

# ENVIRONMENTAL DEFENSE FUND

1875 Connecticut Ave., NW, 10th Fl.  
Washington, D.C. 20009

## International Program Fax Coversheet

Telephone: (202) 387-3500  
Facsimile: (202) 234-6049  
Econet (IGC): edf  
Telex: ~~136299705 WASHDC~~

CEDI - P. I. B.
DATA: 23, 04, 93
COD: E9D 00056

TO: Beto - cedi 011 55 11 82 5 7861  
Marcio - ndi

AT FAX #:

FROM: Ken Walsh on behalf of Steve Schwartzman

DATE:

MESSAGE:

Segue uma copia do resumo do  
projeto de reservas indigenas do Banco Mundial  
para o Programa Piloto GZ.

RFT - Executive Project Summary

BRAZIL - Pilot Program to Conserve the Brazilian Rain Forest

Indigenous Reserves Project

Recipient:

Executing Agency:

Financing Plan:

Tentative Appraisal Date:

Tentative Approval Date:

1. Sector Background. In 1500 when Brazil was discovered by Europeans, the indigenous population may have been as large as 8,000,000. Today, as a result of continuous usurpation of territory, warfare, disease, and assimilation, the number of tribal people left in the country is about 236,000, about 0.1 percent of the population of Brazil. Most of the relatively unacculturated tribal peoples in Brazil live in the North and the West, but there are indigenous populations living in every State in Brazil under the official protection of the Government. Since 1910 Brazil has maintained an agency to protect indigenous people, generally through the creation of territorial reservations and the provision of health, educational and other services. Brazil has also developed some of the world's most comprehensive legislation concerning its indigenous minority. Under this legislation, Indigenous people are wards under the tutelage of the state. The laws guarantee, inter alia, a secure land base to all indigenous people. The Federal Constitution of October, 1988 extends the territorial rights beyond those established by earlier constitutions (Annex I). The extent of the rights implied by these provisions is sweeping and possibly broader than similar rights accorded to ethnic minorities in any other country. The 1988 Constitution requires that demarcation of all indigenous lands must be concluded by October, 1993.

2. Over time, both the Indian Service (SPI, founded in 1910) and its successor agency, the National Indian Foundation (FUNAI, created in 1968) were beset with many problems in implementing an effective indigenous policy. Over time, FUNAI has been notoriously underfunded and poorly administered, with frequent allegations of corruption and mismanagement. Medical attention has been particularly deficient. While FUNAI has a core of dedicated staff, most of its employees serve in urban headquarters, far from indigenous villages where the agency's mission lies. The philosophy of the SPI and FUNAI has been, since their inception, basically paternalistic, sapping indigenous peoples' ability to control their own affairs. Indian policy in Brazil, while recognizing the right to maintain culturally distinctive lifeways, does not pose self determination as a goal, nor has it fostered the creation of independent institutions.

3. The first line of defense of the indigenous populations of Brazil lies in guaranteeing the secure possession and use of their traditional

lands. Accordingly, the most important activity in which FUNAI currently engages is the demarcation and maintenance of indigenous reservations. Without a secure land base, the enjoyment of the other rights guaranteed by Brazil's constitutions to its indigenous minorities is practically impossible. Therefore, the World Bank has always attached special importance to demarcation of secure boundaries of indigenous reserves.<sup>1</sup> However, certain delays in prompt demarcation of indigenous lands have arisen from lack of resources, bureaucratic delays in the Ministry of Justice (FUNAI's parent agency), legal action from landholders and others.

4. There are approximately 368 known indigenous areas in the nine states of the Amazon Region<sup>2</sup> (Table 2) with a total population of approximately 139,000 and a land area in excess of 78 million hectares.<sup>3</sup> About ten million ha has been fully regularized<sup>4</sup>, benefiting a population of about 24,000. In addition, another ten million ha has only been delimited, containing approximately 32,000 people. This leaves a land area of 58 million ha, containing an indigenous population of 83,000, that remains to be delimited in the Amazon Region.<sup>5</sup>

<sup>1</sup>The steps involved with demarcation are outlined in Table 1.

<sup>2</sup> The States are Acre, Amazonas, Amapá, Maranhão, Mato Grosso, Pará, Rondonia, Roraima, Tocantins.

<sup>3</sup> The estimates are based on *Terras Indígenas do Brasil* (CEDI/PETI, 1990). Population estimates for non-identified areas are uncertain. It is not possible to estimate the size of the area for non identified areas.

<sup>4</sup> The term regularized signifies that an area has been officially delimited by FUNAI, and decreed and confirmed by the President of the Republic as indigenous land, physically demarcated and registered in both the Federal Property Registry and the local land registry.

<sup>5</sup> See Table 2.



Table 1 - Steps Required for Regularization of Indigenous Reservations

Step	Purpose	Agencies Responsible
Identification	Determine that an indigenous group exists with a legitimate need for an independent land base.	FUNAI
Delimitation	Determine the approximate location and size of the proposed indigenous reservation.	FUNAI
Presentation to Interministerial Committee	Justification of the identification and delimitation and concurrence of other agencies of government.	FUNAI Ministry of Justice INCRA Local Jurisdiction
(Survey)	Determine whether non-Indians with claims to compensation for improvements exist (necessary only if "good faith" squatters are present on proposed reservation).	FUNAI
Demarcation	Topographical survey and physical demarcation of boundaries.	FUNAI
Presidential Confirmation	Presidential decree confirming the demarcation	FUNAI President of the Republic
Federal Registration	Registration in the Federal Property Registry	FUNAI DPU
Local Registration	Registration in local property registry.	FUNAI CRI

Table 2 - Comparison of Indigenous Lands in the Amazon Region, Regularized, Delimited and Not Delimited.

	Number of Indigenous Reserves	Area (in hectares)	% Area	Population Present (1990)	% Pop.
Regularized*	60	10,257,996	13	23,809	17
Only Delimited	93	10,210,082	13	32,170	23
Not Delimited	433	57,714,040	74	83,021	60
Total	526	78,182,118	100	139,000	100

\* See Footnote 4.

5. Traditional indigenous subsistence activities had a relatively low impact on natural resources. Indians made extensive use of naturally occurring resources to produce foods, tools, medicines, dyes, etc. The major food-producing activities consisted mainly of shifting slash-and-burn agriculture, hunting, gathering and fishing. Most indigenous settlements were relatively small, widely spaced and moved frequently from place to place. Exchange was limited and there were no markets under aboriginal conditions. Indigenous knowledge of native plants and animals is extensive. Under this management pattern, indigenous people had relatively little long-term impact on environments.

6. While most indigenous groups in Brazil continue to practice traditional subsistence techniques, many have adopted modern technology including steel tools, firearms, and, occasionally farm machinery and chain saws. A small but increasing number of communities have permitted loggers and miners to enter their territory. In law, such practices are illegal; mining concessions can be granted on indigenous reserves only by an act of the federal congress.

7. While most of the indigenous groups in the Amazon region live at a subsistence level, producing most of their own food, a few groups have substantial cash incomes, whether from logging or mining of their reservations to be mined, or through compensations for right of way for electrical power lines, railways and roads. Most indigenous groups in the Amazon have retained their native languages, observe their own non-Western religious customs and have little but growing participation in the social and political life of the regions they inhabit.

8. The health of indigenous population in the Amazon region tends to be fragile due, in part, to their vulnerability to introduced infectious disease. Poor nutrition is often cited as a contributing cause to morbidity and mortality, especially in those groups whose access to fish, game and good garden land has been reduced. Health care is provided mainly by FUNAI employees who often have little or no training,

using poorly equipped dispensaries on Indian Posts. Seriously ill patients problems are routinely transported, often unnecessarily, to Indian Houses (casas do indio) attached to regional offices in towns where the quality of care is also very low due to lack of personnel, equipment and poor basic hygiene. There is considerable morbidity and mortality from preventable causes such as the common cold, influenza, measles, intestinal disorders, etc.

9. Indigenous peoples and their advocates have become increasingly vocal in defense of land and other rights within the Brazilian nation. Recently, international attention focussed on the plight of the Yanomami people of Roraima led to the expulsion of gold miners from their territory and the creation of a single reservation in excess of nine million ha, the largest single indigenous reserve in Brazil and possibly in all of the Americas. The events of recent years have encouraged many indigenous people to learn how to present their concerns and to defend their rights more vigorously in a public forum, often on national television, and in international arenas.

10. Project Objectives. The principal objective of this project is to protect indigenous groups most at risk from outside encroachment in the Amazon region to reduce the risk of outside interference in their lives and environmental degradation from the improper use of natural resources in these areas. The basic strategy is to secure the land base of indigenous groups, and to provide additional assistance as needed to assure the survival and well-being of these groups in an environmentally sustainable fashion. The specific goals of this project are (1) to conclude the demarcation and regularization of reservations for the largest possible segment of the indigenous population living in the Amazon region, (2) to identify and delimit new indigenous areas for populations where needed; (3) to strengthen FUNAI through training of personnel working in indigenous groups in the region; (4) to test new models of health care delivery for indigenous peoples in the Amazon region, (5) to develop community-based environmental protection activities, such as zoning, more intensive production techniques, agroforestry, ethnobotanical studies, careful adoption of exotic technologies such as livestock raising.

11. Project Description. Under this project selected areas would be demarcated and regularized. Where necessary, identifications would be carried out by specialized teams set up to survey each proposed area, gather the necessary data and propose a delimitation of that area. The major cost item would be the physical surveying and demarcation of boundaries. Training courses for FUNAI personnel would be held in regional centers in the Amazon, with room and board, consultants, instructors and instructional materials supported by the project. Health care activities would consist of periodic visits to indigenous communities by specialized health teams who would provide diagnostic and preventive care, survey and upgrade sanitary facilities, train villagers in primary care and upgrade the skills of FUNAI personnel.



12. Project Financing. This project would be financed from the core fund of the RFT (TK%), the Federal Republic of Germany (TK%) and Brazilian Federal Treasury Funds (10%). Donor financing will be on a grant basis but will be contingent on the availability of Brazilian counterpart funds from year two of the project onward.

13. Project Implementation. FUNAI will execute the project through its headquarters and regional staffs together with the assistance of qualified NGOs. A special unit to coordinate the project satisfactory to the Bank will be set up in FUNAI. The project would be monitored by a special officer reporting directly to the President of FUNAI, using a set of agreed upon indicators of project implementation. The project would also be periodically evaluated by an independent team of recognized experts satisfactory to the Brazilian Government and the Bank.

14. Project Sustainability. Under the Brazilian Constitution and law, demarcation is the legal recognition of an inherent right which was not conferred by the State. Accordingly, the Presidential decrees of delimitation and demarcation simply ratify a right recognized in the Constitution. However, delimitation and demarcation are irrevocable acts and facilitate the deterrence and suppression of encroachment on indigenous reserves. It is necessary to maintain and patrol the boundaries of indigenous reserves as well as to vigorously enforce the laws against encroachment or poaching on indigenous reserves. These are responsibilities of FUNAI and the Federal law-enforcement agencies but these agencies have not always been able to perform these tasks adequately. There is a risk that gains achieved under the project would be lost due to insufficient funding and lax enforcement.

15. However, the proposed project would seek to stimulate more active participation of the indigenous peoples themselves in demarcating and subsequently maintaining the integrity of their reserves, rather than passively expecting FUNAI to do so. The irreversibility of demarcation, and the fact that it adds considerable weight to any legal action against encroachers is a substantial and permanent benefit of this project regardless of how consistently FUNAI and other agencies enforce the law.

16. Lessons from Previous Bank Involvement. Since 1980, the World Bank has supported several projects in the Amazon region, two of which<sup>6</sup> had special components designed to help protect indigenous populations who might be affected by Bank-sponsored development. These projects were financed entirely out of counterpart funds. The major achievement of these projects was the demarcation of considerable incremental area of indigenous reservations, providing a more secure land base for several thousand indigenous people. These projects also provided basic health care services, some public sanitation measures, construction of

---

<sup>6</sup> POLONOROESTE and Carajas Iron Ore.

infrastructure, and administrative costs. The most lasting and durable achievements of these projects, however, are the land regularization measures. After these special programs lapsed, health and educational services virtually disappeared, as FUNAI did not have the budgetary and other resources to sustain them. Non Governmental Organizations (NGOs) and a few other government institutions helped fill the gap in indigenous health care, but these efforts were uneven and lacking in resources. Nearly all the social services provided to indigenous peoples in the Northern region have been dispensed in a highly paternalistic fashion, promoting dependency and lack of control by indigenous people over their own affairs. The primary lessons learned were

(a) the most durable benefits are those accruing from demarcation of indigenous lands for the reasons given above.

(b) the least durable benefits were those involving exotic technologies that were introduced without providing the training and means for the indigenous people themselves to control and sustain them.



19. Rationale for RFT Funding The indigenous peoples of the Amazon basin have lived in harmony with the tropical forest ecosystem for thousands of years without causing major environmental degradation. Indigenous people are likely to continue to follow a relatively conservative, low-impact life style for many years to come. Supporting their constitutional rights and providing a secure land base is one way of insuring that there will not be large-scale, habitat destruction in reservation areas. In those cases where indigenous groups have become interested in mining, logging and other potentially destructive activities, assistance would be given to prevent their activities from having long-term negative impacts on the habitat. Indigenous peoples are also the repositories of vast knowledge about the useful properties of the fauna and flora they exploit. Safeguarding these peoples is a way of conserving information about the Amazonian habitat that can be of great use to humankind in the future.

20. Issues and Actions. During appraisal, the principal issues that must be addressed in the preparation of this project are the following:

- (a) Priorities for demarcation and other actions. Agree with FUNAI on clear, transparent criteria for the prioritization of areas that would be demarcated and receive other actions.
- (b) Participation of Indigenous Groups. Agree on suitable mechanisms for consultation with and participation of indigenous communities in delimiting and demarcating boundaries; development of suitable techniques for maintaining boundaries and patrolling reserves.
- (c) Environmental Protection. Determine FUNAI's capacity to manage environmental protection activities in indigenous areas and identification of suitable entities (NGOs, government agencies, etc.) to assist in providing technical assistance to indigenous communities.
- (d) Health: Assess FUNAI's capacity to implement effective health programs, including both curative and preventive medicine, including the increased involvement of indigenous people in health-care programs. Selection of specific techniques and approaches to be adopted in health care.
- (e) Training Needs Assessment: Assess the need for additional training by FUNAI personnel and indigenous peoples in land regularization, health care and environmental protection. Determine the capacity of FUNAI to carry out training and identify additional suitable entities to participate in such training.
- (g) FUNAI Counterpart: Agreement with FUNAI concerning the activities that it would continue to carry out during the

project, and how it would sustain activities begun under this project.

21. Environmental Aspects. The project would be carried out in the context of environmental protection activities by the Pilot Program in general, and specific targeted activities to facilitate continuation of a low-impact adaptation to the environment. This does not mean that the project is designed to deprive indigenous peoples of access to modern technology, but rather to assist them in adopting such technology in an environmentally sound fashion.

22. Project Benefits. The principal benefits from this project would accrue to the indigenous peoples whose access to land and resources would be assured virtually in perpetuity, allowing them to maintain their separate cultural identity. The project would also help to preserve the Amazon environment by helping to preserve traditional indigenous lifeways. The demarcation of indigenous reserves creates formidable legal barriers to encroachment or the use of natural resources. The project would also help to strengthen the ability of indigenous peoples to manage their own affairs, including the resources on their reservations.

23. Risks. The primary risks posed by the project would be the inability of FUNAI to completely regularize and/or to protect indigenous lands. There are a number of scenarios that could lead to this result including change in government policy, lax law enforcement, funding problems, and organized encroachments by squatters, loggers or miners. However, the experience of the last 30 years has shown a gradual trend towards greater respect for indigenous rights by the public at large, the media and government. There has been considerable growth in NGOs devoted primarily to the indigenous cause and they also help to minimize the risk of any major retrocession in demarcation.

24. Staff Review Arrangements.

Task Manager: Daniel R. Gross  
Pilot Program Coordinator: Robert Kaplan  
Division Chief: Kreszenthia Duer  
Country Department Director: Armeane M. Choksi  
Peer Reviewers: To be selected



Annex I

Relevant Passages from the Federal Constitution, ratified October, 1988.

Article 231 - The social organization, customs, languages, creeds and traditions of Indians are recognized, as well as their native rights to the lands they traditionally occupy, it being incumbent upon the Republic to demarcate them and protect and ensure respect for all their property.

Paragraph 1 - those on which they live on a permanent basis, those used for their productive activities, those which are indispensable to preserve the environmental resources required for their well-being and those necessary for the physical and cultural reproduction, according to their uses, customs and traditions.

Paragraph 2 - The lands traditionally occupied by Indians are intended for their permanent possession and they shall be entitled to exclusive usufruct of the riches of the soil, rivers and lakes existing thereon.

... / ...



Paragraph 6 - Acts aiming at occupation, domain and possession of the lands referred to in this article, or at exploitation of the natural riches of the soil, river and lakes existing thereon are null and void and of no legal effect, except in the case of relevant public interest of the Republic, according to a supplemental act; such nullity and voidness shall not create a right to indemnity or to sue the Republic, except as to improvements derived from occupation in good faith in accordance with law.