

Recent events in Brazil bring changes for Pilot Program

With the removal from office of Brazilian President Fernando Collor de Mello and Vice-President Itamar Franco's assumption of the presidency, many changes affecting the Pilot Program have occurred over the last few months. As part of the overall restructuring of the federal administration in October, President Franco created a Ministry of the Environment to replace the former Secretariat of the Environment (SEMAM). Elevating the head of the country's environmental entity to the ministerial level signals a higher profile for environmental issues within the federal government. President Franco appointed Fernando Coutinho Jorge, a Senator from the State of Pará and former Mayor of Belém, as the first Minister for the Environment. Minister Jorge is also a former professor at the University of Pará in Belém.

During several meetings in November and December with World Bank officials, the Minister expressed his strong commitment to the Pilot Program and his desire to get the program moving again after the unavoidable slowdown caused by the change in government in Brazil. The Minister places environmental issues in the Amazon high on his list of priorities, and he hopes to bring in a broad array of individuals and organizations, including other federal government agencies, NGOs, universities, and state governments, to help address critical problems. Of particular concern to the Minister are excessive burning of forest during the dry season; water pollution, especially mercury

contamination and siltation, caused by gold mining; and the unsustainable exploitation of high value wood species, such as mahogany.

The upgrading of the status of the federal environmental agency to a ministry and the appointment of a new minister open the door to other organizational changes to streamline the central government's support for natural resource management and environmental protection. The new Minister wants to improve collaboration on environmental matters with other federal government agencies, and he is committed to decentralizing operational responsibilities to the state level, while retaining broad policy-making and oversight responsibility at the federal government level.

The change in status to a ministry also provides an opportunity to re-think the organizational structure and division of responsibilities of the environmental agency. Through the National Environmental Project, which is partially funded by a World Bank loan, the government has commissioned the consortium Price Waterhouse/Geotécnica to carry out a thorough institutional analysis of the Brazilian Institute for the Environment and Natural Renewable Resources (IBAMA, the Ministry's implementing agency), in order to assist in designing an appropriate administrative structure for the federal government's efforts in natural resource management and environmental protection. ♦

About the Pilot Program

The Pilot Program to Conserve the Brazilian Rain Forest supports an integrated set of projects that will contribute to a reduction in the rate of deforestation of Brazil's rain forests in a manner consistent with the sustainable development of the area's natural and human resources. The Pilot Program was launched at the request of the Group of Seven (G-7) countries, and receives financial support from all of them plus the Commission of the European Communities and the Netherlands. The total volume of financial and technical assistance pledged to the Pilot Program to date is some US\$280 million equivalent, of which some US\$58 million is committed to the Rain Forest Trust Fund (RFT), under World Bank trusteeship (see page 4). The Pilot Program is coordinated by the World Bank, in accordance with agreements reached by the Pilot Program Participants (the donors and Brazil).

The Pilot Program is designed to address the underlying causes of deforestation in Brazil's rain forests through a three-pronged approach. Projects will help strengthen the capacity of the public sector to set and enforce sound environmental policy; improve management of special protected areas, including parks, extractive reserves, national forests, and indigenous reserves; and increase the knowledge base on conservation of the rain forest and sustainable utilization of its resources. The Program will be implemented over a three-year time period.



studies to fill these information gaps.

The project would consist of two components: Science Centers of Excellence, which would support the institutional strengthening of two well-known research centers in the Amazon, and Directed Research, which would fund a grant program for research on conservation and sustainable development. For the Directed Research component, studies will define research priorities within the four core research areas previously agreed upon: Amazonian ecosystems, sustainable development, socio-economic issues, and environmentally benign infrastructure. The Regional Commission for Research in the Amazon (CORPAM), an independent commission comprised of representatives of government, NGOs, universities, and the private sector, will appoint a technical committee to review these studies. The committee will have a broad membership, including scientists, planners, decision makers, and natural resource users in the public and private sectors, in order to ensure that the research program responds to expressed needs and demand for scientific information.

Preparatory work for the Science Centers of Excellence component includes a strategic plan for each of the two centers of excellence, the National Institute of Amazon Studies (INPA) in Manaus and the Goeldi Museum in Belém. The strategic plans would ensure coordination between individual research agendas and the overall agenda of the institution by articulating clearly the institutional mission and by defining research priorities within the institution. As a result, it will be possible to tie intra-institutional allocation of resources to performance as measured against the institution's mission and priorities. Another pre-investment study for the Science Centers of Excellence component would identify the legal issues involved in increasing each center's autonomy.

Demonstration Projects

Progress was made during the August mission in defining more clearly the details of a project to support Demonstration Projects and delineating responsibilities for implementation. The focus of this operation is a small grants program to support innovative activities in the rain forest that contribute to the Pilot Program's overall objectives of conservation and sustainable development. Non-governmental organizations, cooperatives, and local government entities would be eligible to propose projects for up to US\$150,000 in grant funding. The August meetings served primarily to identify specific procedures for presentation and selection of sub-project proposals. Additional work is still needed to identify the most appropriate institutional structure for administering the small grants program and to clarify its relationship to the Brazilian National Environmental Fund (FNMA).

In addition to the small grants program, the project

would provide funding to the Amazon Working Group (GTA), a membership organization for NGOs in the Amazon, for work in support of the project, including assistance in publicizing the small grants program and its application procedures. Funds will also be dedicated to dissemination of lessons learned from sub-projects, through workshops, publications, radio, and other media.

Extractive Reserves and National Forests

During the August mission, representatives of the World Bank, the Commission of European Communities, and the governments of Germany and Japan were accompanied by officials from the government Center for the Development of Traditional Producers (CNPT) and the non-governmental National Council of Rubber Tappers (CNS) on a visit to the extractive reserve Rio Cajari, in the state of Amapá, to meet with local communities to discuss their needs and priorities. Bank and donor representatives also visited the Tapajós National Forest, in Pará, in the company of officials from IBAMA's Directorate for Renewable Natural Resources. Discussions in August in Brasilia between the Bank/donor mission and the Brazilian project preparation team focussed on the draft project proposals presented to the Bank in July. Participants in the discussions agreed that a project preparation workshop bringing together a wide array of players would be helpful to generate a consensus on priorities in each area and the activities which should be funded under the proposed project. Participants in the workshop would include representatives of the government agencies concerned with extractive reserves and national forests, representatives of the extractive reserves and communities living in or near national forests, CNS, NGOs, universities, the timber industry, and others concerned with the future of these conservation units. The workshop will be carried out using the ZOPP participatory methodology developed by the German technical assistance agency, GTZ, and is tentatively scheduled for mid-March. ♦

Donors coordinate bilateral projects

As international concern about the destruction of Brazil's rain forests climbed toward the top of the global environmental agenda in the late 1980s, the number of projects aimed at conserving or sustainably developing the forests' resources increased dramatically. Communication and coordination among efforts have not kept pace, however, resulting in duplication of effort and missed opportunities for mutual reinforcement.

(continued on page 4)

Bilateral Projects (continued from page 3)

Recognition of the need for coordination was an important impetus to the decision to create the Pilot Program. In addition to the projects to be financed with new resources, the Pilot Program will assist donors and implementers to keep abreast of each others' efforts. To date, donor governments have provided the Pilot Program Coordinating Unit in the World Bank with information on some 55 bilateral projects currently under preparation or implementation. Key information on these projects is now stored in a database in the offices of the World Bank Coordinating Unit. The database will be updated periodically and will serve as an important resource for future coordination of donors' efforts in support of Amazonian conservation. ♦

International conferences held on extractive reserves

Some 30 people representing Latin American governments, international foundations, national and international non-governmental organizations, universities, the World Bank, USAID, and the Commission of the European Communities (CEC) gathered in Leticia, Colombia last October to discuss the present situation and probable future of extractive reserves. Claudia Alderman, World Bank Task Manager for the Extractive Reserves and National Forests project of the Pilot Program, attended the conference, which was sponsored by the International Union for the Conservation of Nature (IUCN) and the CEC. The conference brought together people involved with extractive activities in Colombia, Bolivia, Brazil, Peru, Venezuela, Guatemala, Nicaragua, Panama, and Costa Rica and featured an exchange of information and viewpoints about extractivism. While only Brazil has a clear legal structure for recognizing extractive reserves, most countries have legislation that allows for extractive areas and activities. Projects focussing on extractive activities are being carried out throughout the region, but they are often isolated and participants do not generally have opportunities to get together to discuss their problems and successes. A book of case studies on experiences in extractivism, drawn from the conference, is currently under preparation and will help extend this information to a wider audience.

A second phase of the workshop, devoted exclusively to the situation of extractive reserves in Brazil, took place in Manaus immediately following the Leticia conference. Participants included representatives of the nine legally established Brazilian extractive reserves, the governmental Center for the Development of Traditional Producers (CNPT), the National Council of Rubber Tappers (CNS), NGOs, universities, the CEC, and the World Bank. During the two-day conference, representatives of each extractive reserve described the experience of their particular reserve in a number of different thematic areas, including the history of the community's struggle to create the reserve; its

current socio-economic situation; government, NGO, and community roles in the creation and establishment of the reserve; the elaboration of management plans and the potential for commercialization of extractive products; ongoing projects in the reserve and their sustainability; and the major problems and challenges facing extractive reserves in Brazil. The exchange of information highlighted shared experiences as well as innovative approaches to common problems and allowed the formation of a network of people working with the extractive reserves. A book will be written based on the conference proceedings, which were videotaped. ♦

RFT reaches US\$58 million

The Netherlands joined the Pilot Program donors in October by contributing 9,250,000 guilders, equivalent to US\$5.14 million, to the Rain Forest Trust Fund (RFT). This new contribution brings total commitments to the RFT to almost US\$58 million. Commitments to the RFT as of December 30, 1992, are shown in Table 1.

In addition to the core monies in the trust fund, several donors have indicated their intention to provide financial or technical assistance for Pilot Program projects. Total commitments to the RFT and cofinancing amounts to some US\$280 million equivalent. Cofinanciers may finance individual components of Pilot Program projects, or a percentage of all project costs. The specific financing plan for each Pilot Program project is worked out on the basis of donors' participation in preparation and appraisal missions led by the World Bank. The August 1992 preparation missions included representatives of Germany, Japan, the United States, Italy, the United Kingdom and the Commission of the European Communities. ♦

Currency	Amount	US\$
ECU	11.90	14.56
Deutsche Marks	32.00	19.99
Yen	710.00	5.72
Netherlands Guilders	9.25	5.14
Pounds Sterling	1.50	2.30
US Dollars	10.00	10.00
Total		57.71

1/ At the exchange rates in force on December 30, 1992. An additional US\$2.6 million equivalent has been committed to be administered by the World Bank for project preparation activities.