

Rain Forest

PILOT PROGRAM UPDATE

Quarterly Newsletter of the Pilot Program to Conserve the Brazilian Rain Forest

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Amazon Wildfires Trigger Emergency Project

During February and March 1998, accidental fires raged out of control in parts of the northern Amazon state of Roraima, a consequence of a pronounced drought brought on by El Niño combined with normal burning used by the local population to clear agricultural fields and pastures. The flames were finally extinguished by the rains of early April 1998 after burning about 3.3 million ha, including 1 million ha of forest. About 12,000 people, including 7,000 members of indigenous populations, were affected by the fires in Roraima. Many of them lost their crops and livestock to the flames.

Under usual conditions these fires rarely escape into areas of intact tropical forest, which are generally too moist to sustain burns. Yet the exceptional droughts generated by "El Niño" have rendered forests throughout the Amazon more susceptible to burning. The impacts of the Roraima fires on the local forests initially appeared to be small. Most of these fires were confined to the forest floor, where they consumed organic material and underbrush. Yet even such low-intensity fires damage the bark of rain forest trees, and as a result many of the trees in the burned forests of Roraima are dying. This slow death builds up substantial amounts of fuel on the forest floor, and the gradual opening up of the forest canopy reduces the humidity in the understory, which normally protects tropical forests from burning. As a result, the forests of Roraima that were lightly burned this year are susceptible to catastrophic fires during next year's dry season.

Because Roraima is in the Northern Hemisphere, its dry season occurs six months earlier than most of the Amazon, which lies in the Southern Hemisphere. As a result, the fires in Roraima provided an alarm signal for far more extensive fires likely to occur in the rest of the Amazon—especially within the so-called "deforestation belt" that extends along the eastern and southern edges of the region, where much of the Amazon's rural population is concentrated. Logging is a widespread activity there, which leaves large amounts of debris on the forest floor, providing fuel for wildfires. The combination of "El Niño" droughts and increasing fuel due to logging means that much of the Amazon forest is now under risk.

In the wake of the Roraima fires, the Brazilian government requested the support of the World Bank and other donors to help prepare an Emergency Fire Prevention and Control Project (PROARCO) for in the Amazon's deforestation belt. The Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) is leading the PROARCO preparation effort, along with the Secretariat for Regional Affairs of the Ministry of Planning and Budget. Funding for this US\$25 million project is expected to come from various sources, including World Bank loan funds from the National Environment Project; a new emergency loan from the Bank; government counterpart funds; and

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About the Pilot Program

The Pilot Program to Conserve the Brazilian Rain Forest supports an integrated set of projects designed to 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, and that will provide lessons for designing future activities. The Pilot Program was launched at the request of the Group of Seven (G-7) industrialized countries and also enjoys financial support from the Commission of the European Communities and the Netherlands. The total volume of financial and technical assistance pledged to the Pilot Program to date, including associated bilateral projects, is about US\$260 million. 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 lands; and increase the knowledge base on conservation of the rain forest and sustainable utilization of its resources.



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DEMONSTRATION PROJECTS

Implementation of the Demonstration Projects (PD/A) has made good progress in the last four months. The PD/A Technical Secretariat is successfully implementing the recommendations made by the project's mid-term review team in August 1997, with the formulation of a new Operations Manual; planning and restructuring of the Proposal Preparation and Technical Support Group (GAPEP); and new dissemination activities.

The agreement for an additional German grant of DM 15 million was signed on July 1, 1998, and German funds for extended technical cooperation are also being proposed.

Preparation of the new *Indigenous Demonstration Projects (PD/I)* component has been moving forward with the implementation of a series of studies on the legal, socioeconomic, participatory and commercial aspects of natural resource use in indigenous communities. A PD/I preparation grant of US\$494,800 from the Japanese government has been approved. Additional funding for PD/I may be forthcoming from the governments of Germany (approximately DM 20 million) and the United Kingdom (approximately £3.0 million).

In addition, a new type of Demonstration Projects, tentatively named "*Area-Based Demonstration Projects (PD/B)*", is currently under preparation. Following on an idea conceived in 1991 during the Pilot Program's originating meeting in Geneva, PD/B may support "directed" demonstration projects in areas where other Pilot Program projects in the Amazon and Atlantic Forest are active. This new component may also feature more involvement of municipal governments in the administration of subproject grants. A concept document for PD/B was drafted in collaboration with the Ministry of the Environment, Water Resources and the Legal Amazon (MMA), the European Commission (EC), the World Bank and representatives of NGO networks, and is currently under discussion. A participatory review process to discuss the design of this new line of grants will begin soon. Both the EC and the United Kingdom have indicated their

interest in providing PD/B funding.

The initiation of activities under the *Environmental Education* component continues to await signing of necessary contract by the EC and the Bank of Brazil. ❖

EXTRACTIVE RESERVES

A joint supervision mission was carried out in July 1998 by the World Bank and the EC. Field visits were conducted to the Chico Mendes and Alto Juruá Extractive Reserves, two of the four reserves supported by the project. The mission team found the implementation of the project to be very satisfactory, with notable progress made towards finalizing land use concessions to inhabitants of two of the reserves and the completion of development plans for the four reserves.

Discussions are currently under way on a project for an *Extractive Reserves Transitional Phase* which would help consolidate this model for conservation and sustainable development of forest resources. This project (or second phase) would be a natural progression of the first project, focusing on the implementation of production systems and environmental management plans that were designed over the first five years. The Extractive Reserves Transitional Phase Project is expected to be funded and initiated by April 1999, when the first project will have come to a close. ❖

FIRE AND DEFORESTATION CONTROL

Preparation of the Fire and Deforestation Control Project (PRODESQUE) has proceeded smoothly. An initial project concept paper was completed in May 1998 and is currently being discussed with Amazonian state governments, the main beneficiaries of the information to be generated by the project and primary implementers of monitoring and control activities under the Natural Resources Policy Project. PRODESQUE, which may cost US\$25 million, aims to support the development of a unified system of monitoring and surveillance for deforestation, burning and forest degradation. The project will also help strengthen local capacity to control illegal fires and deforestation.

Current project objectives, however, may shift in the wake of the Emergency Fire Prevention and Control Project (PROARCO, see article on page 1) which will provide funding on an urgent basis to control accidental forest fires during the current exceptionally dry burning season in the Amazon. A final proposal for the project is

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expected in August 1998. Project appraisal is scheduled for late October 1998. Germany has declared its intention to grant DM10 million to the project. ❖

FLOODPLAINS (VÁRZEA) MANAGEMENT

Appraisal of the Floodplains (*Várzea*) Management Project took place in May 1998. Participating in the project appraisal were representatives of the German Society for Technical Cooperation (GTZ), the British Department for International Development (DfID), the German Bank for Reconstruction (KfW), the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA), MMA and the World Bank.

Cost estimates for the project now stand at US\$15.5 million. DfID has pledged £3m to finance the strategic studies component, and may provide additional future funding. The European Commission tentatively pledged US\$2 million, pending internal review and approval. Germany agreed to increase its contribution to the project to around DM 11 million.

At appraisal, agreement was reached on project concept, structure, components, management arrangements, and on pre-investment activities to be undertaken before project approval. The project aims to support (1) strategic studies to assist in the definition of public policy for the *várzeas*; (2) promising initiatives for the sustainable management of *várzea* resources; and (3) monitoring, control and enforcement activities, including baseline information and indicators for sustainable fisheries management. The five-year project will be managed from IBAMA's office in Manaus. Project approval is expected by January 1999. ❖

INDIGENOUS LANDS PROJECT

Implementation of the Indigenous Lands Project has made good progress over the past few months. The 1998 Operating Plan and revised list of priority areas were approved. A Technical Assistance Agreement was signed by the National Indian Foundation (FUNAI) and UNDP in May 1998, facilitating project implementation project.

The bottlenecks affecting identification work have now been largely resolved. The number of identifications is increasing, thus returning the project to its original timetable. The identification and delimitation of the Indigenous Land *Vale do Javari* was published in May 1998. Its demarcation will begin in the first half of 1999.

The proposal for a revised surveillance and protection component was completed recently. This component is designed to help indigenous people develop plans to protect their areas while securing their subsistence and conserving the natural resource base.

Terms of reference for an independent mid-term evaluation of the project have been finalized, and the study contracted in July 1998. A participatory seminar to discuss the findings of the independent evaluation and the mid-term review are planned for October 1998. ❖

NATURAL RESOURCES POLICY SUBPROGRAM

Implementation of the Natural Resources Policy Project (Subprogram) continues to improve. Integrated Environmental Management Projects (IEMPs) were prepared by all nine participating Amazon states, were reviewed by the Ministry of Environment (MMA), KfW, the World Bank and the Project Commission, and were released for implementation. Necessary changes in IEMP design will be made in an initial round of subproject evaluation and re-planning at the end of 1998, when the states have had some actual implementation experience. Funds for IEMPs have been released to four states.

A study for the revision of performance and impact indicators for the subprogram will be undertaken soon, taking into account the objectives of the states' IEMPs as well as broader indicators. The Operational Manual will have been revised by the end of August, and amendments to the NRPP grant agreements, reflecting the reformulation over the last 2 years, will also be signed shortly. As proposed by the Participants in Manaus (Oct. 97), a "retreat" was held in May to address issues of project coordination and implementation. A diagnostic study was prepared beforehand, giving first recommendations of possible improvements. MMA, donor agencies, the World Bank and some of the states participated, and agreed on an "agenda of commitments". Two follow-up meetings are to be held by the end of August, involving a broader spectrum of participants. The first will address technical cooperation within the subprogram, and the second, issues of project implementation in the states. ❖

RAIN FOREST CORRIDORS

Preparation of the Rain Forest Corridors (formerly Parks and Reserves) Project has been making good progress. A mission to pre-appraise this project took place in June 1998. Participants in the mission included representatives of KfW, GTZ, the EC, the British Department for International Development (DfID), IBAMA, FUNAI, GTA, MMA and the World Bank.

The project is now comprised of five major components: (1) planning and monitoring of priority corridors; (2) management and establishment of conservation units in priority corridors; (3) management of critical connecting areas in priority corridors; (4) biodiversity protection on indigenous lands in priority corridors; (5) strategic coordination. (Continued on page 4)

Amazon Wildfires

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Pilot Program funds. The project has been appraised by a World Bank team, with participation from the Bank's Rain Forest Unit.

As a first step, the Pilot Program has funded studies needed to complete a map identifying areas of high accidental fire risk in the Amazon. This map will help IBAMA concentrate fire prevention and suppression efforts in critical areas. The map is based on earlier studies conducted by the Institute for Environmental Research in the Amazon (IPAM), and partially funded by the Pilot Program. About 400,000 square kilometers were identified as high-risk areas, mainly in the deforestation belt of the southern and eastern Amazon, but also in central Pará and Mato Grosso states.

One specific component of PROARCO, identified for funding by the Pilot Program, is a grassroots mobilization and training campaign that will alert local communities to the dangers of fire and teach basic control methods for the prevention of accidental and escaping fires. This component was prepared by IBAMA and the Amazon Working Group (GTA). Implementation will involve the mobilization of people living in areas of high fire risk through the existing GTA network of nine regional coordination centers. GTA and IBAMA will train 200 trainers in fire prevention and control to organize courses for 12,000 community leaders. They will also create 200 community fire brigades in rural areas. The program is expected reach a total population of 120,000 within critical areas of the deforestation belt.

GTA will receive a direct grant from the Pilot Program, channeled through UNDP, to fund activities under this component, which is estimated to cost about US\$1 million.

The US Agency for International Development has offered about US\$2 million to the Pilot Program to help support activities under PROARCO.

PROARCO will also support the training and equipping of some 50 municipal fire brigades, as well as state fire companies and special fire prevention units in parks and indigenous reserves. PROARCO will use radio and television spots, information booklets, brochures and posters to educate the public on the matter of controlled burning. The public awareness and training activities will be monitored and evaluated, to help prepare a long-term fire prevention and control strategy for the region. The most important result of PROARCO will be lessons on the best way to prevent and suppress forest fires in the Amazon region.

The Roraima subproject of the Natural Resource Policy Project is also being modified to provide emergency support for fire control and recuperation efforts in the areas affected by the recent fires. (See related articles on the Fire and Deforestation Control and Natural Resources Policy Projects.) ❖

TENTH IAG MEETING

The International Advisory Group (IAG) held its tenth meeting in Brazil in July 1998. Overall, the IAG found that major implementation progress has been achieved over the past year. However, it also noted that the Pilot Program should not be judged solely in terms of quantitative indicators of results, in view of the fact that it has helped to induce constructive change in the wider institutional and policy context in the Amazon. Valuable institutional lessons from some projects are already being applied successfully in other areas, while the strengthening of NGOs through the Amazon Working Group (GTA) has been a direct result of Pilot Program support. The IAG concluded that an assessment of the Pilot Program's performance (planned for 1999), as well the donors' decisions on funding, need to look at these broader, less quantifiable, but equally important impacts. ❖

EUROPEAN OUTREACH

During June 1998, the Pilot Program embarked on its first round of outreach visits to European countries. A joint delegation of MMA and the World Bank visited Switzerland, Spain, the Netherlands and Belgium to present the Pilot Program's design and achievements to representatives from government, the private sector and civil society. The Pilot Program's new and improved information brochure was distributed to the audiences. The delegation felt that there was indeed a lack of information about the Program in these countries. In the future, a greater effort will be placed on public information and identifying new partnerships. ❖

Rain Forest Corridors

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The first four components would take place in two priority corridors (Central Amazon and Northern Atlantic Forest), and the fifth would be carried out by IBAMA's coordinating unit located in Brasília. Under this component, IBAMA would be responsible for general project administration, evaluation and dissemination of the corridor concept, and strategies for other corridors.

Final preparations for the Rainforest Corridors Project should take place in the next months and, if successfully concluded, the project could be appraised in late 1998 and get underway in early 1999. Most of the donor support (currently estimated to total US\$39 million, excluding Brazilian government counterpart funding, which could exceed 10%) would only begin in early 2000, but first-phase project activities would get underway in 1999, financed from the Rain Forest Trust Fund. ❖