First two Pilot Program projects negotiated

In May and June, the first two grant agreements for Pilot Program projects were negotiated: the Demonstration Projects from May 16 to 20 in Washington, and the Science Centers and Directed Research project from June 13 to 17 in Brasilia. Negotiations is the stage of the project cycle in which agreement is sought on the measures necessary to assure project success and on the legal documents that will govern the project (see Pilot Program Update, January 1994).

Demonstration Projects

The World Bank team for the negotiations of the Demonstration Projects was joined by a representative of the Commission of the European Communities (CEC). The Brazilian team consisted of representatives of the Bank of Brazil, the recipient of the grant, and of the Secretariat of International Affairs (SEAIN) and the Ministry of Environment and the Legal Amazon (MMA). The Brazilian team was joined for some of the discussions by representatives from the Amazon Working Group (GTA).

The objective of the Demonstration Projects is threefold: to stimulate the development, adaptation, or dissemination of environmentally, economically, and socially sustainable systems of natural resource management and conservation by local communities; to evaluate and disseminate the lessons learned from local-level projects; and to strengthen the capacity of local populations to plan and implement these sorts of activities through support to NGO networks. The project as agreed at negotiations is a US$22.2 million project, with funding as follows: Germany, 20 million DM (approximately US$11.7 million); CEC, 4 million ECU (approximately US$4.5 million); Rain Forest Trust Fund (RFT), US$3 million; and estimated grantee counterpart, US$3 million equivalent.

The project consists of three components: a small grants program, accounting for 90% of project cost (including administration); evaluation and dissemination of sub-project results, accounting for 7% of project cost; and NGO network strengthening, accounting for 3% of project cost. The Demonstration Projects is currently the only Pilot Program project that supports activities in Brazil’s Atlantic Forest: 17% of the grant funds will be reserved for the Atlantic Forest, and the project will also support activities of the Atlantic Forest Commission (CMA), which coordinates involvement in the Pilot Program by Atlantic Forest Network NGOs. The NGO network component will

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Project Updates

Indigenous Lands

The appraisal of the Indigenous Lands project was carried out April 5-16 by a World Bank team and a donor representative from Germany. Appraisal is the point in the project cycle when the Bank and the donors assess the readiness of a project to be funded (for information about the project cycle, see Pilot Program Update of January 1994). Appraisal consists of a comprehensive review of technical, environmental, institutional, and financial aspects of the project, verifying, among other things, that the design of the project is sound, the cost estimates are reasonable, and institutional capacity for implementation is adequate. The Bank team worked closely with Brazilian representatives from the National Indian Foundation (FUNAI), the Ministry of Environment and the Legal Amazon, and the Secretariat of International Affairs (SEAIN).

The majority of the project funds in the Indigenous Lands project will support the formalization of the legal status of indigenous lands in the Legal Amazon. The project will provide support to 119 indigenous areas in the Legal Amazon over a period of five and a half years. Negotiations of the Indigenous Lands project are expected to take place in July 1994.

Extractive Reserves

The Extractive Reserves project was appraised during the last two weeks of April 1994. The appraisal was carried out by a team comprised of representatives of the Bank and of the Commission of the European Communities (CEC). The appraisal team discussed its findings with representatives of the Brazilian government agency responsible for the project (IBAMA), IBAMA's Center for the Sustainable Development of Traditional Populations (CNPT), extractive reserve communities, and the National Council of Rubbertappers (CNS).

Although the project went to appraisal with a financing gap, the CEC agreed shortly after appraisal to raise its contribution to the project in order to fully fund it. The agreed total project cost of US$9.7 million will be financed through the following contributions: US$3.0 million from the Rain Forest Trust Fund, 5.0 million ECU (approximately US$5.8 million) from the CEC, and US$0.9 million from the Brazilian government. The project will be implemented over a period of four years. Negotiations of the RFT and CEC grant agreement are expected to take place in early August.

Natural Resources Policy sub-program

A Bank team visited Brazil from April 10 to 29 to continue preparation of the State Environmental Entities project. The team was joined by representatives from the CEC and from the governments of Germany and Japan. The Brazilian team included representatives of the Ministry of Environment and the Legal Amazon (MMA) and from the nine states of the Legal Amazon. The teams reviewed the project proposal prepared by MMA in conjunction with the environmental agencies of the nine states. After the discussions, the Bank team visited the states of Acre, Rondônia, and Mato Grosso, continuing a series of visits to state environmental entities begun in December 1993 with Amazonas, Pará, Maranhão, and Amapá.

Projects negotiated (continued from page 1)

also support activities of the national office of the GTA in Brasília and fifteen GTA regional offices in the Amazon.

The small grants program will fund sub-projects evaluated and selected according to agreed criteria. Proposals may be submitted by NGOs, community groups, and local or state governments. Eligible sub-projects are expected to reduce pressure to clear native forests by supporting nature conservation, environmentally sound management of already deforested land, or low impact use of native forest resources. Proposals for sub-projects will be accepted by the MMA on a continuous basis. They will be evaluated according to strict selection criteria by anonymous technical reviewers. An Executive Commission comprised of four government representatives, one representative of the Bank of Brazil, and five NGO representatives will select from proposals recommended by the technical reviewers those that best fit the priorities set.
for that funding period. Conceptually strong but technically weak proposals can receive technical assistance for proposal reformulation. Sub-projects may be up to three years in duration and may request up to US$300,000 in funding, with counterpart requirements increasing with the size of the project. The Bank of Brazil, as recipient for the project funds, will disburse funds to sub-projects as instructed by the Technical Secretariat and supervise that funds are used by grantees as authorized. Sub-projects with interesting and replicable results will be analyzed and their experiences disseminated to other communities, NGOs, researchers, and government officials, through the project’s dissemination component.

Project implementation is expected to begin in July. More information on applying to the small grants program can be obtained from:

Dra. Rosa de Lima Cunha  
Secretari€a T€cnica do PD/A  
Minist€rio do Meio Ambiente  
Esplanada dos Ministerios Bl. B, 5o. andar, Sala 524  
70.068-900 Brasilia, D.F. Brazil  
Fax: (5561) 223-6800  
Phone: (5561) 322-5635, Ramal 219

Science Centers and Directed Research

The Brazilian team for the negotiations of the Science Centers and Directed Research project was comprised of representatives of SEAIN, MMA, the Ministry of Science and Technology (MCT), the Legal Counsel of the Ministry of Finance, and the National Treasury. The World Bank team was joined by representatives of the CEC and the British Overseas Development Administration (ODA). The negotiating teams agreed on a draft grant agreement and that the Agency for Financing of Studies and Projects, FINEP, would be the financial agent for the project, channelling funds from the donors to the final recipients.

The objective of the Science Centers and Directed Research project is to promote the generation and dissemination of scientific knowledge relevant to conservation and sustainable development activities in the Amazon region, through support for a grants program for funding research projects on a competitive basis in the Amazon region, and through strengthening two established Amazon research institutions, the National Institute for Amazonian Research (INPA) and the Goeldi Museum (MPEG). Total cost for Phase I of the project is US$15.1 million, to be funded as follows: RFT, US$8.5 million; CEC, 4.8 million ECU (equivalent to US$5.4 million); ODA, 0.5 million pounds (equivalent to US$0.7 million), and Brazilian government counterpart, US$0.5 million.

The grants program will be implemented through the Directed Research component of the project, with a cost of US$5.7 million. This component will fund research projects evaluated and selected on a transparent competitive basis and responding to established priorities. Qualified grantees include scientists from universities and other research institutions, both public and private, located in the Amazon or working in close collaboration with an Amazon-based institution. There will be three broad research priorities in the first phase of the project: (i) Amazonian ecosystems’ structure and function; (ii) sustainable natural resource management; and (iii) socio-economic and cultural systems. Proposals submitted to the grants program will be reviewed by Evaluation Commissions, composed of highly qualified scientists, who will analyze the proposals based on scientific merit and priority research areas and make recommendations for funding. The project’s Technical Secretariat will make final decisions on grants based on these recommendations. Individual grants are limited to US$300,000 and will fund research for a period of up to two years.

The institutional strengthening of INPA and the Goeldi Museum will be carried out under the Science Centers component of the project, with a cost of US$9.4 million. This component will strengthen the institutional management and administration functions of the two institutions, support the rehabilitation and expansion of research infrastructure and equipment, increase human resource capacity in scientific research, and disseminate research results. This component of the project will also be supported by a separate but integrally connected Emergency Assistance project funded by the U.S. government with Brazilian government counterpart. The Emergency Assistance project’s goal is to rehabilitate and upgrade critical infrastructure and equipment at INPA and the Goeldi Museum. The associated project is funded by the U.S. Agency for International Development (US$2 million), the U.S. State Department (US$500,000) and Brazilian government counterpart of US$2.5 million.

With successful completion in June of negotiations for the Science Centers and Directed Research project, signing of the final grant agreement is expected at the beginning of July. The first call for proposals for the Directed Research component will be issued in late August or early September by the Technical Secretariat. More information on how to apply for a research grant can be obtained from:

Dra. Maria Carlota de Sousa Paula  
Fax: (5561) 226-5327/Phone: 322-3124

or Dr. Luiz Antonio Barreto de Castro  
Fax: (5561) 226-1257/Phone: 321-7091  
Ministério da Ciência e Tecnologia  
SECOP/COAP  
Esplanada dos Ministerios, Bloco E, Sala 470  
Brasilia, D.F. CEP 70062-900 Brazil
Focus On ... Indigenous Lands

The major objective of the Pilot Program's Indigenous Lands project is to formalize the legal status of indigenous lands for those indigenous peoples in the Brazilian Amazon whose access to traditional areas is not yet fully protected. Demarcation of indigenous lands is important to the Pilot Program goal of slowing deforestation in the Amazon region because the traditional subsistence practices of indigenous peoples have a relatively low impact on the environment. Currently, about 140,000 indigenous people live in the Brazilian Amazon in an estimated 350 different sites. Indigenous peoples generally require large areas of undegraded forest to support their traditional ways of life; with only 6% of the total land area of the Brazilian Amazon dedicated to federal conservation units such as parks or ecological stations, the 17% of the Amazon set aside for use by indigenous people represents an important reserve of relatively undisturbed forest and its biodiversity. In addition, the traditional practices and knowledge of indigenous peoples can provide important information on sustainable use and management regimes for tropical forests. Some of the activities most associated with deforestation, such as colonization projects, large-scale cattle ranching, and commercial timbering, are forbidden on indigenous lands.

The Waiampi of northwestern Amapá state are illustrative of Amazonian indigenous peoples, for whom demarcation is vitally important. The Waiampi in Brazil were first contacted by outsiders in 1973 when the North Perimeter Highway BR-210 was being built. Although road construction was halted in 1976 and has not resumed since, the highway has been used by miners to reach the gold deposits of the area. The land along the road is increasingly occupied by sawmills, cattle ranches, and mining settlements, and colonists have settled along the borders of the Waiampi's area. Threats posed by outsiders include contagious diseases to which the Waiampi have little resistance, pollution of streams by mining activities, degradation of watercourses crossed by the road, and introduction of previously unknown plant pests and diseases.

Such impacts, especially disease, have caused a decline in the Waiampi population. Numbering only about 1,000 today, prior to contact the Waiampi are thought to have had a much larger population. The Waiampi's socio-economic system is typical of the adaptations of tribal peoples in a fragile tropical ecosystem. The Waiampi's traditional livelihood activities include hunting, fishing, collecting of plant materials for food and handicrafts, and shifting cultivation. These activities are carried out over a large area, minimizing the impact on the environment. The relatively undisturbed habitat provides abundant protein in the form of game and fish, and Waiampi gardens provide manioc, maize, bananas, yams, peanuts, pineapples and many other crops.

In 1984 the Brazilian National Indian Foundation (FUNAI) began the process of establishing the Waiampi indigenous area by conducting field studies and determining the approximate location and size of the land traditionally used by the Waiampi, a process technically referred to as identification and delimitation. After identification and delimitation, an indigenous area must be physically demarcated, which includes a topographical survey and the clearing of forest in a 2.5 meter swath and placement of physical markers along the boundaries. The third and final stage of regularization includes issuance of a Presidential decree confirming the demarcation and federal and local registration of the area.

The planned Waiampi indigenous area comprises 573,000 hectares and is being demarcated with support from the German government technical cooperation agency, GTZ. The methodology being used for the demarcation is an experimental one, in which the Waiampi have chosen to demarcate the area themselves with support from FUNAI and GTZ in such areas as technical information, equipment, and cartography. The demarcation of the Waiampi area has already advanced to the point of locating the headwaters of the rivers that define the limits of the area and creating small clearings at those spots. The next step will be to use satellite measurements to finalize the borders. Demarcation is expected to be concluded within 18 months, a schedule which has been set taking into consideration the necessity for the Waiampi to continue their traditional activities while carrying out the demarcation.

The Indigenous Lands project under the Pilot Program anticipates providing funds for the demarcation of approximately 60 indigenous areas which have already been identified and delimited, and for the identification and delimitation of approximately 55 additional indigenous areas. For more information on the project, please see page 2.

New environment minister named

Following the appointment of Ambassador Rubens Ricupero as Minister of Finance, Mr. Henrique Brandão Cavalcanti was named as the new Minister of Environment and the Legal Amazon (MMA) in April. The new minister has a long history of interest and involvement in environmental affairs, including representing Brazil at the first UN Environment Conference in Stockholm in the early 1970s. He is well acquainted with the Pilot Program, having served as a member of the International Advisory Group since its inception. The new Executive Secretary of the MMA, Mr. Getulio Lamartine de Paula Fonseca, will also serve as Executive Secretary for the Pilot Program.