framework for climate-resilient management of coastal areas”. In relation to this output, the funding proposal notes that “The project will work in the four coastal Smart Cities in the three target States (Kalyan in Maharashtra; **Kakinada** and Visakhapatnam in Andhra Pradesh; and Bhubaneswar in Odisha) to develop **climate change adaptation plans that harness ecological infrastructure** to combat sea-level rise and intensified storm surges, promoting safety of lives, livelihoods and property, and smooth functioning of drainage,

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<sup>25</sup> The SESP Screening Procedure defines a project’s area of influence as “A project’s area of influence encompasses (i) the primary project site(s) and related facilities (e.g. access roads, pipelines, canals, disposal areas), (ii) associated facilities that are not funded as part of the project but whose viability and existence depend on the project (e.g. transmission line to connect UNDP-supported hydropower facility), (iii) areas and communities potentially affected by cumulative impacts from the project or from other relevant past, present and reasonably foreseeable developments in the geographic area (e.g. reduction of water flow in a watershed due to multiple withdrawals), and (iv) areas and communities potentially affected by induced impacts from unplanned but predictable developments or activities caused by the project, which may occur later or at a different location (e.g. facilitation of settlements, illegal logging, agricultural activities by new roads in intact forest areas).”

irrigation and drinking water systems.”<sup>26</sup> (Own emphasis). A specific project activity listed is “Developing ecosystem-based adaptation plans for four coastal Smart Cities (Kalyan in Maharashtra; **Kakinada** and Visakhapatnam in Andhra Pradesh; and Bhubaneswar in Odisha)”.<sup>27</sup> (Own emphasis).

57. Representatives from both the GCF and the UNDP conveyed to the IRM and to SECU that they were not aware of the felling of the mangroves for the development of the housing site. In its response to SECU’s initial request for information, the CO informed SECU that “During the Feasibility Study, stakeholder consultations, as well as the preliminary Baseline Study conducted in December 2019, no reference to the mangrove felling came up. It came to the notice of UNDP through published news items in The Hindu on 17th of May 2020.”
58. In considering the eligibility of this complaint for a SECU compliance review, SECU determined that it was possible the mangrove felling occurred within the project’s area of influence - either as an area that could have been identified for mangrove restoration or livelihood activities under Outputs 1 or 2 of the project because the targeted landscapes for these activities included the “Coringa Wildlife Sanctuary *and surrounding communities*” (own emphasis), and the destroyed mangrove area is in very close proximity to the CWS, or as an area that is in Kakinada and therefore part of the project site insofar as the project had committed, under Output 3, to developing an adaptation plan for Kakinada that would need to consider and assess available ecological infrastructure. As such, the UNDP had obligations under the SES or SESP in connection with this felling because the felling occurred within the project’s area of influence and the SES and SESP require the assessment of risks and impacts in the area of influence, including an assessment of climate change risks to the project. SECU also considered that even though the felling occurred after project approval, the destruction and impact on local livelihoods in the project area of influence possibly caused a change in context affecting the risk profile of the Coastal Climate Resilience Project and potentially triggered the need for a revision to the SESP. SECU accordingly declared the complaint eligible for a compliance review.

#### GCF / UNDP Relationship and Complaint Submission

59. The UNDP is accredited to partner with and implement projects that are funded by the GCF. The accreditation master agreement (AMA) between the GCF and UNDP sets out that “the Accredited Entity covenants that it shall at all times comply...with its **own rules, policies and procedures** that should enable it to comply with the Fund’s Standards, policies and procedures ...” (Own emphasis).

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<sup>26</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.36.

<sup>27</sup> Ibid.

60. The UNDP submits project proposals to the GCF for financing approval. The Coastal Climate Resilience Project was approved for financing by the GCF Board on 20 October 2018.
61. The project's signature and start date were before 31 December 2020. As such, the UNDP's 2015 SES apply (the revised SES came into effect on 1 January 2021).
62. The complainants first submitted their complaint to the GCF's Independent Redress Mechanism (IRM) in May 2020. In July 2020, the IRM declared the complaint ineligible because of its assessment that the felling of the mangroves for the housing development "did not occur within the FP084 project area, nor was the felling conducted by the Accredited Entity."<sup>28</sup>
63. SECU registered the complaint on 9 September 2020 and declared the complaint eligible for a compliance review on 14 January 2021 because the complaint satisfied all three criteria for eligibility under SECU's investigation guidelines. During SECU's eligibility assessment, SECU engaged extensively with the UNDP CO, which had not been engaged directly by the IRM. Based on its interactions with the UNDP CO, SECU found that it was initially unclear whether the felled mangrove area fell within part of the UNDP project area/area of influence.
64. While the UNDP CO advised SECU, in November 2020, that "[t]he felling of mangroves has not affected the project implementation to date, and is not expected to affect future implementation. For those reasons, we do not see the need for adjusting the design or implementation of the project", the CO, in subsequent correspondence to SECU in December 2021, advised that "we have initiated the process to revise the SESP to assess if there are potential risks emerging for this project related to this case".
65. The IRM reported to the GCF Board in February 2021 that it "is supportive of the handling of this complaint by SECU" and that "SECU's eligibility report is based on new information gathered by that mechanism from UNDP staff and the complainant(s) that was not available to the IRM at the time it made its eligibility determination."<sup>29</sup>
66. SECU has sought, through this compliance review, to better understand the scope of the Coastal Climate Resilience Project and the boundaries of the project area/area of influence to assess whether UNDP failed to comply with its obligations under the SES or SESP in connection with this felling, and/or whether any commitments under the SES or SESP are triggered by this felling and would need to be met in order to ensure that the project proceeds in an SES-compliant manner.

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<sup>28</sup> For more details, see: <https://irm.greenclimate.fund/case/c0004>

<sup>29</sup> Report on the activities of the Independent Redress Mechanism, available at: <https://irm.greenclimate.fund/sites/default/files/document/gcf-b28-inf05.pdf>.

## The Project

67. The Coastal Climate Resilience Project (Atlas Project ID: 00097042), had a signing date of 17 September 2019, and has a planned end date of 30 June 2025. The Project Document (Prodoc) identifies the management mode of the project as National Implementation Modality (NIM) with the Ministry of Environment, Forest and Climate Change as the Implementing Partner. The budget administered by UNDP includes \$43,418,606 of Green Climate Fund (GCF) funding, \$80,450,000 (cash) and \$6,400,000 (in kind) of Government of India funding.
68. The Coastal Climate Resilience Project targets the coastal areas of three states, Andhra Pradesh, Maharashtra and Odisha. These coastal areas are categorized as highly vulnerable to climate change. The livelihoods of the coastal populations in all three states are largely dependent on the ecological health of coastal ecosystems. Applying an ecosystem-centered and community-based approach, the project seeks to conserve and restore coastal ecosystems. The efforts are designed to establish a buffer to provide protection from climate change-induced impacts of extreme weather events, such as storm surges that cause coastal flooding and erosion. At the same time these efforts are designed to contribute to sustainable fishing and farming activities in support of local livelihoods and food security. Targeted beneficiaries of the project are the most vulnerable populations, including women and socially marginalized groups (legally categorized as scheduled castes and scheduled tribes),<sup>30</sup> because they suffer disproportionately from the onset of climate change.
69. At the center of the project's ecosystem-based approach is the conservation and restoration of mangrove forests given their fundamental role as protective barriers to extreme weather events and as nursery habitats for fish and wildlife that are central to the livelihoods of local communities. In addition, mangrove forests maintain coastal water quality and supply nutrients to adjacent seagrass communities and coral reefs.
70. The project has three outputs, with associated activities under each output:<sup>31</sup>
- a. Output 1: Enhanced resilience of coastal and marine ecosystems and their services
    1. Activity 1.1: Conducting vulnerability assessment of the coast to inform planning of ecosystem- and community-based adaptation interventions
    2. Activity 1.2: Community-based conservation and restoration of coastal ecosystems for increasing ecosystem resilience

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<sup>30</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.7, 46, 48, and 90.

<sup>31</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.9.

- b. Output 2: Climate adaptive livelihoods for enhanced resilience of vulnerable coastal communities
    - 1. Activity 2.1: Building climate resilient livelihoods and enterprises through value chains and strengthened access to markets
    - 2. Activity 2.2: Improving capacities of local communities on ecosystem-based adaptation and climate-resilient livelihoods
  - c. Output 3: Strengthened coastal and marine governance and institutional framework
    - 1. Activity 3.1: Network of institutions for enhanced climate resilience and integrated planning and governance in all coastal states
    - 2. Activity 3.2: Integrating ecosystem-centric approaches to climate change adaptation into public and private sector policies, plans and budgets, and scaling up finance for EbA
    - 3. Activity 3.3: Knowledge management for coastal resilience
71. Restoration and livelihood activities under Outputs 1 and 2 are planned to be undertaken in the 24 targeted landscapes which were identified in general terms at the project approval stage, with a fine scale assessment planned for the implementation phase to determine the precise location of project activities. For Output 3, the funding proposal specifically identified Kakinada as one of four coastal cities where project work would be undertaken, including the development of an ecosystem-based adaptation plan for Kakinada that would “harness ecological infrastructure to combat sea-level rise and intensified storm surges, promoting safety of lives, livelihoods and property, and smooth functioning of drainage, irrigation and drinking water systems”.<sup>32</sup>
72. According to the funding proposal, the project “builds on the successes of existing initiatives along India’s coast that promote climate change adaptation and/or ecosystem protection and restoration (particularly the UNDP Sindhudurg and EGREE projects) and draws strongly from the lessons learned through such initiatives.”<sup>33</sup> In relation to Andhra Pradesh in particular, the CO also highlighted the relationship between the EGREE project (a UNDP-Global Environmental Facility (GEF) project titled “Mainstreaming Coastal and Marine Diversity into Production Sectors in the East Godavari River Estuarine Ecosystems (EGREE), Andhra Pradesh”) and the Coastal Climate Resilience Project. The EGREE project’s focus area was the land and seascape surrounding the Coringa Wildlife Sanctuary in Andhra Pradesh and was completed in 2018. One of the EGREE project’s outcomes was the establishment of a joint committee for projects with a similar mandate or that cover a relatively similar landscape/seascape, which the CO’s communication, citing the UNDP-GEF project’s Terminal Evaluation, described as very practical, successful and efficient.<sup>34</sup>

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<sup>32</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.36.

<sup>33</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.86.

<sup>34</sup> CO response to SECU questions of 16 October 2020.

73. One of the learnings coming from the EGREE project, as described in the Terminal Evaluation, is that “it was noticed that there were weak coordination and conflicting perceptions of biodiversity protection and management among government departments at the district level. This should be addressed to ensure EGREE Foundation sustainability and enhance work efficiency at the district level.”<sup>35</sup>
74. The UNDP Prodoc for the Coastal Climate Resilience Project also identified institutional risks, such as “limited coordination among project stakeholders and weak political support for the project”, as concerns that may result in inefficient delivery of project outputs and reduced impact of project interventions.<sup>36</sup> The Prodoc’s Risk Log identifies limited coordination between government ministries, UNDP, and other stakeholders as having the potential to reduce the efficiency and effectiveness of project interventions. In order to address the risk, UNDP management stated that “strong institutional and implementation arrangements for the project’s management framework will ensure effective coordination and collaboration between project partners. Project management units at the national level as well as in each target state will facilitate constant dialogue between project partners and stakeholders. This will be complemented by UNDP’s role as executing agency responsible for project oversight.”<sup>37</sup>

#### Project Timeline

75. While the Coastal Climate Resilience Project was approved in 2018, implementation has been slow, particularly in the state of Andhra Pradesh.
76. The Funding Proposal notes that “In the three target states, the MoEFCC will sign a Letter of Agreement with each of the forest departments, who are best placed to coordinate activities at state level and on the ground in the 24 target landscapes, based on extensive experience with implementing donor-funded projects as well as national and state schemes and missions. These are: the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh; the Revenue and Forest Department in the state of Maharashtra; and the Forest and Environment Department in the state of Odisha.”<sup>38</sup>
77. While conducting its field visit in India in April 2022, SECU asked the UNDP CO whether a project office had been set up in the State of Andhra Pradesh. In response, CO

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<sup>35</sup> UNDP, GoAP, GOI, GEF, Terminal Evaluation, Final Report UNDP/GEF Project, Mainstreaming Coastal and Marine Biodiversity into Production Sectors in the East Godavari River Estuarine Ecosystem, Andhra Pradesh, July 2019, p. 8.

<sup>36</sup> UNDP/GCF Project Document, Enhancing Climate Resilience of India’s Coastal Communities, 17 September 2019, p. 13.

<sup>37</sup> UNDP, GCF, Enhancing Climate Resilience of India’s Coastal Communities, 17 September 2019, Annex K: UNDP Risk Log, p.81, para. 2.

<sup>38</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.68.



representatives indicated to SECU that the Letter of Agreement (LOA) with the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh had only recently been signed, and that no project office had been set up yet. At the time of SECU's visit to India, no funds had yet been transferred to Andhra Pradesh. The reasons given for the delay were Covid-19 challenges and national challenges relating to modalities for transferring funds to the states. Regarding the modalities for transferring of funds, SECU queried why this had resulted in a delay in Andhra Pradesh, and not in the other two states, and was advised by the CO that "the issue on fund flow was experienced in all three states" but that "the finalization and endorsement of the funding mechanism was delayed in the State of Andhra Pradesh, as there were frequent re-appointments of the "State Project Director" in the concerned department".<sup>39</sup>

78. In a follow up exchange between SECU and the CO in September 2022, the CO clarified that there were further delays and that the LOA between the UNDP and the Environment, Forests, Science and Technology Department was only finalized and signed on 9 September 2022.<sup>40</sup>

#### The Project Area, Screening and Application of SES Project-Level Standards

79. The Funding Proposal explains that 24 target landscapes were selected for investments in ecosystem restoration and climate-adaptive livelihoods through a country-driven, consultative and multi-criteria approach.<sup>41</sup> The feasibility study provides further details on this multi-criteria approach. Indicators and parameters to calculate climate change vulnerability and climate change exposure were used to prioritize certain coastal districts in the states of Andhra Pradesh, Maharashtra and Odisha.
80. Of the 34 landscapes identified in the feasibility study, 24 were selected.<sup>42</sup> The Funding Proposal explains that the "landscapes are typically clusters of villages within an area defined by socio geographical features, e.g. a coastal lake basin with surrounding farmlands. The average size of a landscape is 66,108 hectares (see table of sites as Annex 5 to the Feasibility Study – **24 of the 34 listed landscapes were selected**). Communities in these landscapes practice largely a combination of fishing and farming, and are directly dependent on surrounding natural ecosystems for their livelihoods. Wherever possible, the landscapes include the catchment area supplying freshwater to

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<sup>39</sup> Email from UNDP CO to SECU dated 21 September 2022.

<sup>40</sup> Email from UNDP CO to SECU dated 21 September 2022.

<sup>41</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.27.

<sup>42</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.54.

farmlands and estuaries, facilitating a **“ridge to reef” approach** to planning ecosystem-based adaptation measures across the landscape.”<sup>43</sup> (Own emphasis).

81. The 24 targeted landscapes that were selected are listed in the Funding Proposal. There are seven targeted landscapes in Andhra Pradesh, one of which is the *“Coringa Wildlife Sanctuary and surrounding communities”*. The Funding Proposal refers to an annexed map which is meant to show the locations of the 24 targeted landscapes, but there is no annexure in the publicly available Funding Proposal on the GCF website.<sup>44</sup> There are also no maps available on the UNDP’s public portal for this project.<sup>45</sup>
82. According to the Feasibility Study, the total area of the *CWS and surrounding communities* landscape is 135,700 ha, and the population size within it is 82,799 people.<sup>46</sup> Since the CWS itself represents less than one fifth of this area in terms of size, most of this targeted landscape area necessarily covers the surrounding areas and communities. The Feasibility Study indicates that the extent of mangrove restoration in this targeted landscape is 2,000 ha.<sup>47</sup>
83. Three maps were supplied to SECU (either directly or through the IRM/GCF) during this compliance review.
84. The first map was shared with the IRM/GCF by the UNDP’s Head of Climate Change Adaptation in 2020 and was generated after the submission of the complaint (map 1). This map identified the CWS and the boundaries of the “surrounding communities”. The felled area was specifically excluded in this map from the area intended to represent the “surrounding communities” component, despite the map including areas above, below, and next to the felled areas as part of the “surrounding communities”. SECU noted that this map had been generated after the submission of the complaint and requested from the CO copies of maps generated during project design. In response, the CO shared the names of the 24 target landscapes (as recorded in the funding proposal) and provided a map which did not indicate the boundaries of the surrounding communities (map 2, discussed in more detail below). Lastly, in response to SECU’s request for comments on its factual docket, the UNDP’s Head of Safeguards and Risk Management shared the maps annexure to the funding proposal (map 3). This annexure includes three small-scale maps, one for each targeted state. At this scale there is no specificity and there are no boundaries indicated for the surrounding communities component. Only the CWS is shown through an imprecise dot on the coastline.

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<sup>43</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.27.

<sup>44</sup> <https://www.greenclimate.fund/document/enhancing-climate-resilience-indias-coastal-communities>

<sup>45</sup> <https://open.undp.org/projects/00097042>

<sup>46</sup> Page 266 of the Feasibility Study.

<sup>47</sup> Page 266 of the Feasibility Study.

85. In relation to map 2 shared by the CO, the title of the map suggests that it indicates the boundaries of the entire landscape, the “Coringa Wildlife Sanctuary and surrounding communities (Landscape)”. However, the boundaries of this map match, with near precision, the official boundaries of the CWS as reflected on a map issued by the Ministry of Environment, Forest and Climate Change.<sup>48</sup> This official map was intended to notify the public of the boundaries of the eco-sensitive zones declared by the Ministry of Environment, Forest and Climate Change around Protected Areas, National Parks and Wildlife Sanctuaries, that act as shock absorbers for the protected areas and as transition zones from areas of high protection to areas involving lesser protection.<sup>49</sup> The official government map shows the boundaries of the CWS in blue and the boundaries of the broader Eco-Sensitive zone in pink. The Eco-Sensitive zone is relatively small in size (smaller than the CWS), extends predominately into the sea, and does not include any local communities.<sup>50</sup>
86. The maps below show the *CWS and surrounding communities*, as identified in map 2 shared by the CO, and the boundaries of the CWS outlined by the blue line as identified in the official government notification (right). The last image shows the boundaries of the CWS as outlined in the official government notification superposed onto the map from the CO at roughly the same scale. It is apparent from this map comparison that what the CO had shared as the boundaries of the “Coringa Wildlife Sanctuary **and** surrounding communities” (which should represent an area of 135,700 hectares as per the Feasibility Study) is only the CWS itself (not even including the broader eco-sensitive zone). The CWS on its own is only 23,570.29 hectares, which is less than one fifth of what the full targeted landscape area should be.

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<sup>48</sup> Ministry of Environment, Forest and Climate Change, Notification S.O. 3922(E) of 21<sup>st</sup> September 2021, available at: <https://egazette.nic.in/WriteReadData/2021/229958.pdf>

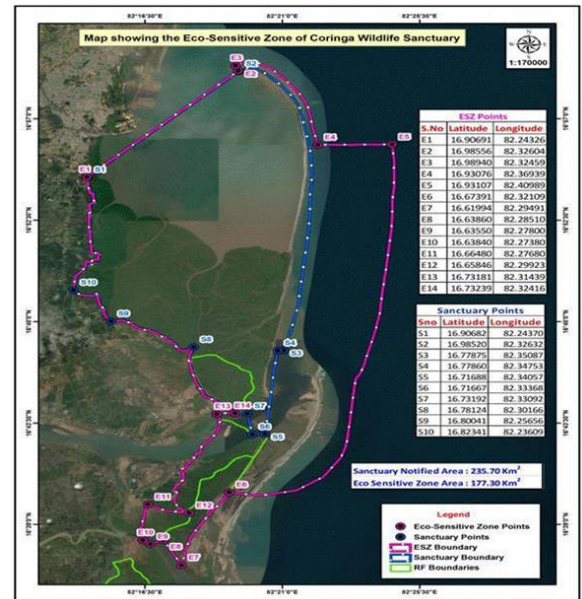
<sup>49</sup> Government of India, Ministry of Environment and Forests, “Guidelines for declaration of Eco-Sensitive zones around national parks and wildlife sanctuaries”, 2011, available at: [http://forestclearance.nic.in/writereaddata/Addinfo/0\\_0\\_1113121612211GuidelinesforESZ.pdf](http://forestclearance.nic.in/writereaddata/Addinfo/0_0_1113121612211GuidelinesforESZ.pdf)

<sup>50</sup> As described in the official map, the Eco-Sensitive Zone has an extension of “50 meters to 11.5 kilometers around the boundary of Coringa Wildlife Sanctuary” and “no villages are falling in the Eco-Sensitive Zone of Coringa Wildlife Sanctuary”.

Map from CO:



Map from notification 3922(E):



Map from notification 3922(E) superposed onto map from CO:



87. The Funding Proposal explains that “during the first few months of project implementation, information and analysis from existing studies – including the CVI [Coastal Vulnerability Index] and the Feasibility Study – will be complemented by a fine-scale assessment of the climate vulnerabilities of India’s coast, focusing on aspects that are not currently included in the available studies. In particular, it will integrate

measures of exposure, sensitivity and adaptive capacity to calculate a comprehensive vulnerability index **for the entire coastline**. This fine-scale assessment will serve two purposes, namely to: i) establish a methodology and baseline dataset for long-term monitoring and tracking of climate vulnerability along India's coast; and ii) inform community centric and **localized planning of ecosystem restoration** (see Activity 1.2) and climate-adaptive livelihoods (see Activities 2.1 and 2.2) under this GCF project. Undertaking this **assessment along the entire coast**, supported by co-finance from the MoEFCC, will also facilitate undertaking of similar EbA interventions in other states."<sup>51</sup> (Own emphasis). The Stakeholder Engagement Plan similarly explains that "Given the geographical scale of this project, extensive stakeholder engagement will be required in order to determine – at a fine scale – the precise location and nature of each intervention in the target landscapes, as well as the individuals, households and organizations to be involved. As a result, and in accordance with the thorough method of site selection, a participatory approach will be used during the first phase of project implementation (Year 1).<sup>52</sup> In Activity 1.2, this will involve participatory, community-based land-use planning of site-specific EbA measures for ecosystem conservation and restoration, based on site level analysis of vulnerability to climate impacts and adaptive capacity. Similarly, after in-depth consultation with the communities, livelihood interventions will be selected from the suite of 20 climate-resilient and diversified livelihood opportunities (identified in Section 7.6 of the Feasibility Study)." (Own emphasis).

88. Accordingly, the project area included the "Coringa Wildlife Sanctuary **and surrounding communities**" (own emphasis) and further studies were to be undertaken in the project area to determine precisely where project activities would take place. The inclusion of "surrounding communities" in the descriptor of this target landscape is significant because it evidences that these communities surrounding the CWS were assessed as being vulnerable to climate change and were to be prioritized under this project. The project is described as a "ridge-to-reef" project, taking a landscape approach, and it is clear from the Prodoc that the restoration activities were intended to benefit entire landscapes. The Funding Proposal claims that the project "is expected to result in strengthened adaptive capacity and reduced exposure to climate risks through reducing the exposure of 10 million people (direct and indirect beneficiaries) in the targeted landscapes."<sup>53</sup> In particular, the Funding Proposal claims that benefits will "accrue to the

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<sup>51</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.28.

<sup>52</sup> The Prodoc was signed on 17 September 2019. However, the Prodoc recorded that letters of agreement would need to be signed with the relevant forestry departments in each of the three target states as these state departments are best placed to coordinate the project activities on the ground. As explained in this report, the letter of agreement with the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh was only signed on 9 September 2022. When questioned about the delay in implementing project activities, the CO explained to SECU that this delay was as a result of the Covid-19 pandemic and national challenges relating to modalities for transferring funds.

<sup>53</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India's Coastal Communities, 28 November 2018. p.51.

total population of 10 million people in 24 target landscapes in the coastal zone in the three states, where GCF and co-financed investments will be made in maintaining or restoring ecological infrastructure, and also in developing ecosystem-compatible climate-resilient built infrastructure. These investments will result in shoreline protection and avoidance of damage to property and land, allowing communities to avoid the concomitant costs of reconstruction, and loss of income from interruption of economic activities.”<sup>54</sup>

89. While indicating that the fine tuning of the precise locations and beneficiaries of each intervention in the targeted landscapes would be done in implementation year 1 (which had been delayed due to the Covid pandemic, travel restrictions, and project financial arrangements), the CO also indicated to SECU that the felled area described in the complaint to SECU was not within the project target area. As indicated above, a map (map 1) that was generated after the submission of the complaint and was shared with the IRM/GCF (and subsequently with SECU) specifically excluded the felled areas despite including areas above, below, and next to the felled areas. The reason given for the exclusion was that the felled areas were urban areas, and therefore not part of the project landscape since “only the rural communities will be targeted”. However, other parts of what appear to be urban-Kakinada are included in the “surrounding communities” component of the map shared, and other urban areas are also included (Kajuluru, for example).<sup>55</sup> As indicated above, because this map was generated after the submission of the complaint and because the maps and other documentation available from the project design phase point to a situation where the identification of the specific sites and beneficiaries would be determined only after assessing climate vulnerabilities in the targeted landscapes, an assessment that had not yet occurred, SECU does not view this map, which excludes the felled site from the CWS and surrounding communities targeted landscape, as determinative of the selected sites for restoration and livelihood activities.
90. Furthermore, the Funding Proposal does not make this distinction between urban and rural areas and does not highlight that restoration activities will be conducted only in rural areas. The Prodoc and Funding Proposal indicate that Activity 1.2, community-based conservation and restoration activities, will be undertaken “based on the **analysis of vulnerability to climate change impacts and adaptive capacity** undertaken through Activity 1.1.”<sup>56</sup> (Own emphases). The Funding Proposal indicates further that the “districts within each state were selected based on the vulnerabilities of local communities and their livelihoods to climate change impacts. The populations of these districts are *largely* rural, and depend primarily on agriculture and fisheries for their

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<sup>54</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. p.62.

<sup>55</sup> 100% of the population in Kajuluru is urban. See: <https://www.censusindia2011.com/andhra-pradesh/east-godavari/kajuluru-population.html>.

<sup>56</sup> UNDP Prodoc, page 10.

livelihoods.”<sup>57</sup> (Own emphasis). The use of the term “largely” indicates that while initial assessments may have identified more rural areas than urban, no exclusion of urban areas was anticipated or built into the project.

91. During its field visit, SECU met with the Deputy Conservator of Forests within the Wildlife Management Division, Andhra Pradesh, who indicated that he had made a proposal under this project to restore 800 hectares within the boundaries of the CWS and 1000 ha outside of the CWS in the reserve forest area, with all 1800 ha being forest land under the control of the Forestry Department.
92. The Deputy Conservator, when questioned about the suitability of the felled area for restoration activities under the project, responded that the housing site was degraded land and under the control of the Revenue Department (“revenue land”).<sup>58</sup> The Deputy Conservator indicated to SECU that the State Forest Department is proposing that only land already under the control of the State Forest Department be restored under the project - to facilitate easy monitoring and control of the initiatives. According to the Deputy Conservator, the process for gaining control over revenue land would take too long, with the consultation of many different stakeholders required.
93. While the Deputy Conservator accordingly suggested that revenue land would not be considered for specific restoration activities under the Coastal Climate Resilience Project, these sentiments are at odds with the Environmental and Social Management Framework (ESMF) for the project which specifically recorded that “Restoration will be carried out on state-owned forest land **and revenue land**”.<sup>59</sup> (Own emphasis).
94. The Deputy Conservator’s remarks that the land that was cleared for the housing development site was “degraded” are also at odds with other evidence uncovered during SECU’s investigation, including satellite imagery of the area before the felling occurred, statements from community members who depended on the area for their livelihood, the area’s classification as land in the Coastal Regulation Zone IA, which is a classification given to areas which are ecologically sensitive and have geomorphologic features which play a role in maintaining the integrity of the coast, and the findings of the National Green Tribunal (dealt with in more detail below) describing the area as

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<sup>57</sup> Green Climate Fund, UNDP Funding Proposal - Enhancing Climate Resilience of India’s Coastal Communities, 28 November 2018. P.27.

<sup>58</sup> The Revenue Department has a long history in India, dating back to a time when land revenue was the major source of revenue for the country. Land governance in post-independent India is decentralized to the state level with the Revenue Department in each of the states as the main custodian of state land, although there are other departments (such as the Forestry Department) which also exercise overlapping jurisdiction over state land. The Chief Commissioner of Land Administration (CCLA) is the chief controlling authority for revenue administration in Andhra Pradesh. The term “revenue land” is used to describe land which is under the control of the Chief Commissioner of Land Administration in the Department of Revenue, Government of Andhra Pradesh.

<sup>59</sup> ESMF, page 24.

having a critical role to play in the protection of the coastal ecosystem from cyclones and monsoons.

95. According to the Deputy Conservator, while large scale planting is not possible within the CWS (due to the already thick mangrove cover), there are areas requiring enrichment planting and maintenance work, and funds should also be used for channeling activities to ensure that sea and creek channels do not become silted.
96. With reference to the statement in the ESMF that restoration activities would be carried out on both forest land and revenue land, SECU confirmed with the CO that there had not been a change in approach from the ESMF, that project activities could be carried out on revenue land, and that the UNDP's intention was not to limit restoration activities to land already controlled by the State Forest Department (forest land).
97. As such, upon reviewing the relevant documentation SECU finds there is a preponderance of evidence<sup>60</sup> that the felled area had not been specifically excluded during project design, and finds that further assessments could have earmarked the site for restoration or livelihood activities under the broadly identified "Coringa Wildlife Sanctuary and surrounding communities" targeted landscape. However, even if the area that was felled had been, or would subsequently be, excluded from restoration and livelihood activities, the felled area is still in the project site because it is in Kakinada, which was specifically earmarked for project activities under Output 3. Since Output 3 involves the development of adaptation plans that harness ecological infrastructure, the existence of, and/or threats to, ecological infrastructure (i.e. mangroves) is highly relevant. As such, the felled area is in the project's area of influence, which includes the primary project site(s), of which Kakinada is one such site.
98. UNDP Guidance on the Social and Environmental Screening Procedure (SESP) explains that screening should identify potential direct and indirect impacts to communities and the environment in the project's area of influence.<sup>61</sup>

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<sup>60</sup> As per paragraph 13 of SECU's Investigation Guidelines, 2017, "SECU uses the "preponderance of evidence" standard, which is an assessment of whether a fact is more likely to be true than not true, based on information available to and assessed by SECU."

<sup>61</sup> UNDP Guidance on the Social and Environmental Screening Procedure (SESP) explains that "Screening for potential adverse social and environmental risks and impacts encompasses all activities outlined in the Project documentation and includes review of potential direct and indirect impacts in the Project's area of influence." (UNDP Social and Environmental Screening Procedure (SESP), March 2016, at page 15). A project's area of influence is defined in the SES and in the SESP guidance as: "A Project's area of influence encompasses (i) the primary Project site(s) and related facilities (e.g., access roads, pipelines, canals, disposal areas), (ii) associated facilities that are not funded as part of the project but whose viability and existence depend on the Project (e.g., transmission line to connect UNDP-supported hydropower facility), (iii) areas and communities potentially affected by cumulative impacts from the Project or from other relevant past, present and reasonably foreseeable developments in the geographic area (e.g., reduction of water flow in a watershed due to multiple withdrawals), and (iv) areas and communities potentially affected by induced impacts from unplanned but predictable developments or activities



99. The SESP includes screening questions to assist UNDP COs in identifying these risks. Most questions are about how proposed *project measures might adversely impact* communities and the environment. However, at least one screening question – relating to climate change – asks whether there are climate-related risks and impacts posed to the project. More specifically, this screening question is as follows, “Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?”
100. If the UNDP CO determines that risks posed by climate change to the project could be significant, the UNDP is required, pursuant to Standard 2: Climate Change Mitigation and Adaptation, to not only identify but also seek to mitigate threats posed by climate change to the project.<sup>62</sup>
101. The CO responded ‘yes’ to this climate-related question, correctly identifying that the outcomes of the project are sensitive or vulnerable to climate change impacts.<sup>63</sup> In relation to the CWS and surrounding communities area, as well as Kakinada specifically, this should have prompted an identification of specific threats (such as those posed by housing or other developments necessitating the removal of existing mangroves/ecological infrastructure) and measures to mitigate those threats.
102. SECU notes that the mangrove fellings at issue had *not* yet occurred at the time of the original screening. And SECU does not know if plans for the housing development were publicly available at that time.
103. Even assuming, however, that the housing plans were not available at the time of the original screening, a subsequent housing plan and fellings in the project area of influence would have created a change in project context that could have changed the Project’s risk profile and prompted revisions to the SESP. That is, the SES/SESP indicate that “changes in the Project context that alter the Project’s risk profile” should prompt

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caused by the Project, which may occur later or at a different location (e.g. facilitation of settlements, illegal logging, agricultural activities by new roads in intact forest areas).”

<sup>62</sup> SES Standard 2: Climate Change Mitigation and Adaptation, “Climate change risk assessment: As an integral part of the social and environmental assessment process, UNDP will ensure that proposed activities are screened and assessed for **climate change-related risks** and impacts of and **to Projects**. (emphasis added) If significant potential risks are identified, further scoping and assessment of vulnerability, potential impacts, and avoidance and mitigation measures, including consideration of alternatives to reduce potential risks, will be required.”

<sup>63</sup> The Final SESP that was shared with the GCF as part of the funding proposal for this project was shared with SECU late in the fact gathering phase of this investigation. The CO had not shared this document following SECU’s initial request for it in 2020. The SESP available on the UNDP’s transparency portal (and still the only SESP on that public platform as at the date of this report – <https://open.undp.org/projects/00097042>), recorded a “no” to this climate related question and did not characterize each potential risk as low, moderate, or high risk. Nor did it specify the overall social and environmental risk category of the project. In response to SECU’s request for comments on its factual docket, SECU was advised that this publicly available SESP was not the final SESP submitted to the GCF by UNDP.

revisions to the SESP, a review by the Project Board or a subsequent Project Appraisal Committee (PAC) process, and an update of the Project Risk Log.<sup>64</sup> The UNDP CO at some point after the original screening became aware of the housing development plan and the fellings. SECU was not provided evidence that the UNDP CO considered how this plan and fellings might increase project vulnerability to climate change.

104. According to the SESP, the overall risk categorization for the project is moderate. Low risk projects do not require additional assessments. According to UNDP SESP Guidance, “when a Project is categorized as Moderate or High Risk, then some form of social and environmental assessment and management measures will be required to ensure compliance with the SES.”<sup>65</sup> According to the funding proposal, full social and environmental assessments were not performed before project approval but were planned for the implementation phase.<sup>66</sup> The funding proposal recorded that vulnerability assessments were to be conducted in each of the 24 targeted landscapes to inform the identification of project activities and project beneficiaries.
105. In addition to the SESP acknowledgement that the outcomes of the project are sensitive or vulnerable to climate change impacts, the Workplan and Progress document (secured through the UNDP intranet) described climate-related risks as follows, “Project activities may be affected by extreme weather events (cyclone, coastal storm surge, inundations, etc.)” and “Protocols will be regularly updated to enable adaptive management of sites. By identifying risks posed by climate-induced hazards, planners and implementers will be able to make provision for site-specific mitigation measures.”

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<sup>64</sup> Examples of a change in project context are given as follows in a footnote in the Guidance Note, “For example, armed conflict, mass migration, natural disaster, or discovery of previously unrecognized or undocumented cultural or natural heritage in the project-affected area.” UNDP Guidance on the SESP, March 2016, page 8 (Footnote 5).

<sup>65</sup> UNDP Guidance on the Social and Environmental Screening Procedure, 2016, at para 48. SECU notes that there is a degree of inconsistency in UNDP Guidance on the requirement for further social and environmental assessments in moderate risk projects. The 2015 SES states that “Moderate Risk Projects **may** require limited social and environmental assessment...” (at page 47) (Own emphasis). SES Guidance on assessment and management, Table 1, refers to limited situations in which moderate risk projects will not require further targeted assessment or an ESIA, and where an SESP will be considered sufficient assessment of social and environmental risks. This will only be the case when a project has “very limited impacts, well understood, circumscribed, easily avoided or mitigated”.

<sup>66</sup> The UNDP’s Guidance on SES Assessment and Management discourages the delay of assessments until the implementation phase. The Guidance affirms that the default position is to ensure that activities are identified, and an assessment of the impacts associated with those activities are carried out before project approval. Moreover, if fuller assessments are to be delayed, the Guidance is clear that those delayed assessments must be subjected to stakeholder consultation, and the results of those assessments, as well as the management plans developed to mitigate and manage social and environmental risks, must be incorporated into the Project Document and must be submitted to the Project Board for review and approval. In this way the SES ensures that even in situations where fuller assessments are delayed to project implementation, the results of those assessments are still transparently incorporated into project documentation and the review and approval of those assessments is not avoided (UNDP Guidance on SES Assessment and Management, at page 9 - 10).

## Consultation with Potentially Affected Communities

106. The UNDP CO also has duties under the SES to engage in “meaningful, effective, and informed participation of stakeholders in the formulation and implementation of UNDP Programmes and Projects.”<sup>67</sup> UNDP Guidance on Stakeholder Engagement explains that the process for identifying stakeholders “should occur during the social and environmental assessment process (for Moderate and High Risk projects)<sup>68</sup> whereby the project’s full social and geographical scope (e.g. “area of influence”) will be identified and provide a more comprehensive view of who may be affected – either directly by project components or indirectly by associated activities or potential cumulative impacts. At times this may involve groups far beyond planned project areas.”<sup>69</sup>
107. In identifying stakeholders through the preparation of a Stakeholder Engagement Plan, the SES Guidance emphasizes that “stakeholder identification should be as specific as possible. Use of overly general categories – such as “local communities”, “CSOs”, “indigenous peoples groups” – should be avoided, as they tend to communicate a lack of outreach and engagement”.<sup>70</sup> As to the level of engagement, the SES guidance explains that stakeholder engagement should “empower stakeholders, particularly marginalized groups, and enable the incorporation of all relevant views of affected people and other stakeholders into decision making processes, such as Project goals and design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.”<sup>71</sup>
108. The documents that were made available to SECU by the UNDP CO as proof of stakeholder consultations evidence that consultations were held in the run up to the submission of the project proposal to the GCF. The cover page to this set of documents indicates that “at least 20 village-level consultations were conducted with communities in selected target landscapes in each of the three states”, and a sample of minutes available for meetings conducted in four villages in Odisha are included.<sup>72</sup> These minutes evidence that communities were consulted on the climate change challenges that they face and gaps and opportunities that they foresaw. While this is a necessary first step in any consultation process, there is no evidence that communities were consulted on the specific goals and strategies of the project, or that communities were given the opportunity to express their views on the decision-making process. Sign-up sheets for consultation meetings with local NGOs and experts in Andhra Pradesh in October 2016

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<sup>67</sup> 2015 SES, at page 51.

<sup>68</sup> The SESP for the Coastal Climate Resilience Project designates the project as a moderate risk project.

<sup>69</sup> UNDP Guidance Note on Stakeholder Engagement, October 2017, at page 23 – 24.

<sup>70</sup> Ibid, at page 22.

<sup>71</sup> Ibid, at page 10.

<sup>72</sup> When asked by SECU to share copies of the minutes relating to the village-level consultation conducted with communities in Andhra Pradesh, the CO responded indicating that what they had provided already were the only records of stakeholder consultations in the design phase of the project (pre-2016) available to the CO.

are also provided, and while these evidence that meetings took place, there is no information provided on what was discussed at these meetings.<sup>73</sup>

109. Meeting minutes for a “district level consultation” in which the draft project proposal was discussed and feedback was facilitated only appeared to include government representatives and academics (no community representatives or NGOs). The set of documents shared by the CO also includes requests to government departments to submit project proposals for inclusion in the project. While this is positive in evidencing consultation between the UNDP and government counterparts, the lack of direct input from communities and civil society in the project design phase is of concern.
110. All of the consultation documents shared with SECU by the CO are from 2016 and it would appear that no consultations have taken place in Andhra Pradesh since the design phase,<sup>74</sup> apart from an inception workshop held in November 2022 which, according to the CO, included “district level officers of line departments and other stakeholders”. At this point these meetings (apart from the inception workshop) would have taken place over six years ago, raising questions about how relevant these consultations would be in today’s context.
111. The Stakeholder Engagement Plan notes that “Given the geographical scale of this project, **extensive stakeholder engagement will be required** in order to determine – at a fine scale – the precise location and nature of each intervention in the target landscapes, as well as the individuals, households and organizations to be involved. As a result, and in accordance with the thorough method of site selection, a participatory approach will be used **during the first phase of project implementation (Year 1)**.”<sup>75</sup> In Activity 1.2, this will involve participatory, community-based land-use planning of site-specific EbA measures for ecosystem conservation and restoration, based on site-level analysis of vulnerability to climate impacts and adaptive capacity. Similarly, after in-depth consultation with the communities, livelihood interventions will be selected from the suite of 20 climate-resilient and diversified livelihood opportunities (identified in Section 7.6 of the Feasibility Study). The suite of activities was selected based on what livelihoods are currently practised, the climate resilience of new activities, the potential

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<sup>73</sup> When asked by SECU to share copies of the minutes from these consultation meetings, the CO responded indicating that what they had provided already were the only records of stakeholder consultations in the design phase of the project (pre-2016) available to the CO.

<sup>74</sup> When asked by SECU to share records of consultations that have taken place in Andhra Pradesh since 2016, the CO responded indicating that what they had shared already (the record of stakeholder consultations that took place in the design phase of the project) was the only available record of stakeholder consultations.

<sup>75</sup> The Prodoc was signed on 17 September 2019. However, the Prodoc recorded that letters of agreement would need to be signed with the relevant forestry departments in each of the three target states as these state departments are best placed to coordinate the project activities on the ground. As explained in this report, the letter of agreement with the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh was only signed on 9 September 2022. When questioned about the delay in implementing project activities, the CO explained to SECU that this delay was as a result of the Covid-19 pandemic and national challenges relating to modalities for transferring funds.

markets for products, and the projected impacts of climate change in the target landscapes. Activity 2.1 will undertake participatory planning in villages to select the most appropriate activities for each community. Beneficiaries will be selected through Panchayati Raj Institutions, based on clear criteria in terms of households' current income generating activities and their vulnerability to climate change impacts." (Own emphasis).

112. The Stakeholder Engagement Plan then proceeds to outline the stakeholders that will be engaged with very little specificity. The plan identifies "NGOs/CBOs", "Local communities", "Women's Organisations in villages" and "Village Organisations" as key stakeholders, in addition to various national and state government departments.
113. UNDP SES Guidance on Stakeholder Engagement<sup>76</sup> emphasizes, in the context of the Stakeholder Engagement Plan, that "Stakeholder identification should be as specific as possible. Use of **overly general categories** – such as "local communities," "CSOs," "indigenous peoples groups" – should be avoided, as they tend to communicate a lack of outreach and engagement."<sup>77</sup> (Own emphasis).

#### The Impact of the Felling on Communities

114. During its field visit to India, SECU met with local communities living in Dummulapeta and Parlovpeta, which are community settlements located directly adjacent to the mangrove area that was felled.
115. According to local community representatives that SECU spoke with, both communities host approximately 4,000 families (3,000 in Dummulapeta and 1,000 in Parlovpeta) and were heavily reliant on the mangroves for traditional fishing in the ponds, lakes and surrounding areas. While this traditional fishing occurred year-round, it was particularly important for community livelihoods during the government mandated two-month closure of commercial fishing in the area from mid-April to mid-June to allow time for the repopulation of depleted fisheries. Both communities also emphasized the important role that the mangrove creeks used to play in harboring their boats. During cyclones or high tides, local fishermen would moor their boats in creeks, which would offer protection. The loss of safe mooring for small boats is one of the biggest impacts of the mangrove felling. Water that flows through the streams in the villages is also now stagnant, as a result of the mangrove creeks having dried up (which used to connect to the streams in the villages), and this has had a significant, detrimental impact on the quality of this water.

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<sup>76</sup> Available at:

[https://info.undp.org/sites/bpps/SES\\_Toolkit/SES%20Document%20Library/Social%20and%20Environmental%20Standards/UNDP%20SES%20Stakeholder%20Engagement%20GN\\_Oct2017.pdf](https://info.undp.org/sites/bpps/SES_Toolkit/SES%20Document%20Library/Social%20and%20Environmental%20Standards/UNDP%20SES%20Stakeholder%20Engagement%20GN_Oct2017.pdf).

<sup>77</sup> Ibid, at p. 22.

116. In Dummulapeta, SECU met with several local residents who explained the impact of the destruction of mangroves on their community in the following ways:

- a. As a result of the mangrove destruction, the community is now seeing unprecedented levels of flooding, with water coming into their streets and houses during high tides. These floods have forced the municipality to raise the roads, for which they have levied taxes. The rise in the water levels and the accumulation of stagnant water has resulted in the increased presence of bacteria and mosquitoes causing diseases like malaria, fevers, and rashes among the community. Local children have been particularly affected by allergies. Community members are also suffering from increased lung and skin problems and hair loss, that they attribute to the pollution in the water.
- b. In terms of livelihoods, the destruction of mangroves has made it impossible for fishermen to conduct small-scale fishing with handheld nets in the creeks. The inability to fish has resulted in the loss of a stable source of income of at least 200 rupees per day, in addition to the loss of subsistence support that was offered by this fishing. Local traditional fishers have turned to other sources of income such as construction work or have migrated to seek work elsewhere.
- c. In terms of biodiversity, the felling of the mangroves has led to the disappearance of fingerlings from different species such as tiger shrimps, and the disappearance of migrating birds from the area.
- d. Several women explained how the destruction of the mangroves and the subsequent disruption to traditional fishing activities has led them to lose their livelihoods selling the catch and has forced them to seek work elsewhere, predominantly in construction or domestic service. As a result of these changes, the care duties traditionally carried out by women are now done by elderly women.
- e. With regards to the housing project, local residents in Dummulapeta claimed that tests conducted in 2020 had shown the soil to be unfit for construction.

In Parlovpeta, local community members that SECU met with shared similar testimonies and explained the impact of the destruction of the mangroves on their community as follows:

- a. Several community members stated that they were now unable to fish and thus earn the 400 to 500 rupees that each family would make every day from fishing in the creeks, which is in addition to the loss of subsistence support that was offered by this fishing. The felling of the mangroves has led to the disappearance of certain species, especially fingerling prawns and shrimps, from the creeks and deep waters.
- b. The halting of fishing activities has changed working dynamics within families. With men unable to fish, women and girls are now the main breadwinners. They go to

urban areas to work in sales, as domestic help or manual labor. Many community members have had to migrate to other areas to find work. Community members who used to own boats to fish cannot afford them anymore.

- c. Several women explained how new sources of work were affecting their health, as they are now subjected to severe stress, arthritis, and joint pains from heavy lifting. With the loss of traditional fishing, women that used to work as fish vendors are having to travel long distances to buy fish or have discontinued their businesses altogether.
  - d. The changes in working habits have led to social and mental health issues. Family dynamics have been disrupted. The men that have been driven out of work have turned to drinking, and youth are unable to find work to care for their elderly relatives. This has resulted in increased crime and tensions in the community.
  - e. The felling has affected community sanitation, as the water in the creeks where the community fished, and the stream flowing through the community that was once used for family rituals, is now polluted. Community members claimed that they are now entirely dependent on tanks of municipal water that are provided every two days, and according to community members, the water is contaminated.<sup>78</sup> There has also been an increase in diseases due to stagnant, polluted waters, especially fevers, typhoid and dengue, to which children are particularly vulnerable.
117. While there are likely to be other contributing factors to some of these impacts, including the Covid-19 pandemic and broader climate change impacts, SECU's field visits to these communities and the first-hand accounts that it heard made it clear that the impacts of the felled mangroves were profound.<sup>79</sup> The mangrove felling resulted in increased vulnerability of communities and wildlife near to the CWS that depended on the felled mangroves. This increased vulnerability of communities living near to the CWS results in increased pressure being placed on the rest of the targeted landscape.

#### Felled Area: Legal Status and Outcome of NGT Application

118. An application was also filed with the National Green Tribunal (NGT) challenging the lawfulness of the felling of the same mangrove area which is the subject of this complaint to SECU. The allegation before the NGT was that the felling of the mangrove

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<sup>78</sup> During its site visit SECU observed community members pumping water, which may suggest an additional source of water available to the community.

<sup>79</sup> The original complaint filed with SECU had also referred to the "extinction of several species of animals and birds" as a result of the felling of the mangrove area. These claims of extinction were not substantiated by the complainants or the experts that SECU spoke to and SECU came across no evidence of the extinction of specific species as a result of the loss of this habitat.

area had occurred in violation of the Environment Protection Act, 1986, the Forest Conservation Act, 1980 and the Coastal Regulation Zone Notifications, 2011 and 2019.<sup>80</sup>

119. The NGT was created as a special tribunal in India to handle applications pertaining to environmental issues. It is a specialized body set up under the National Green Tribunal Act, 2010.
120. The application before the NGT proceeded in parallel to SECU's investigation and the tribunal delivered its final judgment on 29 September 2022. While the two processes (SECU's investigation and the NGT application) are entirely distinct, and the questions posed before the tribunal are different in scope to those that SECU has considered, the tribunal's judgment, as well as earlier orders issued, are useful in the context of SECU's investigation because of the various facts that were established by the tribunal and the Joint Committee that it set up to investigate the matter.
121. The NGT considered the lawfulness of the felling by the State Government of Andhra Pradesh under Indian law. SECU is not mandated to consider the lawfulness of the actions of the State Government, and SECU's investigation, findings and recommendations have focused on the SES and other social and environmental commitments of the UNDP.
122. In an early order of the NGT (dated 18 March 2021), the tribunal confirmed the close proximity of the felled area to the CWS, with reference to a report it had received from the Joint Committee. The NGT observed that "the area in question i.e. the proposed housing site is about 2.923 km away from the Coringa Wild Life Sanctuary and is about 2km distance from Kumbabhishekam Fishing Harbour." The NGT also reflected, with reference to the Joint Committee report, that the felled area was, per the Coastal Regulation Zone (CRZ) Map of 2011, in a CRZ-IA zone. Quoting from the Joint Committee report, the NGT noted that "As per CRZ Notification 2011, CRZ-IA areas are ecologically sensitive and the geomorphologic features which play a role in the maintaining the integrity of the coast... As per CRZ notification 2011, no new construction shall be permitted in CRZ-I except the following: (a) Project relating to Department of Atomic Energy; (b) pipelines conveying systems including transmission lines; (c) facilities that are essential for activities permissible under CRZ-I; (d) installation of weather radar for monitoring of cyclones movement and prediction by Indian meteorological Department; (e) construction of trans harbour sea link and without affecting the tidal flow of water, between LTL and HTL; (f) Development of green field airport already approved at only Navi Mumbai. This district administration informed that they have initiated the process of change in the CRZ category of the said land from CRZ-IA to CRZ II." The NGT ordered the Joint Committee to assess the costs of environmental compensation for the loss that had occurred and planned to reconvene at a later date. In the intervening time between

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<sup>80</sup> Original Application NO. 65/2020. Documents pertaining to the case are available at: <https://greentribunal.gov.in/caseDetails/CHENNAI/3305129001562020?page=order>.



this order and the tribunal meeting again, it appears that various submissions were made on behalf of the State Government of Andhra Pradesh concerning the CRZ classification, and whether the felled area was in fact in the CRZ-IA zone.

123. In its final judgment delivered on 29 September 2022, the NGT confirmed that it was clear from the Joint Committee report, as well as reports submitted to the tribunal by the Andhra Pradesh Coastal Zone Management Authority (APCZMA) and the Kakinada District Collector, that the felled land was under the CRZ-IA classification and that clearance of mangroves and planned construction was not permitted. The NGT also confirmed, through statements submitted to it, that although an application had been submitted by the State Government to the APCZMA for CRZ clearance, that application had been rejected by the authorities because of the CRZ-IA status of the land. The clearance of this mangrove area was accordingly unlawful. The NGT rejected a recommendation made by the Joint Committee that a direction should be given to the District Administration to develop a mangrove area in an alternate location, remarking that it could not accept this recommendation “in view of the importance and role played by the mangrove forest to protect the marine ecology and marine aquatic life apart from providing road between the mangrove forest and sea against the erosion and cyclone effect and avoid disasters happening during the cyclone and monsoon.”
124. The NGT ordered restoration of the mangrove forest and held that the compensation assessed by the Joint Committee was not sufficient to rehabilitate the damage. The NGT directed the State of Andhra Pradesh to pay “an interim compensation of Rs.5 Crore only for the damage caused to the mangroves in the existing area covering an extent of nearly 18 Acres and this will be subject to the further compensation to be assessed by the committee appointed by this Tribunal and this amount has to be paid to the APCZMA which they can utilize for the purpose of protecting the coastal environment including protection, conservation and preservation of the existing mangroves in the coastal area in the area in dispute and other areas and also utilize the same for increasing the mangrove forest cover in the coastal zone so as to enhance resilience to the disasters like climate change, flood erosion and cyclonic effects and the amount must be paid within a period of 6 (six) months and if it is not paid, then the APCZMA is directed to recover the same from the State instrumentalities in accordance with law.” The NGT also ordered that the restoration work, which will be carried out under the supervision of an agency to be suggested by the committee appointed by the tribunal, must be undertaken “for a period of 5 years and to ensure its survival rate not less than 85% so as to preserve and conserve the mangrove forest that has been developed to protect the environment”.
125. Significant takeaway points from the NGT proceedings for SECU’s purposes include: 1) confirmation of the very close proximity of the felled area to the CWS; 2) the ecological importance of the felled area; and 3) the conclusion that the housing development is not permitted to proceed, and the mangrove area will be restored through funds that are to be set aside by the State Government of Andhra Pradesh.

126. An update in this matter was posted to the NGT website on 7 March 2023 noting that “After the matter was disposed of, there was a news item that appeared in the Eenadu daily dated 22.02.2023 alleging that the mangrove forest area has been damaged and it has been converted into a lorry stand and this is in violation of the orders of the National Green Tribunal. Hence, we direct the District Collector – Kakinada to personally inspect and file a detailed report and also about the compliance of the earlier order.” The District Collector filed a report dated 23 March 2023. In this report it is stated that all construction activities have stopped, that measures will be taken to prevent encroachments such as those reported in the media, and that various interim actions have been taken to comply with the NGT’s order. However, the District Collector reports needing more time to form a committee, complete a committee inspection and submit a committee report to the NGT. An objection was also filed in response to the District Collector’s March 2023 report stating, amongst other things, that gravel continues to lie on the mangrove land and that vehicle movement is continuing unabated. The NGT called for a further inspection and report from the District Collector.<sup>81</sup> As at the date of publication of SECU’s draft compliance report for public comment, there were no further updates available.<sup>82</sup>

#### Mudflats Area

127. As part of the public comment period on the draft Terms of Reference (TOR) for this investigation, SECU received a communication from the organization Scientists for People, based in Hyderabad. Signed by a group of six academics, the communication requested SECU to include in its compliance review a similar destruction of mangroves in the nearby Kumbhabehishekam mud flat which also occurred in early to mid-2020.<sup>83</sup> They stated that this mud flat is an important site for migratory birds, including endangered species, and that all the species of migratory shore birds of the CWS visit this site. An area of the mud flat (with thick mangrove cover) had been destroyed at around the same time as the mangrove area at Dummulapeta and Parlovpetta. In this case, the destruction occurred as a result of the expansion of the 7th berth of the Kakinada Deep Water port.
128. Given the close proximity of the Kumbhabehishekam mud flat to the Coringa Wildlife Sanctuary, and to the housing development site, and the similarity of the issues and concerns, SECU determined it appropriate to include this site within the scope of its compliance review. In particular, the Kumbhabehishekam mud flat is similarly close to the CWS, is in Kakinada, and is an area where ecological infrastructure (i.e. mangroves)

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<sup>81</sup> See:

[https://greentribunal.gov.in/gen\\_pdf\\_test.php?filepath=L25ndF9kb2N1bWVudHMvbmd0L2Nhc2Vkb2Mvb3JkZXJzLO NIRU5OQUkvMjAyMyOwNCOyNy9jb3VydmVMS9kYWlseS8xNjgyNjgwNTIzMTgONTI2ODE0NzY0NGJhYWNiMjEyNTU ucGRm](https://greentribunal.gov.in/gen_pdf_test.php?filepath=L25ndF9kb2N1bWVudHMvbmd0L2Nhc2Vkb2Mvb3JkZXJzLO NIRU5OQUkvMjAyMyOwNCOyNy9jb3VydmVMS9kYWlseS8xNjgyNjgwNTIzMTgONTI2ODE0NzY0NGJhYWNiMjEyNTU ucGRm)

<sup>83</sup> Scientists for People, Hyderabad, letter addressed to SECU dated 28 April 2021.

relevant to the project was removed, leaving the area more vulnerable to climate change impacts.

129. A case was also filed with the National Green Tribunal in relation to this issue and a Joint Committee was constituted to look into the matter. The Joint Committee observed that the affected mangrove area is 1.8 km away from the CWS and that “the important migratory bird species like Great knot and Indian skimmers are seen along with other species in the Kumbhabhishekam mudflats area”. The Joint Committee noted that “due to deposition of dredging spoil and construction of bund in that location, the mangroves got damaged”. The deposition of dredging soil was carried out by the 8<sup>th</sup> respondent, GMR Energy Ltd., who had received a permit for the construction of the bund from the Andhra Pradesh Maritime Board. The committee made the following recommendation: “As demanded by the representatives of the petitioner and as agreed by the Respondent No.8 [GMR Energy] during the site visit, the affected portion of Mangroves has to be restored to its original position by 8<sup>th</sup> respondent by engaging suitable consultant/subject expert under the supervision of AP Maritime Board. The balance portion of the bund also has to be removed to allow in flow of sea water into this area by taking due care that the deposited dredging spoil not mixed with sea water”.
130. SECU visited the site in April 2022 and noted that mangrove cover had not yet been restored to the pre-damaged level (with reference to photographs and satellite imagery from 2019). Scientists for People had connected SECU to a local representative of theirs who accompanied SECU to the site and explained that despite the agreement reached at the NGT to restore the mangrove coverage, restoration has not occurred in a proper way. As discussed in more detail below, questions were also raised around the adequacy of the restoration work before the NGT, and a commission has been appointed to independently assess this. As at the time of the publication of this report for public comment, that assessment was pending.
131. SECU collected testimony that the original mud flat was nearly two square kilometers around the Kumbhabhishekam Temple, and that this area harbored more large migratory bird groups than any other mudflat of the CWS, including 400 to 500 Great Knot and 200 to 250 skimmers. According to this testimony, the loss of this important habitat has had a profound impact on these migratory birds.<sup>84</sup>
132. Additional Joint Committee reports, submissions and objections were filed before the NGT, and subsequent NGT orders were issued after SECU’s field visit, with the latest NGT order dated 27 September 2022.<sup>85</sup> The 8<sup>th</sup> respondent, GMR Energy, had filed an objection denying that there were pre-existing mangroves at the site and contending that the dredged waste, which it admitted to dumping, had not affected any mangroves.

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<sup>84</sup> Testimony provided by K.Mrutyumjaya Rao.

<sup>85</sup> Full September 2022 order and other updates available in the NGT case are available at: <https://greentribunal.gov.in/caseDetails/CHENNAI/3305129003292020?page=order>. Last accessed on 12 April 2023.

The 8<sup>th</sup> respondent subsequently reported to the NGT that despite its objections it had, “in good faith”, complied with the recommendations of the Joint Committee and undertaken various activities for regrowth of mangroves in the area. The 7<sup>th</sup> respondent, the Andhra Pradesh Maritime Board, denied that it had any responsibility in the matter, contending that it had clearly designated the dumping area and specifically instructed the 8<sup>th</sup> respondent to take all precautions to protect the mangroves while dumping the dredged spoil. Both the 7<sup>th</sup> and 8<sup>th</sup> respondents produced photographs before the NGT showing that mangrove plantation had been done in accordance with the Joint Committee’s recommendations. The NGT, in its order dated 27 September 2022, confirmed that it was evident from various evidence submitted that mangroves had existed at the site and that the 8<sup>th</sup> respondent’s submission that no damage had occurred could not be accepted. The NGT noted the important role played by mangroves in protecting the marine ecosystem, and held that “it is not only sufficient to restore the damage caused to the mangrove patches, but environmental compensation also has to be fixed”. The NGT also held that the Joint Committee ought to have, but did not, hire an expert from an approved institution “to assess the pre and post dredging extent of damage on the basis of which total environmental cost ought to have been determined.” The NGT also held that the 7<sup>th</sup> respondent, the Andhra Pradesh Maritime Board, should have not only imposed conditions for the dredging but should have established a mechanism to monitor the dredging activity on the basis of the permission granted. The NGT accordingly held that “Any violation committed by the 8<sup>th</sup> respondent has to be compensated by them along with the Andhra Pradesh Maritime Board, as the damage was caused to mangroves within their area of operation.” The NGT, in its September 2022 order, constituted another committee to consider, amongst other things, “the extent and density of the existing mangroves in that area prior to the dredging activity”, “what was the impact of the destruction of the mudflats and the mangroves on marine ecosystem and the remaining mangrove patch in that area”, “environmental compensation taking into all aspects of importance of mangroves not only in respect of carbon sequestration but also other relevant importance of existence of mangrove in that area”, and “the methodology for restoration of the mangroves in that area, if the methodology adopted by the 8<sup>th</sup> respondent is not sufficient”. The NGT ordered that “Respondents Nos.7 & 8 are jointly and severally liable for the damage caused to the mangroves and mudflats in that area and they are liable to pay environmental compensation to be assessed by the Committee appointed by this Tribunal jointly and severally and the cost of restoration of the damaged mangroves, its replantation and its maintenance for a period of five years will have to be undertaken by the 8<sup>th</sup> respondent under the supervision of the Andhra Pradesh Maritime Board.” The committee was given six months, from the end of September 2022, to file its report. As at the date of publication of SECU’s draft compliance report for public comment, there is no further publicly available update on the matter.<sup>86</sup>

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<sup>86</sup> <https://greentribunal.gov.in/caseDetails/CHENNAI/3305129003292020?page=order> (last accessed on 12 April 2023).

133. For the same reasons enumerated above, SECU determined that the SES and SESP screening questions applied in relation to the mudflats given their close proximity to the CWS and location within Kakinada.

### III. FINDINGS AND RECOMMENDATIONS

*Finding 1: The UNDP CO assessed some, but not all, risks in a manner consistent with SES and SESP requirements*

134. SECU determines that the UNDP CO, in screening for risks in the “CWS and surrounding communities” targeted landscape for Output 1 and 2, and in Kakinada for Output 3, should have, but did not, identify specific climate change risks to project outcomes, including the climate change risks posed by other development activities in the project’s area of influence.
135. While the precise locations for project activities for Output 1 and 2 had not been determined at the time of the fellings, the designation of the “Coringa Wildlife Sanctuary and surrounding communities” as a targeted landscape, and the description of it as an area more than five times the size of the CWS with a population of 82,799 people, created an expectation that (1) the area and communities surrounding the CWS would benefit from the project and become more climate resilient, and (2) efforts would be made to understand the relationship of activities in close proximity to the CWS to project objectives.
136. Furthermore, SECU finds that the felled areas are located within the project site for Output 3 activities as they occurred in Kakinada, a coastal city which was specifically earmarked for project activities under that Output. Since Output 3 involves the development of adaptation plans that are supposed to harness ecological infrastructure, the existence of, and/or threats to, ecological infrastructure – including mangroves - is highly relevant. As such, the felled areas are in the project’s area of influence, which includes the primary project site(s).
137. Having answered “yes” in the SESP to the question about whether project outcomes were vulnerable to climate change, the UNDP CO should have sought, per the SES, to “ensure that the status and adequacy of relevant climatic information is identified” and should have undertaken a climate change risk assessment to identify potential risks, avoidance and mitigation measures.<sup>87</sup>
138. Had the CO done this assessment, the CO should have been prompted to consider ways development activities in the project area of influence could increase these climate

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<sup>87</sup> 2015 SES, page 21.

change threats, i.e., identify and address ways development activities, such as the housing development, in the project area of influence could reduce mangroves as natural buffers to climate-related threats to project outcomes.

139. In this situation, it would have been appropriate for the CO to attempt to identify and address the government's competing priorities in this area, e.g., to attempt to identify the government's priority to raze mangroves for other development, and then attempt to address ways this competed with the priority to build climate resilience and/or its plans to rely on existing resilience in developing an adaptation plan for Kakinada.<sup>88</sup>
140. SECU notes that the vastness of the targeted landscapes and the "ridge-to-reef" design posed a challenge to being practically able to identify all heightened threats of climate change and opportunities for social and environmental enhancement. Moreover, SECU acknowledges that there was not information available about the fellings at the time of the original screening to inform a fuller assessment.
141. However, once the fellings occurred after the original screening, it created changes in the Project context that likely altered the Project's risk profile. These changes, known to the CO, should have prompted a revision to the SESP at that time. The SES Guidance provides examples of analogous situations that result in a change of context, and which should prompt a revision to the SESP. In the same way that a natural disaster, which is an example used in the SES Guidance, would increase vulnerabilities and social tensions in a project area, and make the operating context more challenging,<sup>89</sup> so too would an increase in vulnerability to climate change from the removal of a natural buffer (mangrove coverage).
142. Rather than carry out this revised assessment and include the results of this assessment in an updated SESP and Project Risk Register, the updated SESP referred to the complaint submitted to SECU as a risk to the Coastal Climate Resilience Project. The right of communities to raise a concern about how a UNDP project might impact their

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<sup>88</sup> SECU notes another concern which is less important to the findings of this review given the timing of the fellings, but nevertheless deserves mention in this report. The UNDP CO and the project documentation indicated that since the precise location for project activities would be determined during project implementation, further, more comprehensive assessments, of risks and impacts, as well as more specific consultations with stakeholders, would be undertaken during the implementation phase. This delay of assessments is discouraged by UNDP Guidance, which affirms that the default position is to ensure that activities are identified and an assessment of the impacts associated with those activities are carried out before project approval (UNDP Guidance on SES Assessment and Management, at page 9).

<sup>89</sup> The mangrove felling resulted in changes to the project's risk profile in the sense that this targeted landscape (the Coringa Wildlife Sanctuary and surrounding communities) is now more vulnerable to climate change impacts with the removal of the ecological barrier previously offered by the felled mangroves. This increases climate change risk to project outcomes. The felling has also resulted in increased vulnerability of communities and wildlife that depended on the mangroves, which results in increased pressure on the rest of the landscape, and could increase social tensions amongst communities members who receive benefits under the project and those that don't.

environment or human rights is a right enshrined in UNDP policies and SECU's compliance process, which is a fully mandated oversight function. In adopting the policies and process, UNDP has determined that any possible risks posed to projects by the complaint process are outweighed by UNDP's need to ensure the protection of community rights and the environment.

#### *Recommendation 1*

143. The UNDP CO should update the SESP to acknowledge that the project could face heightened exposure to climate change-related impacts due the mangrove fellings in the project area of influence, and that this heightened exposure could challenge accomplishment of the ecological and social objectives of the Coastal Climate Resilience Project. This acknowledgment should, in turn, prompt an assessment of opportunities to mitigate the impact of these fellings with due regard for the factual findings of SECU's investigation and the NGT findings and decisions.<sup>90</sup> Updates to the SESP should occur on a regular basis in response to changes in project context.
144. The UNDP CO should remove reference to the complaint and SECU's investigation as a risk to project success.
145. SECU notes the institution's frequent use of the "ridge to reef" approach, which can result in vast project areas, as is the case in the Coastal Climate Resilience Project. The vastness of a project area can pose significant challenges to securing community rights in compliance with the SES. The UNDP should consider issuing a Guidance Note on the application of the SES in ridge to reef projects, so that clearer expectations can be set on the scope of required assessments in such projects.

#### *Finding 2: The UNDP CO did not engage in meaningful, effective and informed consultation processes as required by the SES*

146. The documents that were made available to SECU as proof of stakeholder consultations evidence that consultations were held in the run up to the submission of the project proposal to the GCF, but the minutes of community consultation do not evidence compliance with the SES requirement to empower stakeholders and incorporate their views in decision making processes around project goals and design, and the sharing of development benefits and opportunities.
147. All of the consultation documents shared with SECU by the CO are from 2016, with no evidence that consultations have taken place in Andhra Pradesh since the design

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<sup>90</sup> UNDP Guidance on the SESP (page 11) explains that the first step in conducting a risk assessment is to gather and review all available information relevant to the Project's social and environmental aspects including "existing gender, human rights, social, environmental studies; applicable legal and regulatory framework; input from stakeholder engagement activities; relevant reports of UN or other agencies, such as Universal Periodic Reviews".

phase,<sup>91</sup> apart from the 2019 overall project inception workshop and another inception workshop held in November 2022 which, according to the CO, included “district level officers of line departments and other stakeholders”. At this point these meetings would have taken place over six years ago (apart from the inception workshops), raising questions about how relevant these consultations would be in today’s context, particularly given the change in context that has occurred and the impact of that change in context on communities.

148. The Stakeholder Engagement Plan prepared during project design notes that “Given the geographical scale of this project, **extensive stakeholder engagement will be required** in order to determine – at a fine scale – the precise location and nature of each intervention in the target landscapes, as well as the individuals, households and organizations to be involved. As a result, and in accordance with the thorough method of site selection, a participatory approach will be used **during the first phase of project implementation (Year 1).**”<sup>92</sup>
149. The Stakeholder Engagement Plan then proceeds to outline the stakeholders that will be engaged with very little specificity. The plan identifies “NGOs/CBOs”, “Local communities”, “Women’s Organisations in villages” and “Village Organisations” as key stakeholders, in addition to various national and state government departments.
150. SECU finds that very little meaningful stakeholder engagement with local communities has taken place to date, at least in relation to Andhra Pradesh. The stakeholder mapping that was done for the Stakeholder Engagement Plan is insufficient and evidences a lack of outreach and engagement. SECU finds that the SES required more meaningful, effective and informed consultations in the design phase with civil society actors and local communities, who are crucial partners for advancing human rights-based development.

## *Recommendation 2*

151. It has been six years between the design phase consultations and implementation of the project, at least in relation to Andhra Pradesh (in large part due to the Covid-19 pandemic). Satisfying the SES requirement to empower stakeholders, particularly

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<sup>91</sup> When asked by SECU to share records of consultations that have taken place in Andhra Pradesh since 2016, the CO responded indicating that what they had shared already (the record of stakeholder consultations that took place in the design phase of the project) was the only available record of stakeholder consultations.

<sup>92</sup> The Prodoc was signed on 17 September 2019. However, the Prodoc recorded that letters of agreement would need to be signed with the relevant forestry departments in each of the three target states as these state departments are best placed to coordinate the project activities on the ground. As explained in this report, the letter of agreement with the Environment, Forests, Science and Technology Department in the State of Andhra Pradesh was only signed on 9 September 2022. When questioned about the delay in implementing project activities, the CO explained to SECU that this delay was as a result of the Covid-19 pandemic and national challenges relating to modalities for transferring funds.



marginalized groups, and enable the incorporation of all relevant views of affected people and other stakeholders into decision making processes, will require additional consultations to determine and address current needs and the change in context that has occurred and the impact of that change on communities.

152. The UNDP CO should urgently update the Stakeholder Engagement Plan and map the stakeholders in Andhra Pradesh who are to be engaged with to determine, at a fine scale, the precise location and nature of each intervention in the CWS and surrounding communities. Local communities and NGOs in each of the project's targeted landscapes should be consulted. Stakeholder input and concerns should feed into project activities, and records of consultations should explain how stakeholder concerns have been addressed.
153. For future projects, clearer processes for consultations should be established in the design phase. Even in situations where comprehensive consultations cannot take place until the implementation phase, where and how stakeholder consultations will be conducted should be clearer, and more should be done to identify appropriate stakeholder groups with more specificity.

## **INDICATIVE LIST OF INTERVIEWEES**

### **Complainants**

1. Members of the Democratic Traditional Fishers Workers Forum
2. Members of Fridays for Future Andhra Pradesh
3. Members of Scientists for People

### **UNDP Staff**

4. UN Resident Coordinator for India
5. UNDP India Resident Representative
6. UNDP India Deputy Resident Representative
7. UNDP India Head of Natural Resources Management & Biodiversity
8. Other project team members

### **National Government**

9. Representatives – Ministry of Environment, Forest and Climate Change

### **State and Local Government**

10. Representatives – Environment, Forests, Science and Technology Department, Andhra Pradesh
11. Deputy Conservator of Forests, Wildlife Management Division, Andhra Pradesh
12. Senior Commissioner and Commissioner – Kakinada Municipal Corporation (KMC)

### **Communities**

13. Residents of Dummulapeta (approx. four groups of 15-20 people)
14. Residents of Parlovpeta (approx. three groups of 20 – 30 people)
15. Local fishermen and fish traders, Kakinada (approx. two groups of 10-15 people)

### **Independent Experts**

16. Independent Climate Change, Natural Resources Management and Biodiversity Expert
17. Representative – local research foundation

### **Other Entities**

18. Representatives – EGREE Foundation, Kakinada