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The World Bank

Report No:ICR0000338

IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(MULT-21953)

ON A  
GRANT  
IN THE AMOUNT OF US\$ 2.1 MILLION  
TO THE  
FEDERATIVE REPUBLIC OF BRAZIL  
FOR THE  
INDIGENOUS LANDS PROJECT  
(Pilot Program to Conserve the Brazilian Rain Forest)  
January 5, 2007

LCSEN  
WB Office: Brasilia, Brazil CMU  
Latin America and the Caribbean Region

## CURRENCY EQUIVALENTS

( Exchange Rate Effective )

Currency Unit = Real (R\$)

1 real = 0.4545 US\$

US\$ 1.00 = 2.20 reais

## GOVERNMENT OF BRAZIL FISCAL YEAR

January 1 to December 31

## ABBREVIATIONS AND ACRONYMS

AC	State of Acre
AP	State of Amapá
ARPA	Amazon Region Protected Area Project
CEC	Commission of European Communities
COAIB	Coordination of Amazonian Indigenous Organizations
CRI	Real Estate Register (Cartório de Registro de Imóveis)
DAF	Land Department (Diretoria de Assuntos Fundiários, FUNAI)
DM	Deutsche Mark
DPU	Federal Property Register (Departamento de Patrimônio da União)
EMBRAPA	Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária)
FUNAI	National Indian Foundation (Fundação Nacional do Índio)
G-7	Group of Seven
GIS	Geographic Information System
FUNASA	National Health Foundation (Fundação Nacional de Saúde)
GOB	Government of Brazil
GTZ	German Agency for Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit)
IAG	International Advisory Group (Pilot Program to Conserve the Brazilian Rain Forest)
IBAMA	Brazilian Institute for the Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis)
INCRA	National Institute for Colonization and Agrarian Reform (Instituto Nacional de Colonização e Reforma Agrária)
KfW	Credit Institution for Reconstruction (Kreditanstalt für Wiederaufbau)
MA	State of Maranhão
MMA	Ministry of the Environment (Ministério do Meio Ambiente)
MT	State of Mato Grosso
NGO	Non-Governmental Organization
PA	State of Pará
PIU	Project Implementation Unit
PLANAFLORO	Rondonia Natural Resource Management Project (Plano Agropecuario e Florestal de Rondônia)
PRODEAGRO	Agribusiness Development Program (Programa de Desenvolvimento Agroambiental do Estado do Mato Grosso)
POLONORDESTE	Development Program for Integrated Areas of the Northeast (Programa Integrado de Desenvolvimento do Nordeste)

PPG7	Pilot Program to Protect the Brazilian Rain Forest (Programa Pilotos para Proteger das Florestas Tropicais do Brazil)
PPTAL	Rain Forest Indigenous Lands Project (Projeto Integrado de proteção às Populações e Terras Indígenas da Amazônia Legal)
RFT	Rain Forest Trust Fund
RO	State of Rondônia
RR	State of Roraima
SEAIN	Secretariat of International Affairs (Secretária de Assuntos Internacionais)
TO	State of Tocantins
TOR	Terms of Reference
UNDP	United Nations Development Programme

<p>Vice President: Pamela Cox</p> <p>Country Director: John Briscoe</p> <p>Sector Manager: Abel Mejia</p> <p>Team Leader: Judith Lisansky</p>
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**Brazil**  
**Indigenous Lands Project**

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<b>1. Basic Information</b>			
Country:	Brazil	Project Name:	Indigenous Lands Project
Project ID:	P006567	L/C/TF Number(s):	TF-21953
ICR Date:	01/05/2006	ICR Type:	Core ICR
Lending Instrument:	Grant	Borrower:	FED REP. BRAZIL
Original Total Commitment:	US\$ 2.1 Million	Disbursed Amount:	US\$ 1.89 Million
<b>Environmental Category: B</b>			
<b>Implementing Agencies:</b> National Indian Foundation – US\$ 2.24 million			
<b>Cofinanciers and Other External Partners:</b> KfW and GTZ (Germany) – US\$ 16.59 million			

<b>2. Key Dates</b>				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	08/13/1993	Effectiveness:	07/06/1995	12/08/1995
Appraisal:	04/16/1994	Restructuring(s):	N/A	N/A
Approval:	06/19/1995	Mid-term Review:	00/00/0000	10/16/1998
		Closing:	12/31/2000	12/31/2005

<b>3. Ratings Summary</b>	
<b>3.1 Performance Rating by ICR</b>	
Outcomes:	SATISFACTORY
Risk to Development Outcome:	LOW
Bank Performance:	SATISFACTORY
Borrower Performance:	SATISFACTORY

<b>3.2 Quality at Entry and Implementation Performance Indicators</b>			
Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Project at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Project at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

<b>4. Sector and Theme Codes</b>		
	<b>Original</b>	<b>Actual</b>
<b>Sector Code (as % of total Bank financing)</b>		
Environment	75%	75%
Social Development	25%	25%
	<b>Original Priority</b>	<b>Actual Priority</b>
<b>Theme Code (Primary/Secondary)</b>		
Indigenous People	Primary	Primary
Land Administration	Secondary	Secondary

<b>5. Bank Staff</b>		
<b>Positions</b>	<b>At ICR</b>	<b>At Approval</b>
Vice President:	Pamela Cox	David de Ferranti
Country Director:	John Briscoe	Gobind Nankani
Sector Manager:	Abel Mejia	Constance Bernard Gobind Nankani
Project Team Leader:	Judith Lisansky	Judith Lisansky
ICR Team Leader:	Judith Lisansky	
ICR Primary Author:	Judith Lisansky	

## **6. Project Context, Development Objectives and Design**

*(this section is descriptive, taken from other documents, e.g., PAD/ISR, not evaluative)*

### **6.1 Context at Appraisal**

*(brief summary of country macroeconomic and structural/sector background, rationale for Bank assistance)*

#### **Introduction**

The Indigenous Lands Project (PPTAL) was a US\$20.1 million project (US\$2.1 Rain Forest Trust (grant) administered by the World Bank, US\$16.6\* KfW bilateral German financing (grant), and US\$2.2 counterpart Government of Brazil) that financed one of the most successful indigenous land regularization programs in the world. Amazonian indigenous people are highly vulnerable to the encroaching frontier especially outsiders using, occupying or degrading their lands and natural resources. By securing their lands the project contributed to ensuring indigenous people access to natural resources thus enhancing livelihoods and improving well-being as well as helping to protect the forests. Despite the relatively modest size of PPTAL, it regularized more 40 million hectares of indigenous lands in the 400 million hectare Amazon Region, thus making a major contribution to ensuring the rights of indigenous people to about 18 percent of the Amazon. This should be contextualized considering that 17 percent of the Amazon has already been deforested and approxi-

\* The German contribution was DM30 million calculated above at the rate of exchange at the time the project was appraised.

mately 20 percent slotted for other types of conservation units. In short, the PPTAL was an innovative and pioneering effort not only to regularize indigenous lands in the Brazilian Amazon but also to increase indigenous participation and control in the process of regularizing, protecting and managing their lands.

### **Brazilian Amazon Background**

The Brazilian Amazon covers about 5 million square kilometers, a vast area equal to about half of the continental United States or greater than the combined territories of the 27 members of the European Union. One-fifth of the world's fresh water cycles through its river system while it contains the largest remaining tropical forest in the world. Its forests help to maintain local climate, protect watersheds and provide raw materials for crafts and industry. By storing carbon, the Amazon rain forest helps control global warming. The Brazilian Amazon is also home to millions of people, including rubber tappers, nut gatherers, fishers, small farmers and indigenous people.

During the 1980s the international community became increasingly concerned about the rapid destruction of Brazil's biologically diverse and globally important rain forests. People and organizations in Brazil and around the world called for measures to slow the destruction. Because Brazil views its rain forests both as a natural resource to be protected for humankind and as a source of wealth for its regional population and the country as a whole, solutions must reconcile protection and sustainable development.

### **Pilot Program to Conserve the Brazilian Rain Forest (PPG7)**

At a 1990 summit meeting of the Group of Seven (G-7) industrial countries, Germany led the call for a pilot program to reduce the rate of deforestation in Brazil. Representatives of the Brazilian government, the World Bank and the European Commission worked together to outline a program. In 1991, the G-7 and European Union approved the Pilot Program to Conserve the Brazilian Rain Forest (PPG7) with initial donor pledges, together with the Netherlands, of about US\$250 million. The G-7 asked the World Bank to coordinate the program.

The goals of the Pilot Program (or PPG7 as it is commonly referred to) were to: (i) help demonstrate that sustainable development and conservation of the environment can be simultaneously pursued in tropical rain forests; (ii) preserve the rain forests' biological diversity; (iii) reduce the rain forests' contribution to the world's emissions of greenhouse gases; and (iv) set an example of international cooperation between industrial and developing countries on global environmental issues.

The Pilot Program included five thematic areas for financing: (i) Experimentation and Demonstration which sought to promote practical experiences by local communities and governments in conservation, sustainable development and environmental education initiatives; (ii) Conservation to promote improved management of a wide variety of protected areas such as parks, national forests, extractive reserves and indigenous lands; (iii) Institutional Strengthening to enhance the capacity of the public sector to set and enforce sound environmental policy; (iv) Scientific Research to increase the knowledge base of conservation and the sustainable development of rain forests; and (v) Learning and Disseminating Lessons. The Pilot Program has supported an integrated set of an estimated eleven projects in the above thematic areas.

## **Brazilian Amazonian Indigenous People**

The Indigenous Lands Project (PPTAL) addressed the second theme of the Pilot Program by regularizing\* a significant portion of indigenous lands in the Amazon region. For millennia, indigenous people have exploited the Amazon rain forest ecosystem without causing major environmental degradation. Satellite maps of the Amazon clearly show that existing indigenous lands contain some of the most pristine and undisturbed forests in the region.

Brazil's indigenous people – estimated at about 400,000 persons of which about two-thirds live in the Amazon\*\* – have primary and inherent rights to approximately 89 million hectares or 17.5 percent of the area of the Legal Amazon\*\*\* of which nearly all is under native forest cover. In 1988, Brazil adopted a new constitution that stipulated that all indigenous lands would be demarcated by 1993. However, this did not occur. When the PPTAL was prepared, there were 532 indigenous areas recognized by the Brazilian National Indian Foundation (FUNAI) of which 370 were located in the nine states of the Legal Amazon. At that time, only 50 percent of Brazil's indigenous areas had been demarcated.

The indigenous people of Brazil are traditionally organized at a tribal level with no political institutions above the village level. Thus, while two neighboring populations may be culturally and linguistically similar, they often regard themselves as separate peoples. Most indigenous people of the Amazon basin retain their native language and customs but are increasingly involved in the regional economy and social system. Under traditional resource management regimes, indigenous people have relatively low negative impact on the environment. In many areas, settlers, wildcat miners and loggers have caused environmental damage to the rain forest areas and endangered the health and security of the indigenous people, as well as their ability to maintain traditional lifestyles.

Since the early part of the 20<sup>th</sup> century, Brazilian law has treated indigenous people as wards of the state with broad rights guaranteed under the Constitution. The most basic of these rights is legal recognition of their lands. While indigenous lands are owned by the nation, indigenous communities have exclusive usufruct rights to all above-ground, aquatic and soil resources in their respective areas. Government policy limits all economic activity on indigenous lands other than traditional subsistence pursuits.

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\* The process of regularizing indigenous lands refers to the steps necessary to legally recognize them. Full regularization of indigenous lands is comprised of the following three basic steps: (i) Identification and Delimitation; (ii) Physical Demarcation; and (iii) Full Regularization which refers to land registration and a final Presidential Decree. Based on Brazilian usage, the English terms indigenous area and indigenous lands may be used interchangeably. In Brazil the term indigenous reserve is generally used when the indigenous people have been relocated to a new area that is not their traditional habitat. Indigenous park is an older infrequently used term for an indigenous area.

\*\* The Legal Amazon is defined under Brazilian law as the area comprised of the States of Acre, Amapa, Amazonas, Para, Rondonia, Roraima and parts of Maranhao, Mato Grosso and Tocantins.

\*\*\* In 1500 the indigenous population of Brazil may have been as large as eight million. Largely due to colonization, warfare, disease and assimilation, at the time the project was prepared the indigenous population of Brazil was estimated at 240,000 of which approximately 145,000 resided in the Amazon. Today however, recent census data indicated a demographic turnaround with a significant increase in the number of indigenous people cited above.



Many experts agreed that given the location of the majority of Brazil's remaining indigenous people in the Amazon region, together with intensifying frontier expansion, an important national priority was to guarantee indigenous peoples their lands. With respect to the Pilot Program's focus on protecting rain forests, one of the most salient facts about indigenous people was that they had long used the forest ecosystem without causing major environmental damage. Their specialized knowledge and stewardship of natural resources are considered by many scientists to be exemplary and able to provide a foundation for the development of more sustainable approaches to rain forest use and management.

### **Rationale for Bank Assistance**

The Bank has a substantial history of working on environmental matters in Brazil. When asked to be the coordinator of the Pilot Program, it assembled a technical team including expertise on indigenous issues and land regularization. Although the project did not have a poverty focus per se, it was expected to contribute to increasing the well-being of about 44,000 indigenous people whose rights to land and natural resources would be assured by the regularization and protection activities funded under the project. The design of the PPTAL was consistent with the Bank's assistance strategy for Brazil at the time of preparation and took into account the Bank's prior experiences related to projects involving indigenous people in the Amazon region, notably POLONOROESTE (2062-BR, 2116-BR) and Carajas Iron Ore (2196-BR), as well as learning from two ongoing projects: the Rondônia Natural Resource Management Project (PLANAFLORO, Ln 3444-BR) and the Mato Grosso Natural Resource Management Project (PRODEAGRO, Ln 3492-BR).

### **6.2 Original Project Development Objectives (PDO) and Key Indicators (as approved)**

The general objective of PPTAL was to improve the conservation of natural resources in indigenous areas and increase the well-being of indigenous people through: (i) regularization of indigenous lands in the Legal Amazon; and (ii) improved protection of indigenous populations and areas.

Specific objectives included: (i) regularizing (by identifying, demarcating and legalizing) selected indigenous areas in seven of the nine states of the Legal Amazon (at the time this operation was prepared, Rondonia and Mato Grosso had Bank operations that addressed indigenous land regularization); (ii) improving the protection of indigenous people and lands by developing and implementing community-based activities designed to protect their areas while securing their subsistence and conserving the natural resource base; and (iii) strengthening the protection of indigenous populations and regularization and improved conditions for the management of indigenous lands by targeted capacity building and studies.

The Monitoring and Evaluation (M&E) Plan prepared for the project in 1995 included formally agreed monitoring and performance indicators. Key performance indicators included:

- Completion of the regularization activities programmed under the project.
- Adherence to the proposed (and annually revised) project priority list for indigenous areas to be regularized.
- Degree of indigenous participation in the processes of indigenous land identification and demarcation.
- Degree of indigenous participation in the formulation and successful implementation of surveillance and protection activities.

Following adoption by the Bank of the Implementation Status Results and Report (ISR), the Task Team identified in the system the PDO Indicator as (i) Completion of indigenous land regularization activities programmed under the project, and the Intermediate Outcome Indicator as Degree of indigenous participation in land regularization and protection activities. (See Annex 1).

### **6.3 Revised PDO and Key Indicators (as approved by original approving authority), and reasons/justification**

N/A

### **6.4 Beneficiaries, original and revised**

#### **Primary Beneficiaries**

The main beneficiaries of the project were indigenous peoples in the regularized areas whose access to land and resources would be assured in perpetuity by the legal demarcation of their traditional lands. Indigenous people and lands included under the project were also to be eligible for a variety of activities, such as protection actions and greater involvement in identifications and demarcations, trainings and capacity-building activities.

#### **Secondary Beneficiaries**

Secondary beneficiaries included the National Indian Foundation (FUNAI) and its staff in terms of project support for training, capacity-building and studies (under Component 3) in addition to support for project management, M&E, and dissemination (under Component 4).

Secondary beneficiaries also included indigenous and indigenist nongovernmental organizations in terms of project support for NGO strengthening, training, capacity-building, protection activities, and involvement in the project advisory commission.

### **6.5 Original Components (as approved)**

The project was comprised of four components whose associated activities are summarized below:

#### **Component 1: Regularization of Indigenous Lands (Total Cost US\$16.6 million)**

This component supported the identification, demarcation, and regularization of selected indigenous lands in seven out of nine states in the Legal Amazon (see footnote on page 8 and Section 6.1). The design included an annual revision of the project's priority list of indigenous lands based on (i) risk factors\* and (ii) degree of local support. The project had an "open design" in that it was agreed that its initially formulated land regularization targets would be reviewed and revised each year on the basis of the revised priority list, and, if funds permitted, more indigenous lands could be added to the original project targets. Subcomponents included: (i) identification of an estimated 42 lands; (ii) demarcation and regularization of an estimated 81 lands; and (iii) development and implementation of environmental diagnostics for to-be demarcated lands.

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\* Risk factors for the priority list of indigenous lands included: (i) vulnerability, such as proximity to cities and/or regional development projects; and (ii) physical or cultural threats, such as epidemics and/or interethnic conflicts.

### **Component 2: Surveillance and Protection of Indigenous Areas (Total Cost US\$1.6 million)**

This component supported the development and implementation of community-based activities to protect their lands while securing their subsistence and conserving the natural resource base. Therefore, the plans were to be developed and implemented largely by the affected indigenous population. As needed, logistical, technical and scientific support were provided by FUNAI and/or NGOs. To ensure the effectiveness and sustainability of the protection activities, the activities to be supported aimed to help create the conditions for their own maintenance by means of income-generating activities or rudimentary infrastructure, for instance. Examples of the types of activities that were supported included: (i) establishing strategically located control bases (agricultural fields, fishing or hunting camps); (ii) intensifying the use of traditional areas for hunting or collecting forest products; and (iii) decreasing travel to populated border areas to diminish exposure to diseases and other threats.

### **Component 3: Capacity-Building and Studies (Total Cost US\$1.6 million)**

This component supported activities to strengthen the protection of indigenous populations and regularization and improved conditions for the management of indigenous lands by means of training and studies. Subcomponents included: (i) implementation and training for a Geographic Information Systems (GIS) to improve the regularization and monitoring activities of indigenous lands; (ii) training in indigenous issues for FUNAI field staff and representatives of pertinent governmental agencies, NGOs and indigenous people; and (iii) studies, including those to: (a) test a methodology for a rapid environmental diagnostic of the natural resources in indigenous areas; (b) test and evaluate alternative methods of demarcation, such as the planting of marker species along boundaries; (c) clarify legal and policy issues with respect to indigenous rights and natural resource use and management; and (d) provide resettlement recommendations for good faith non-indigenous people from indigenous areas.

### **Component 4: Support to Project Management (Total Cost US\$1.1 million)**

This component supported: (i) project management; (ii) monitoring and evaluation; and (iii) the project advisory commission.

## **6.6 Revised Components**

During the project implementation period, all adjustments of activities were widely discussed during supervision missions and then agreed by the client and donor representatives in Aide Memoirs, as well as follow-up review and approval of manuals, terms of reference and other guidelines. No adjustments altered the project's original objectives. The components were adjusted as follows:

### **Component 1: Regularization of Indigenous Lands**

Due to the "open design" of the project and funding availability, the number of indigenous lands included under the project increased annually (see Section 8.2 for details). In addition, because the regulatory Decree for regularizing indigenous lands was changed during the first year (Decree 1775 replaced Decree 22 in January 1996), the project not only supported studies to improve identification and demarcation procedures but also piloted the testing of new procedures and methods in the field.

## **Component 2: Surveillance and Protection of Indigenous Areas**

A manual of more detailed procedures for developing and implementing protection activities with indigenous communities and organizations was developed and applied. In addition, GTZ supported special evaluation activities for assessing the impact of protection activities supported under the project, including an evaluation workshop with representatives from 50 indigenous lands.

## **Component 3: Capacity-Building and Studies**

Topics for studies were further refined to include: (i) improved procedures for identification of indigenous lands; (ii) the development of a methodology for rapid environmental surveys during identifications; and (iii) a tracer study of the effects on non-indigenous people relocated from indigenous lands. In 1998, after the Mid-Term Review (MTR) and by request of indigenous stakeholders, the types and quantities of trainings available to indigenous people were expanded to increase their participation in project implementation and the management of their lands. In addition, an operational manual accessing training resources and training modules on selected topics were developed for field trainings.

## **Component 4: Support to Project Management**

At the recommendation of project stakeholders and the Government of Brazil (GOB), the project advisory commission became a project deliberative commission. An additional subcomponent was added to support dissemination activities including newsletters, publications and videos.

### **6.7 Other significant changes**

*(in design, scope and scale, implementation arrangements and schedule, and funding allocations)*

#### **Implementation Arrangements**

Shortly after the project began, the United Nations Development Program (UNDP) was added to project implementation arrangements to provide technical assistance. This was approved by KfW and by the Bank under an umbrella arrangement between the World Bank and UNDP.

#### **Amendments**

There were four amendments to the Grant Agreement, three extensions and one inclusion of Mato Grosso and Rondônia in 2003 when Bank operations closed in those states. The first extension (November 21, 2000) extended the Closing Date from December 31, 2000 to December 31, 2002. This amendment was solicited by the GOB to complete an expanded work program of land regularization beyond the project's original goals. This resulted from significant project implementation savings which arose from the packaging of multiple demarcations into single bids, through more efficient demarcation techniques and favorable currency fluctuations. Therefore, available resources could be used to attain a greater number of land regularizations.

The second extension (December 3, 2002) extended the Closing Date from December 31, 2002 to December 31, 2003. This amendment was solicited by the GOB to: (i) further expand the work program; (ii) compensate for delays in the previous two years due to factors outside the control of the project; and (iii) improve participation on the part of indigenous peoples in all aspects of project implementation including the project deliberative commission.

The third project extension (December 5, 2003) extended the Closing Date from December 31, 2003 to December 31, 2005. This amendment was solicited by the GOB to: (i) conclude and consolidate the PPTAL expanded work program still recovering from delays outside the control of the project during 2000-2002; and (ii) to consolidate lessons learned from this innovative project, ensure institutional mainstreaming and prepare a follow-on operation.

## **7. Key Factors Affecting Implementation and Outcomes**

### **7.1 Project Preparation, Design and Quality at Entry**

*(including whether lessons of earlier operations were taken into account, risks and their mitigations identified, and adequacy of participatory processes, as applicable)*

The project's quality at entry is considered satisfactory. There was no assessment by the Quality Assurance Group (QAG).

Today, it seems commonplace that indigenous lands were included in the Pilot Program, but there was initially some reluctance in Brazil to accept international financing for work on indigenous issues despite eventual agreement by the Government of Brazil. With international financing comes what could easily be construed as international interference, especially since the World Bank had been asked to coordinate the Pilot Program and had adopted its landmark Indigenous Peoples Policy in 1991, Operational Directive 4.20 (OD4.20; World Bank, 1991). Under OD4.20, the entire PPTAL Project was considered to be an Indigenous People Development Plan (IPDP). Hence, it had to adhere closely to the standards of the policy including, among others, respect for cultural diversity and auto-determination by indigenous groups with considerable attention to land tenure and natural resource issues, indigenous rights and participation. The Latin America and the Caribbean (LAC) Quality Assurance Team (QAT) screened the project and found it in compliance with OD4.20.

The project's objectives responded to very urgent concerns with respect to the large number of not yet regularized indigenous lands in the Amazon region that left those indigenous people and natural resources open to many threats of the expanding frontier. These included invasions, among others, illegal users, deforestation, diseases, alteration of traditional livelihoods and dependency on outsiders. While it was recognized that land regularization per se does not address all of the threats, it is still a fundamental precondition to coverage of other issues involving the well-being of the indigenous people and the sustainable management of natural resources.

Prior to the PPTAL, the World Bank had several experiences of supporting projects in Brazil's Amazon region with special counterpart financed components designed to help protect indigenous populations that might be affected by Bank-sponsored development projects (see Section 6.1). These components supported the regularization of a considerable incremental area of indigenous land, basic health services, civil works, equipment and administrative costs. Several thousand indigenous people benefited from these. However, these activities suffered from lapses in financing, administrative difficulties stemming from the general weakness of FUNAI and frontier volatility where improved access, lack of surveillance, weak enforcement of protected areas and illegal use of natural resources had led to conflicts. At the same time, these projects succeeded in blocking and even reversing the encroachment of unsustainable colonization projects, squatting, and ranching on indigenous land thereby preserving millions of hectares in relatively pristine state.

The primary lessons learned from these projects included: (i) the most durable benefits accrued from demarcation and regularization of indigenous lands; and (ii) the least durable benefits were

those involving the introduction of exotic technologies and services without due involvement of the indigenous population in project identification or implementation or without training and means for the indigenous people to maintain them. The PPTAL built on these lessons by providing stable financing and focusing mainly on demarcation and regularization of indigenous lands which has a permanent and irreversible effect, encouraging indigenous participation and minimizing investments in areas where FUNAI had not demonstrated a comparative advantage. A suggested health pilot was referred to FUNASA, and a proposed sustainable development initiative later became a separate German-government financed operation, the Indigenous People Demonstrative Projects (PDPI), under the Pilot Program.

### **Risks**

The major risks to project implementation were posed by the significant political sensitivity of indigenous issues in Brazil as well as the institutional weakness of FUNAI. These risks included: (i) the degree of commitment of the government to the regularization of indigenous lands; (ii) the legal, bureaucratic and physical difficulties of the regularization process; (iii) government sensitivity to external funding for the proposed project activities; and (iv) possible delays or cancellations of internal and/or external funding.

Specific risks included: (i) potential delays in the prompt demarcation of indigenous lands due to possible bureaucratic obstacles within the GOB; (ii) potential changes and/or delays due to proposed legislation or Constitutional revisions; and (iii) lack of interagency coordination and capacity for resolving conflicts relating to non-indigenous people in indigenous areas.

### **Risk Mitigation**

Under the project, the risk of possible delays due to changes in Brazilian policies or procedures was addressed by providing for annual program reviews by FUNAI, indigenous representatives, NGOs, the Bank and other donors in addition to making prompt action a major indicator of project performance.

While delays in the timely implementation of regularization activities were to be reported to the donors, the annual reviews aimed to provide a basis for discussions and the revision and streamlining of procedures, when necessary. Close supervision by Bank staff and by in-country GTZ staff was also designed to facilitate close monitoring of the project.

### **7.2 Implementation**

*(including any project changes/restructuring, mid-term review, Project at Risk status, and actions taken, as applicable).*

Over the course of the ten-year implementation of the PPTAL (and after the MTR), the components were somewhat modified as is described in Sections 6.6 and 6.7. Other issues are described below.

In part due to the PPTAL being a component of the larger Pilot Program, the project had unique linkages and visibility. Although FUNAI was part of the Ministry of Justice, the Pilot Program was coordinated on the Brazilian side by the Ministry of Environment (MMA) and benefited from monitoring and visibility from the multiple participants in the Pilot Program that included other Brazilian government agencies such as Secretariat of International Affairs (SEAIN), Brazilian Agency for International Cooperation (ABC) and the Ministry of Science and Technology (MCT)

in addition to NGO networks such as the Amazon Working Group (GTA) that encompassed about 300 NGOs including the largest indigenous NGO the Coordination of Amazonian Indigenous Organizations (COAIB), representatives of bilateral donors, the European Commission and the World Bank. Thus, the PPTAL had unprecedented national and international visibility as it was closely monitored both in terms of criticisms of any deficiencies, such as delays, and acknowledgement of successes, such as land regularization and participation accomplishments. The project was also in an excellent position to seek collaboration on specific activities with NGOs with specialized expertise. Some examples included the involvement of the Friends of the Earth with radios-in-the-villages activities and the participation of the Socio-Environmental Institute (ISA) in the multi-partner demarcation of the vast Rio Negro Indigenous Land.

The project also benefited from an excellent collaboration among Bank, KfW and GTZ staff in terms of close supervision and unified actions and recommendations for addressing implementation issues. The FUNAI counterpart project implementation team (PIU) that managed the project was also a generally well-staffed unit with a combination of FUNAI staff and specialized consultants. In addition, the project had an advisory/deliberative commission composed of four government and four indigenous representatives that met two-to-four times annually to provide oversight on implementation issues.

Hence, while the project was never considered at risk or in peril of not achieving its DO, the aforementioned partners supervised together regularly and systematically addressed or tried to address all obstacles encountered during project implementation. For example, prior to the PPTAL the identifications were largely carried out by volunteers and the quality and timeliness of work was often in question whereas, under the project, identification teams were professionalized and the quality and timeliness improved. Another example was the improvement of the bidding documents for demarcations to ensure that topographical firms were obliged to have significant indigenous involvement and not just symbolic participation. Numerous issues, such as these that the project addressed, were later adopted and mainstreamed into FUNAI, thus increasing the impact and sustainability of some project advances.

A number of implementation issues were beyond the control of the project, and these frequently contributed to delays. One example was that the PPTAL depended on the Land Department (DAF) in FUNAI to implement many of the land regularization activities. However, about 80 percent of the DAF staff were contracted through UNESCO, so that when that contract terminated, the DAF experienced a period of about a year when it was so understaffed that only minimal land regularization activities could be carried out. Although the project tried creative solutions to some so-called bureaucratic problems, these same problems contributed to an uneven project implementation with some years far more productive in terms of accomplishments than others.

In 2003, changes in government policies prevented the continuation of contracts of long-term consultants who had long been integrated into project teams. This affected all Brazilian federal projects and government agencies. In most cases, temporary junior staff were recruited who often times lacked experience and familiarity with project management nor had the requisite technical expertise. This changeover in the PPTAL implementation unit partly contributed to further delays in the final two years of implementation.

### **7.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization**

The M&E Plan prepared for the project in 1995 included formally agreed monitoring and

performance indicators (see Annex 7 of the MOD). The major performance indicators included:

- Completion of the regularization activities programmed under the project (identifying 42 lands and demarcating 92 lands which totaled approximately 32 million hectares);
- Adherence to the proposed (and annually revised) project priority list for indigenous areas to be regularized;
- Degree of indigenous participation in the processes of indigenous land identification and demarcation; and
- Degree of indigenous participation in the formulation and successful implementation of surveillance and protection activities.

After the project MTR, the performance indicators were revised to add: (i) indigenous communities strengthened; (ii) key stakeholders trained and informed; and (iii) project management carried out effectively and efficiently.

Physical and financial indicators were also agreed, and annual targets were established via the priority list and the annual operating plan. Over time, the PPTAL developed a detailed database on indigenous lands that greatly facilitated planning, implementation, monitoring and reporting. The biannual project reports also proved excellent by providing precise tracking information and concise analysis. These greatly facilitated project supervision, oversight by the project advisory commission and dissemination to broader publics.

Baseline data on a sample of indigenous lands was collected during the first year. Independent evaluations were carried at mid-term and prior to the Closing Date, both of which were discussed by stakeholders with a good representation of project beneficiaries in workshops.

In the second half of the project, the database for project monitoring was further developed and refined while FUNAI began to adopt the system more broadly for the institution. The PIU also worked on: (i) design and implementation of evaluation workshops on impact indicators (specifically participation in regularization and protection activities); (ii) analysis of impacts of capacity-building activities linked to surveillance and protection plans (not fully completed); and (iii) a tracking study to analyze the impact of project and non-project compensation and resettlement on the non-indigenous people relocated from indigenous lands.

While the project monitoring system was excellent, evaluation was somewhat less successful. Foremost, this resulted from the repeated discussions and revisions of the impact indicators by the project team. In addition, the MTR and another external evaluation carried out in the context of the Pilot Program suffered from problems due to a lack of understanding of indigenous land regularization in Brazil. In summary, information on project performance is strong but could have been stronger if the project had more systematically processed evaluation data rather than continually revising and refining indicators.

Following the Bank's adoption of the Implementation Status Results and Report (ISR), the Task Team identified the PDO Indicator in the system as Completion of indigenous land regularization activities programmed under the project and the Intermediate Outcome Indicator as Degree of indigenous participation in land regularization and protection activities (see Annex 1).



#### **7.4 Safeguard and Fiduciary Compliance**

*(focusing on issues and their resolution, as applicable)*

**Safeguard and fiduciary compliance was consistently rated satisfactory during the life of the project.**

##### **Environmental Safeguards**

The project triggered OP4.01 (Environmental Assessment) and was rated “B.” During preparation it was noted that successful implementation of the project would help secure rights of indigenous people in the Amazon basin to maintain their distinctive lifestyles, including their relatively low-impact subsistence pursuits. It would contribute to this by helping to prevent outsider encroachment and by blocking illegal colonization projects, extensive ranching and mining projects thus contributing to the protection of the natural resources in indigenous areas.

During implementation, possible adverse environmental impacts were assessed and mitigated by: (i) adding new rapid environmental assessments during identifications; (ii) piloting lower-impact physical demarcation techniques; and (iii) evaluating proposed protection activities in terms of their low-impact and environmental sustainability. Possible policy changes to indigenous rights to use or commercialize natural resources were monitored during the project but no radical changes were adopted.

##### **Social Safeguards**

The project triggered OD4.20 (Indigenous People) and OD4.30 (Involuntary Resettlement).

In accordance with the OD4.20, the project itself was considered an Indigenous Peoples Development Plan.

In accordance with OD4.30, the compensation and/or resettlement principles formally agreed for the project followed the spirit of the Bank’s policy. These were applied to non-indigenous people whom Brazilian law requires must be relocated from regularized indigenous lands. The numbers of people relocated during the project were relatively small. The project also financed a tracer study to evaluate the impacts of relocation which found that FUNAI had complied with its obligations in terms of compensation and assistance. The study further made specific future recommendations in terms of improving collaboration between FUNAI and the Agrarian Reform Institute (INCRA).

#### **7.5 Post-completion Operation/Next Phase**

*(including transition arrangement to post-completion operation of investments financed by present operation, Operation & Maintenance arrangements, sustaining reforms and institutional capacity, and next phase/follow-up operation, if applicable)*

The Bank had originally expected to work with FUNAI to develop a follow-on project on biodiversity conservation and indigenous lands which would be partly supported by the GEF. However, the government decided to use UNDP as the implementing agency for the new operation which is now under preparation.

It should also be noted that the German government has continued its financial and technical support to the PPTAL after the World Bank Closing Date for at least two additional years.

## **8. Assessment of Outcomes**

### **8.1 Relevance of Objectives, Design and Implementation**

*(to current country and global priorities, and Bank assistance strategy)*

The project is highly relevant to the Bank's current Country Assistance Strategy (CAS) for Brazil for the period 2004-2007. The CAS prioritizes four pillars: equity, sustainability, competitiveness and macroeconomic fundamentals. The PPTAL has mainly contributed to the environmental dimension under the sustainability pillar with the key objective of "more sustainable management of land, forests and biodiversity."<sup>\*</sup> As established under the CAS indicators, the share of land that is under indigenous lands was targeted to be 12 percent of the total land area of Brazil or 100 million hectares by 2007 (this figure was four percent or 33.3 million hectares in 1990).<sup>\*\*</sup> During the ten-year lifespan of the project, the PPTAL contributed to the regularization of almost 40 million hectares of indigenous lands in the Brazilian Amazon thus making great strides to achieve this specific CAS target (see Section 8.2).

### **8.2 Achievement of Project Development Objectives**

*(including brief discussion of causal linkages between outputs and outcomes, with details on outputs in Annex 4)*

The PPTAL is one of the most successful PPG7 projects and highlights that a very small project, in terms of financing, can produce a large and significant set of outcomes. As the project's objectives were satisfactorily achieved with highly satisfactory outcomes, the PPTAL contributed to the regularization of almost 40 million hectares of indigenous lands in the Brazilian Amazon, an area roughly equivalent to the combined sizes of Germany, the Netherlands and Switzerland. This compares to the targeted area of approximately 32 million hectares. The legal designation of these lands as indigenous lands contributes to ensuring the access of indigenous people to the natural resources that are essential for their livelihoods, thus contributing to their well-being.

Recent research and satellite images show that indigenous lands in the Amazon represent one of the largest remaining reserves of essentially intact tropical forests and are even more pristine than any other type of conservation unit. The territory that has been designated as indigenous lands under this project remains more conserved and is more likely to remain so in the future. Hence, the project has made a significant contribution to the protection of indigenous people and areas. In terms of documentation, the ICR draws on project M&E in addition to biannual progress reports. Considerable data and important observations were also derived from the government's final evaluation report and the final evaluation workshop (see Annex 10 and Section 8.6).

#### **Objective 1 – Regularizing selected indigenous areas in the Legal Amazon**

The overall progress accomplished by the PPTAL in regularizing indigenous lands in the Amazon region is remarkable. The project identified 60 indigenous lands (11 million hectares or an area larger than Austria) rather than the original estimate of 42 lands, thus surpassing its original targets by 43 percent. The project demarcated 92 lands (38 million hectares or an area of about the size of Germany and the Netherlands combined) rather than the original target of 81 lands, hence surpassing the original target by 14 percent. Of these 92 lands, 87 lands (37 million hectares)

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<sup>\*</sup> The World Bank, 2003, Country Assistance Strategy, Report No. 27043-BR, pg 28.

<sup>\*\*</sup> Ibid.

received Presidential Decrees and 59 (32 million hectares) were fully registered in local and federal registries.

In addition, PPTAL pioneered a level of transparency in terms of clearly specified criteria for the selection of high priority areas each year. This was linked to a detailed database on each of the indigenous lands and has been progressively adopted by FUNAI. The project also supported studies that improved identification and demarcation procedures, both in technical and participatory terms, including developing the methodology tested and adopted by FUNAI for rapid environmental diagnostics during identifications. The project commissioned a study on demarcation alternatives which, after testing, created cost savings for the project budget. New alternative demarcation procedures have also been mainstreamed into FUNAI.

The project financed pilot participatory identifications and 15 highly participatory demarcations in collaboration with environmental, indigenist and indigenous NGOs. Two particularly outstanding examples of highly participatory demarcations include the huge Indigenous Lands Medio Rio Negro and the Vale do Javari in the state of Amazonas. Many technical procedures developed and tested by the project were later mainstreamed into FUNAI as standards. While highly participatory demarcations may not have become the norm, more rigorous requirements for indigenous participation became standardized in FUNAI's bidding documents as a result of the project. With respect to the third subcomponent on environmental assessments, both a rapid diagnostic and a more detailed ethno-environmental survey (described below) were developed and implemented by the project.

The land regularization progress has not been without problems, challenges and delays. Over the past decade there were highly productive periods and other times when myriad problems combined to slow the work. Some of the problems and challenges confronted include: (i) securing the right experts to work on identifications; (ii) getting teams into the field in a timely manner; (iii) delays in report delivery and subsequent evaluations; (iv) innumerable problems with contracting due to complex Brazilian rules which occasionally change; and (v) the perpetual problem of organizing work in remote locations and timing it with seasonal conditions, among others. The PPTAL works closely with the FUNAI Land Department which, while one of the best departments in FUNAI, still suffers from some of the institutional weaknesses of the agency; falling victim to bureaucratic, budgetary and contracting problems and even temporarily losing 80 per cent of its staff during one year are among these. Sometimes local regional conflicts intervene, such as was the case in an area of Rondônia where neighbouring ranchers utilized scare tactics to stop the work of an identification team. In addition, as more participatory methodologies have been tested, it has been observed that these sometimes require more field time than traditional methods.

In summary, it is important to note that particularly in light of the slow pace of indigenous land regularization in the decades prior to the project, the leap forward represented by the PPTAL was a highly significant accomplishment that benefited from a number of converging factors including: (i) the project itself with its additional budgetary resources; (ii) a dedicated team to push ahead; (iii) high domestic and international visibility; (iv) a particularly receptive domestic political climate; (v) general cooperation within FUNAI itself; and (vi) the growing voice of an indigenous constituency with stronger indigenous organizations that can successfully represent multiple ethnicities and dialogue with national society and government, for the first time in Brazilian history. Because of its relative success in meeting its objectives, the PPTAL has even been discussed periodically as a possible "model" for reorganizing FUNAI.

**Objective 2 – Improving the protection of indigenous people and lands by developing and implementing community based activities designed to protect their subsistence and conserving the natural resource base**

The community based protection activities were not only satisfactory but also trailblazing since the project supported an approach that had never been previously used in Brazil. A “bottom-up” approach to develop and support local initiatives so indigenous communities could monitor and control their lands themselves was used by the project rather than an attempt to bolster the enforcement and police powers of governmental agencies which had been largely unsuccessful in previous other projects. Altogether the project supported 31 protection subprojects in 60 indigenous lands with an estimated impact on 45,000 persons. Activities included: (i) new territorial occupation strategies; (ii) sign posting campaigns; (iii) the dissemination of information about the land and its borders to indigenous and neighboring non-indigenous populations; (iv) map and GPS training; and (v) radios-in-the-villages activities.

One example is that PPTAL, in collaboration with indigenous organizations and the NGO Friends of the Earth, installed 73 radio systems in 63 villages and 10 indigenous organizations. The radios greatly improved communication among indigenous people and also to the outside including to FUNAI. Indigenous people have reported how the radios have helped with everything from planning meetings to informing about illegal invaders.

Other typical protection activities supported by the PPTAL have included planning strategic locations for agricultural plots, support houses or even new villages near boundaries or in more vulnerable areas of the indigenous land. There is evidence that these activities have contributed to indigenous awareness about the importance of and the need to protect their lands and natural resources.

The sustainability of project-supported protection activities was a central focus of an evaluation workshop on the subprojects which included indigenous representatives from 50 areas. There was considerable consensus that many activities could be continued and maintained by the indigenous communities. However, there was concern that governmental agencies are not fulfilling their enforcement and police functions, which remains a future challenge.

**Objective 3 – Strengthening the protection of indigenous populations and regularization and improved conditions for the management of indigenous lands by targeted capacity-building and studies**

The PPTAL contributed to improved land regularization, increased protection of the areas, and improved land management of the lands by carrying out practical studies. These were applied operationally by supporting community-based protection initiatives (see above), developing two types of environmental evaluations and supporting a pilot Geographic Information System (GIS).

The project supported five key studies and a sixth set of studies. The first helped to develop and test the methodology for rapid environmental diagnostics during identifications as required by Decree 1775 but never done before; the PPTAL tested the methodology that was later adopted by FUNAI. Environmental diagnostics are important because they provide critical data on the natural resource base upon which indigenous groups depend. The second study supported the revision and testing of the identification manuals of FUNAI that significantly modernized the identification methodology making it more rigorous, interdisciplinary and participatory. The draft manuals developed by PPTAL were later adopted by FUNAI. The third study was on alternatives to physical demarcation which traditionally cut a broad path on the boundaries of indigenous land

which was oftentimes expensive to carry out and maintain. This study generated new methods of using GIS, critical area placement of signing and planting of perennials on borders. These new methods were tested and adopted by FUNAI in its manuals\*. In addition, the new methods enabled cost savings that helped the project demarcate more lands.

The fourth study examined land tenure and the implications of compensation and/or resettlement of non-indigenous populations from indigenous lands. The fifth study was a tracer study on the impact of compensation and/or resettlement on these same populations. The recommendations of these two studies received less attention in part because a large portion of responsibility for these actions rests with INCRA rather than FUNAI. Nonetheless, these studies make very significant contributions to the public debate about relocation of non-indigenous people from indigenous lands. Unfortunately, an interagency workshop to follow up did not occur. However, the information may still be useful especially if the public debate about adoption of a revised Indian Statute is re-opened.

The sixth set of studies supported the development of a methodology for ethno-ecological assessments of indigenous lands. The project then supported detailed studies of ten sets of lands sampled by cultural characteristics, geography, climate and other environmental considerations. The research was pioneering in terms of its approach to studying the environment in a highly participatory and ethnographic way so that traditional knowledge would be combined with western scientific information. However, the methodology is also related to ethno-mapping and other similar tools developed and implemented by environmental NGOs such as The Amazon Conservation Team, The Nature Conservancy and Conservation International. The objective of the PPTAL's ethno-ecological research was to provide a practical and flexible tool for investigating the human-environment interactions in the Amazon region and had implications for issues of the use and management of natural resources. Regrettably, the project did not sufficiently operationalize the studies, and a proposed multi-institutional workshop with NGOs during the consolidation phase did not occur. Nonetheless, the methodology and the studies are valuable if underutilized resources.

The project also contributed to institutional and community strengthening by means of targeted trainings. The training subcomponent, initially focused on FUNAI staff, shifted after the MTR more to indigenous people as the target audience. Forty-five trainings were carried out in 60 indigenous lands financed by the project while GTZ supported additional trainings. Training for indigenous people encompassed two themes: (i) Indigenous Rights and Land Regularization and (ii) Indigenous Involvement in Demarcation, Protection and Surveillance\*\*. Trainings were frequently carried out in collaboration with indigenous NGOs. FUNAI staff were supposed to benefit from trainings in similar topics which were unfortunately not completed. The project staff committed to a careful analysis and evaluation of the training program. This, however, was not done.

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\* Other manuals the project helped develop that were adopted by FUNAI include the: (i) *Manual of for Anthropologist-Coordiators of Identification Teams*; (ii) *Manual for Monitoring, Checking and Supervising Physical Demarcations of Indigenous Lands*; (iii) *Manual of Technical Norms for Physical Demarcations of Indigenous Lands*; and (vi) *Manual for Digital Cartography*.

\*\* On the first theme, four modules were developed and implemented: (a) Indigenous Land Rights; (b) Process of Land Regularization; (c) Indigenous Lands and Environmental Legislation; and (d) Protection of Indigenous Lands, Surveillance and Territorial Control. For the second theme six modules were used: (a) Mapping and GIS; (b) Audiovisual Recording: Photography and Video; (c) Radio; (d) Engine and Motor Maintenance; (e) Management of Resources for the Protection of Indigenous Lands; and (f) Administrative Project Management.

The project, in close collaboration with FUNAI's Land Department, supported the development of a sophisticated geo-referenced database, GIS, on the indigenous lands in the project. The system is already functioning as an effective monitoring and mapping tool. While very useful in terms of regularization and surveillance, the GIS also made an important contribution to the project's ethno-ecological research. In addition, the database was expanded to include all indigenous lands in Brazil effectively mainstreaming the GIS throughout FUNAI. This system is an essential tool for the improved protection of indigenous lands and for improved ethno-ecological management plans for natural resources.

The project provided strong support for strengthening indigenous communities and organizations. This was evidenced throughout project design and implementation: from participatory demarcations in Component 1 to community-based protection activities in Component 2 to appropriate studies and targeted training in Component 3 to participation on the project's advisory commission in Component 4. These activities have contributed to indigenous knowledge and capacities to more effectively interact with white society and have added to their awareness about the importance of protecting their lands and natural resources.

The project also helped modernize FUNAI. The net result of the project is that it improved the methods and standards in FUNAI's land regularization work which have been adopted and hence are benefiting the entire country. The project also mainstreamed participatory approaches, helped alter the way FUNAI works with indigenous people and helped gain national and international respect for an institution that previously had very little. Indeed, the project was perceived as so successful that periodically there have been suggestions that FUNAI be reorganized more along the model of PPTAL. However, the project's impact on FUNAI should not be overstated since it remains a problematic institution facing many challenges in the future.

### **8.3 Efficiency**

*(Net Present Value/Economic Rate of Return, cost effectiveness, e.g., unit rate norms, least cost, and comparisons; and Financial Rate of Return)*

N/A

### **8.4 Justification of Overall Outcome Rating**

*(combining relevance, achievement of PDOs, and efficiency)*

Rating: *Satisfactory*

In spite of the periodic slowdowns and delays in the implementation of some activities, the project has not only met key performance indicators but has significantly surpassed them. The project therefore played a vital role in legalizing and protecting nearly 20 percent of the Amazon region as indigenous lands which significantly contributes to conserving the rain forest and improving the well-being of Brazilian indigenous people. In addition, the technical and participatory methodologies tested by the project have largely been mainstreamed into FUNAI and have created a national and long-lasting impact.

### **8.5 Overarching Themes, Other Outcomes and Impacts**

*(if any, where not previously covered or to amplify discussion above)*

#### **(a) Poverty Impacts, Gender Aspects, and Social Development**

Indigenous people have been significantly empowered by activities supported under the project as

described above. Both indigenous communities and NGOs received targeted training and capacity-building while participating in many project activities. Significantly, Brazilian indigenous people participated on an advisory commission to FUNAI for the first time; this commission was later given some oversight functions.

Given the historical situation of Brazilian indigenous people as wards of the state, the project contributed to their organizational growth. During the final evaluation workshop for the project, the indigenous representatives recognized the very significant impact of the project on strengthening their local organizations as well as helping to change how indigenous people interact with the rest of Brazilian society.

#### **(b) Institutional Change/Strengthening**

*(particularly with reference to impacts on longer-term capacity and Institutional Development)*

The project made major contributions to modernizing FUNAI. The outcomes and longer-term impacts are described in Section 8.2 under Objective 3. Additional longer-term impacts of the project pertain to the way that it has fundamentally helped to alter the way that FUNAI works. However, it must be noted that numerous institutional challenges remain: (i) the ongoing political sensitivity of indigenous issues; (ii) perpetual budget problems; and (iii) a reduced mandate.

The project made major contributions to strengthening indigenous organizations. The outcomes and longer-term impacts are described in Section 8.2 under Objective 3. Additional longer-term impacts are likely to be more sustainable in the long-run since indigenous people have a vested interest in having a stronger voice vis-à-vis the rest of Brazilian society. During the decade of the project, many indigenous associations and organizations gained valuable administrative, technical, political and other experiences and skills that have better positioned them to make informed decisions about their cultures and livelihoods in the future.

#### **(c) Other Unintended Outcomes and Impacts**

*(positive or negative, if any)*

The impact of the PPTAL was much larger than just the sum of its parts. It became nationally and internationally known as a landmark project with multiple positive ramifications on the well-being of indigenous people in Brazil. In addition, many other Latin American countries and indigenous people in other countries have observed, admired and learned from the project.

Furthermore, the PPTAL PIU staff worked directly on and brought the PPTAL experiences to bear on the development of new operations including: (i) the Pilot Program's Ecological Corridors Project; (ii) the Indigenous Peoples Demonstration Project (PDPI); and (iii) the Global Environmental Facility (GEF)'s Amazon Region Protected Areas Project (ARPA).

### **8.6 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops**

*(optional for Core ICR, required for ILI, details in annexes)*

In December 2005, FUNAI held a high-level workshop with stakeholders (including various indigenous organizations as well as representatives of FUNAI, the Ministry of Environment, the Brazilian Agency for Bilateral Cooperation, the Secretária de Assuntos Internacionais, World Bank, KfW and GTZ) to present the findings and final evaluation of the project. The workshop also served as a forum to hear the opinions of key beneficiaries of project activities. The results of

the workshop are available in Chapter 7 of the Government's Final Evaluation of the PPTAL. There was considerable consensus concerning the positive impacts of the project including: (i) the significant number of indigenous lands regularized; (ii) the high levels of beneficiary participation; (iii) the strengthening of indigenous organizations; (iv) and the technical assistance provided. Beneficiaries were more critical of some sectors and regional offices of FUNAI, the bureaucracy and the relatively limited scope of protection activities. Recommendations were made for the additional two years to be supported by German-government funds alone (since the Bank administered part was closing), while considerable interest was expressed for follow-on operations.

## **9. Assessment of Risk to Development Outcome**

Rating: *Low*

The major risks to the project were correctly identified (see Section 7.1). They were also adequately mitigated, and, despite periodic delays, the project accomplished and exceeded its main land regularization goals with the usufruct of the indigenous lands perpetually ensured and a high degree of long-term sustainability. A summary of how key risks were mitigated follows:

- **Risk of Sensitivity of Indigenous Issues in Brazil and Degree of Political Commitment.** Although the political context was sensitive, the main stakeholders of the project – indigenous people and FUNAI, in particular – worked closely with the Bank and donors. Domestic and international groups concerned with indigenous rights also regularly observed. As a result, both achievements and problems in project implementation were well documented and highly transparent. This helped build consensus especially regarding new approaches. One example is that in the early years of the project FUNAI expressed reluctance to contract NGOs for participatory demarcations since this had never been previously done. However, after months of wide discussion, agreement was finally reached, and, after successful collaboration, partnerships with NGOs became more commonplace. Another example of political change was that when the project was being prepared the government asked that the advisory commission be only consultative. Nevertheless, after about 7 years of project implementation, a number of indigenous organizations lobbied and the government agreed that the advisory commission could assume some deliberative powers. Ultimately, the strongest indication of government commitment over the ten-year project course is that it was successful in helping to legalize so many indigenous lands in the Amazon despite the many challenges.
- **Government Sensitivity to External Funding.** The partnerships and transparency of the PPTAL helped diminish government sensitivity to issues of external funding. Although during the life of the project some congressional hearings were held that raised the issue of foreign influence in the Amazon region with regard to indigenous people in particular, there was never an adverse outcome with operational implications for the project. Indeed, given the significant accomplishments of the PPTAL, the government received a great deal of international praise and recognition.
- **Legal, Bureaucratic and Physical Difficulties of the Regularization Process.** During the entire decade of project implementation neither the Constitution nor the antiquated Indian Statute (Estatuto do Indio) were revised. The main legal challenge to the project occurred in the first month of implementation when Decree 1775 substituted Decree 22. At the time both national and international concerns were expressed about the addition of the administrative grievance process which could possibly reduce the proposed size of indigenous lands. The Bank and German Government carefully analyzed the implications



of the new decree and found it overall adequate. However, the German Congress indicated that no indigenous lands reduced via the new grievance process should be financed by German funds which resulted in the removal of two indigenous lands from the project over a decade. Nevertheless, Decree 1775 provided an opportunity for the project to positively contribute to improving land regularization. Other factors that adversely affected project implementation included those within control of the project, such as improving demarcation bidding procedures, and those beyond the control of the project as highlighted by the numerous changes of FUNAI Presidents and changes in national government human resource policies that affected government and project personnel. However, with each challenge FUNAI strove to find pragmatic and workable solutions which usually occurred even if sometimes after a delay.

- **Interagency Coordination.** Although the PPTAL benefited from being part of the broader Pilot Program, FUNAI remained frequently impeded by a lack of coordination with other agencies. This is generally the case with respect to other agencies that have police power (which FUNAI does not) for protection and enforcement in cases of frontier conflicts and with respect to the Agrarian Reform Institute (INCRA) that has resettlement responsibilities. Efforts were expended during the project to improve interagency coordination and even included a new formal agreement between FUNAI and INCRA. However, these challenges still require a significant amount of additional work. During its consolidation phase, the project carried out studies on these topics which provided recommendations for the future.

## **10. Assessment of Bank and Borrower Performance**

*(relating to design, implementation and outcome issues)*

### **10.1 Bank**

#### **(a) Bank Performance in Ensuring Quality at Entry**

*(i.e., performance through lending phase)*

Rating: *Satisfactory*

The Bank's performance in identification, preparation and appraisal is rated Satisfactory. The project was prepared by a multi-disciplinary team headed by an anthropologist. The technical composition of the team was consistent with project design needs. German-government representatives also participated in preparation and appraisal.

Quality at entry assessments and the current ISR results framework were not in place at the time of preparation. Nevertheless, the project had an agreed M&E system and key performance indicators (see Section 7.3). Project risks were adequately identified and mitigated over the life of the project.

Indigenous participation was identified as a key element in achieving the projects objectives even though the institutional modalities for that participation were not well developed at that time. Over the life of the project, indigenous participation gained strength and is considered a positive project outcome.

The main institutional weaknesses related to FUNAI were identified. The project addressed them by supporting a separate PIU, specialized consultants, specialized studies in addition to piloting new methods and procedures, capacity-building and community-based protection activities. The project used a less direct approach to institutional strengthening, as improved methods and procedures were introduced and mainstreamed into the institution. While many believe that

FUNAI needs major reform, this was not a subject deemed within the scope of the project.

**(b) Quality of Supervision**

(including of fiduciary and safeguards policies)

Rating: *Satisfactory*

The Bank's performance in Supervision is rated Satisfactory.

Given the political sensitivities and institutional weaknesses, this project was closely supervised. This was particularly true at the beginning when the regulatory decree changed in the first month of project implementation and also periodically over the years when special challenges arose. The project received 19 supervision missions over 10 years. A total of 201 staff weeks were expended on supervision. Bank staff participation in this project remained consistent throughout the ten years of implementation. The Task Manager at Appraisal was the same at Closing.

The project team closely monitored implementation, involved experienced staff and short-term consultants with expertise in indigenous issues, provided necessary support and sought solutions to problems. Aide-Memoires and supervision reports (590s/PSRs/ISRs) indicate that Bank project staff provided a high level of technical expertise and input throughout the supervision period, particularly in terms of incorporating indigenous participation and ensuring high quality outputs of studies. The team's technical input also assisted the project in the further elaboration of activities under component 2 in addition to the refining of the training guidelines in component 3. The supervision team also played a key role in identifying and negotiating institutional changes which occurred during the life of the project, in particular, finding operational solutions to problems such as delays in the regularization process.

The project benefited from a thorough and highly participatory MTR (October 1998) which among its agreements included expanding the project's work program to include additional indigenous lands in the Legal Amazon. The MTR helped establish achievable targets for identifications and demarcations within the context of the preparation of annual work plans.

Technical cooperation with the German Government which financed 79% of the total project costs was a particularly important element of project supervision. Overall, project relations with the KFW and GTZs were excellent.

**(c) Justification of Rating for Overall Bank Performance**

Rating: *Satisfactory*

Project preparation and supervision were satisfactory. See details provided in (a) and (b).

**10.2 Borrower**

**(a) Government Performance**

Rating: *Satisfactory*

The GOB's performance is rated satisfactory.

One of the key events during the project was the GOB's adoption in January 1996 of Decree 1775 (replacing Decree 22) which regulates indigenous land regularization. This new decree introduced administrative procedures for contesting indigenous land allocations (in addition to already existing

judicial procedure) by parties (such as states, municipalities and private citizens) making counter-claims. Decree 1775 created a great deal of concern both nationally and internationally by pro-indigenous advocacy groups, particularly since initially it was to be applied retroactively so that there appeared to be a possibility that existing indigenous lands could be reduced. This did not occur. At the same time, because Decree 1775 also called for environmental diagnostics and improved procedures, it provided the project with a unique opportunity to contribute to both the development and testing of new methods and procedures for identification and demarcation that were later mainstreamed into FUNAI.

Secondly, despite the political sensitivities of indigenous issues, the Cardoso government and later the Lula government issued large numbers of Presidential Decrees needed to finalize the regularization of many of the indigenous lands identified and/or demarcated under the project. This showed a high level of government commitment.

Finally, the governmental decision, concurred by FUNAI, to convert the project advisory commission into a deliberative body demonstrated increased awareness of the importance of having indigenous representation in project oversight and within FUNAI itself.

#### **(b) Implementing Agency or Agencies Performance**

Rating: *Satisfactory*

Despite numerous turnovers of FUNAI Presidents, the overall weakness of the institution and intermittent implementation delays, FUNAI is rated as having a satisfactory performance because over the life of the project it delivered high quality results. By the project's closing date, the original targets for identification and demarcation were exceeded, and indigenous participation had been more mainstreamed. FUNAI also demonstrated repeatedly good will toward resolving both internal and external problems. While the project PIU was consistently satisfactory, other departments at FUNAI also improved during the project, most notably DAF. Not only did FUNAI perform well on the project, but it also adopted many new and improved procedures and standards.

#### **(c) Justification of Rating for Overall Borrower Performance**

Rating: *Satisfactory*

Government performance in preparation and implementation were satisfactory. See (a) and (b) for further details.

### **11. Lessons Learned**

*(both project-specific and of wide general application)*

Among the main lessons reinforced from this operation is that while land regularization does not resolve multiple threats and challenges for indigenous people in Latin America, security of land tenure is a necessary precondition if indigenous people are to make their own decisions about their lifestyles and possible future changes based on their ability to maintain their culture via traditional livelihoods and cultures.

A second lesson is that while there are many pressing issues that face indigenous people in Latin America, a project to benefit indigenous people stands a better chance of success and lasting impact if it:

- focuses on one or two sets of critical activities – in this case improved access and control over land and natural resources via land regularization – rather than trying to do everything;
- incorporates a strong commitment to grassroots empowerment and social accountability through participatory processes that are essential both because of the weak government agencies responsible for indigenous issues and the need to counterbalance paternalistic treatment of traditionally excluded populations;
- ensures that indigenous beneficiaries are actively involved in project implementation so that they assume ownership which contributes to sustainability;
- compensates for the government agency capacity limitations by actively encouraging a diversity of partnerships with governmental and civil society organizations including indigenous and indigenous NGOs; and
- ensures social accountability and transparency by establishing active and empowered advisory and oversight commissions.

A third lesson learned is that when working with diverse indigenous groups, it is critical to work with and strengthen indigenous organizations, respecting the culturally-defined decision-making mechanisms of each ethnic group. This helps ensure active participation of organizations and communities in project implementation. When working with indigenous people, project personnel need to respect the processes of indigenous development, adapting the project to the needs and concerns that arise from communities themselves without imposing pre-established packages, timing or modalities of work that are foreign to the communities.

A fourth lesson learned is that great care and ingenuity need to be applied when trying to work with and strengthen the usually weak Latin American government agencies responsible for indigenous people. A great deal can be accomplished toward modernizing these institutions by focusing on pragmatic and operational improvements, specifically by developing, testing and helping incorporate and mainstream new technical and participatory standards. The PPTAL profoundly influenced the way FUNAI plans, carries out, monitors and manages land regularizations. The project developed new approaches to annual planning, transparent criteria for targeting, tracking and monitoring systems, and numerous models for organizing work teams. Most of these innovations have been progressively adopted by FUNAI.

A final lesson deals with future operations, especially once basic land tenure issues have been resolved. The next challenge in Brazil and many LAC countries involves ethnodevelopment, the basic elements for which include: (i) adequate protection of indigenous lands and resources; (ii) sufficient and culturally appropriate basic services such as health and education without creating dependencies; (iii) support for indigenous organizational strengthening vis-à-vis the national society; (iv) continued sustainable management of natural resources in light of acculturation, new needs and adoption of new technologies and possible relationships to the cash economy; and (v) facilitation of culturally appropriate models of development to help ensure indigenous people make free informed choices about their futures.

## **12. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

### **(a) Borrower/implementing agencies**

### **(b) Cofinanciers (KfW)**

The PPTAL is not only a core component of the PPG7 but one of its most successful projects -

despite all the difficulties. Under this project 94 indigenous lands have already been legally secured. It is still being supported by Germany and has been instrumental in contributing to the realisation of the right to territorial integrity which the Brazilian Constitution guarantees the indigenous peoples of Amazonia. Legal recognition, however, does not automatically mean effective protection, but it is a crucial pre-requisite. Yet many indigenous lands are still under great pressure, particularly those that border on the expanding agricultural frontier. Over the coming years the development and implementation of conservation and management strategies that involve the population of the indigenous lands and their organisations will be a central challenge for Brazil's indigenous policies.

From our point of view, the World Bank's final report renders a true and accurate account of the results. We thank the World Bank and, in particular, all those who have applied themselves to the project with competence and commitment for the outstanding cooperation.

**(c) Other partners and stakeholders**

*(e.g. NGOs/private sector/civil society)*

**Annex 1. Results Framework Analysis**

The M&E Plan prepared for the project in 1995 included formally agreed monitoring and performance indicators (see Section 7.3). Following adoption by the Bank of the Implementation Status Results and Report (ISR), the Task Team identified in the system the PDO Indicator as (i) Completion of indigenous land regularization activities programmed under the project, and the Intermediate Outcome Indicator as Degree of indigenous participation in land regularization and protection activities.

**Project Development Objectives (from Project Appraisal Document)**

The general objective of PPTAL was to improve the conservation of natural resources in indigenous areas and increase the well-being of indigenous people through: (i) regularization\* of indigenous lands in the Legal Amazon; and (ii) improved protection of indigenous populations and areas.

Specific objectives included: (i) regularizing (by identifying, demarcating and legalizing) selected indigenous areas in seven of the nine states of the Legal Amazon; (ii) improving the protection of indigenous people and lands by developing and implementing community based activities designed to protect their areas while securing their subsistence and conserving the natural resource base; and (iii) strengthening the protection of indigenous populations and regularization and improved conditions for the management of indigenous lands by targeted capacity-building and studies.

**Revised Project Development Objectives (as approved by original approving authority)**

N/A

**(a) PDO Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1 :</b>	Completion of indigenous land regularization activities programmed under the project			
Value (quantitative or qualitative)	Zero since none of the lands scheduled had yet been identified or demarcated	42 identified and 81 of the highest priority demarcated	Various. Revised annually	60 identified and 92 demarcated
Date achieved	06/06/1995	06/06/1995		12/31/05
Comments (incl. % achievement)	In terms of identification, the project identified 60 indigenous lands (11 million hectares) rather than the originally estimated 42 lands which was 43 percent higher than originally estimated. The project demarcated 92 indigenous lands (38 million hectares) rather than original target of 81 lands which is 14 percent more than originally estimated. Importantly, the original targets included the completion of only one stage or another, whereas the project was later able to demarcate and further regularize many lands identified under the project. Of the 92 indigenous demarcated, 87 lands or 37 million hectares were finalized by Presidential Decree, an event over which the project had no control, but which was also a highly positive outcome.			

**(b) Intermediate Outcome Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1 :</b>	Degree of indigenous participation in (a) land regularization, and (b) protection activities			
Value (quantitative or qualitative)	At project start, little or no participation in (a) and none in (b)	Improved levels of participation in (a) (under component 1), in (b) (under component 2) and related capacity-building (under component 3)	Targets revised annually	Project has introduced innovative participation in both (a) including 15 special pilot projects involving indigenous people in demarcations of their lands. For (b) the project supported 31 protection projects involving 60 indigenous lands, and support trainings were also carried out in 60 indigenous lands
Date achieved	12/05/1995			12/31/2005
Comments (incl. % achievement)	The original targets included five trainings. There were no <i>a priori</i> targets for other participatory activities since the methods had to be developed and subprojects developed on a case by case basis. In the end, the project carried out innovative participatory demarcations in 16 percent of the indigenous lands under the project, supported highly participatory protection activities as well as trainings in 65 percent of the lands demarcated under the project. Considering the challenges and complexities of the participatory approach involving multiple ethnicities, languages and remote locations, the project accomplishments are significant.			

**Annex 2. Restructuring (if any)**

N/A

### Annex 3. Project Costs and Financing

#### (a) Project Cost by Component (in US\$ Million equivalent)

Components	Appraisal Estimate (US\$ M)	Actual/Latest Estimate (US\$ M)	Percentage of Appraisal
1. Regularization of Indigenous Lands			
2. Surveillance and Protection of Indigenous Areas			
3. Capacity-Building and Studies	0.85	0.65	76%
4. Support to Project Management	0.90	1.24	138%
<b>Total Baseline Cost</b>	1.75	1.89	108%
Unallocated	0.35	0.21	60%
<b>Total Project Costs</b>	2.10	2.10	100%
Project Preparation Facility (PPF)			
Front-end fee (IBRD only)			
<b>Total Financing Required</b>			

#### (b) Co-financing

Source of Funds	Type of Cofinancing	Appraisal Estimate (US\$ M)	Actual/Latest Estimate (US\$ M)	Percentage of Appraisal
Government of Brazil		2.24	4.50	201%
IBRD-Rain Forest Trust Fund		2.10	1.89	90%
KfW	[Parallel financing]	16.59	11.0	66%

#### (c) Disbursement Profile (*system generated graph*)



#### Annex 4. Outputs by Component

Objective	Output (see Section 8.2 for greater details)
1. Regularizing selected indigenous areas in the Legal Amazon	<ul style="list-style-type: none"> <li>• Identified 60 indigenous lands (11 million hectares)</li> <li>• Demarcated 92 lands (38 million hectares)</li> <li>• Promoted transparency through linkage to a detailed database on each of the indigenous lands</li> <li>• Supported studies that improved identification and demarcation procedures</li> <li>• Commissioned study on demarcation alternatives which improved methodology and created cost savings for the project budget</li> <li>• Financed pilot participatory identifications and 15 highly participatory demarcations in collaboration with NGOs</li> <li>• Developed and implemented a rapid diagnostic and a more detailed ethno-environmental survey</li> </ul>
2. Developing and implementing community based activities	<ul style="list-style-type: none"> <li>• Supported 31 “bottom-up” approach protection subprojects in 60 indigenous lands</li> <li>• Activities included (i) new territorial occupation strategies; (ii) sign posting campaigns; (iii) the dissemination of information about the land and its borders to indigenous and neighboring non-indigenous populations; (iv) map and GPS training; and (v) radios-in-the-villages</li> <li>• Impacted approximately 45,000 persons</li> </ul>
3. Carrying out capacity-building and studies	<ul style="list-style-type: none"> <li>• Conducted six practical studies and applied them operationally to support community-based protection initiatives</li> <li>• Carried out 45 trainings in 60 indigenous lands targeting for both FUNAI staff and indigenous people</li> <li>• Supported the development of a sophisticated geo-referenced database</li> <li>• Helped modernize FUNAI by improving the methods and standards of its land regularization work</li> </ul>

**Annex 5. Economic and Financial Analysis (including assumptions in the analysis)**

N/A

## Annex 6. Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team members

Names	Title	Unit	Responsibility/Specialty
<b>Lending</b>			
Judith Lisansky	Anthropologist	LA1RF	Team Leader
Graciela Lituma	Rural Development Specialist	LA1EA	
Jamison Suter	Land and Forest Specialist	LA1EA	
Christoph Diewald	Senior Operations Officer	LA1-LAC	
Hans Schutz (KfW)			
Eberhart Goll (GTZ)			
<b>Supervision/ICR</b>			
Judith Lisansky	Senior Anthropologist	LCSSO	Task Manager
Loretta Sprissler	Social Development Sp	LCSES	
Virginia Valadão	Anthropologist	Consultant	
Neila Soares	Indigenist Specialist	LC5RF	
Graciela Lituma	Operations Officer	LCSAR	
Luciano Wuerzias	Procurement Analyst	LCSPT	
Irani Escolano	Procurement Specialist	LCSPT	
Susana Amaral	FM Specialist	LCSFM	
Alberto Ninio	Lead Counsel	LEGEN	

### (b) Ratings of Project Performance in ISRs (all fields are entered by the system)

No.	Date ISR Archived	DO	IP	Actual Disbursements (US\$ M)
1	12/17/1999	S	S	0.89
2	12/22/1999	S	S	0.89
3	11/14/2000	S	S	0.99
4	12/19/2000	S	S	0.99
5	12/03/2001	S	S	1.15
6	12/14/2001	S	S	1.15
7	05/28/2002	S	S	1.30
8	11/04/2002	S	S	1.34
9	12/15/2003	S	S	1.44
10	06/21/2004	S	S	1.59
11	01/04/2005	S	S	1.59
12	05/04/2005	S	S	1.60
13	11/16/2005	S	S	1.60

**(c) Staff Time and Cost**

Stage of Project Cycle	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	US\$ Thousands (including travel and consultant costs)
<b>Lending</b>		
FY 93	45.2	97.3
FY94	54.6	126.3
FY95	28.2	54.9
<b>Total: 128</b>		<b>278.5</b>
<b>Supervision/ICR</b>		
FY96	24.2	40.2
FY97	52.0	69.9
FY98	24.60	52.4
FY99	21.0	56.4
FY00	12.91	52,213.66
FY01	15.28	58,752.89
FY02	11.85	62,746.89
FY03	7.42	27,604.88
FY04	13.73	64,050.81
FY05	8.72	54,283.47
FY06	9.32	44,037.89
FY07		20,935.36
<b>Total: 201.03</b>		<b>603,525.85</b>

**Annex 7. Detailed Ratings of Bank and Borrower Performance**

<b>Bank</b>	<b>Ratings</b>	<b>Borrower</b>	<b>Ratings</b>
Quality at Entry:	N/A	Government:	N/A
Quality of Supervision:	S	Implementation Agency/Agencies:	S
<b>Overall Bank Performance:</b>	<b>S</b>	<b>Overall Borrower Performance:</b>	<b>S</b>

**Annex 8. Beneficiary Survey Results (if any)**

N/A

**Annex 9. Stakeholder Workshop Report and Results (if any)**

See Section 8.6 and Chapter 7 of the Government's Final Evaluation Report

## **Annex 10. Summary of Borrower's ICR and/or Comments on Draft ICR**

### Executive Summary [An Unofficial Translation]

#### *Introduction*

This report marks the end of the World Bank's participation in the Pilot Program to Conserve the Brazilian Rain Forest's Indigenous Lands Project (PPTAL). This is an external evaluation of the Project based on interviews, review of documents and project produced studies, and visits to three Indigenous Lands.

The PPTAL was part of the Pilot Program to Protect the Brazilian Rain Forest (PPG7), a G-7 program partially administered through the World Bank with the objective of promoting the sustainable development and conservation of the Legal Amazon. The general aim of the PPTAL is to improve the conservation of natural resources in indigenous lands and to increase the well-being of indigenous populations through regularizing indigenous lands in the Legal Amazon and improving the protection of indigenous peoples and lands. The PPTAL is divided into four components: (i) regularizing indigenous lands; (ii) surveillance and protection of indigenous lands; (iii) carrying out capacity-building activities and studies; and (iv) support to project implementation. The project is being carried out through FUNAI and is supported by the KfW, through GTZ, and the RFT. The budget was estimated to be US\$ 20.9 million with DM 30 million from the KfW, US\$2.1 million from the RFT and US\$ 2.2 million from the Government of Brazil.

#### *Results*

By mid-2005, the project had identified 60 lands (11 million hectares) and demarcated 92 indigenous lands (38 million hectares) of which 87 received Presidential Decrees and 59 were fully registered in local and federal registries. The project supported four groups of studies (environmental diagnostics, identification procedures for indigenous lands, a socioeconomic tenure study, and alternative demarcation methods) and developed a methodology to carry out ethno-environmental studies which is being applied in ten "land complexes" and includes 43 Indigenous Lands. Under the protection component, the project supported 31 protection sub-projects, seven radios-in-the-villages activities and three pilot sub-projects which benefited approximately 60 Indigenous Lands. The project also benefited approximately 60 Indigenous Lands by training indigenous community members and organizations to participate in the demarcation of their lands.

#### *Impacts*

With respect to conservation, the project can be considered as one of the more successful of the PPG7. An indirect impact of the project is that today Indigenous Lands are considered protected areas in protection strategies for the Legal Amazon. In terms of indigenous policies, the project has also had great success as it resolved a significant gap in the regularization of Indigenous Lands in the Legal Amazon.

As of now, the PPTAL has identified and demarcated more indigenous lands than were initially established in the MOD. In addition, the project supported the development and institutionalization of more transparent norms and procedures in FUNAI. The project also strengthened the indigenous movement through the participation of indigenous representatives within the Deliberative Commission and through supporting indigenous communities in accompanying the demarcation of their lands and in implementing their own community protection plans. These activities have directly led to a decrease in invasions. Better indigenous community awareness in regards to their lands, their management and their protection is also contributing to the improved efficiency and effectiveness of FUNAI's supervision capabilities.



Although the methodological impact of ethno-environmental surveys is still limited, there is potential to promote a more systematic and integrated vision with respect to the protection and management of Indigenous Lands.

### *Challenges*

Despite the project's success, there have been some challenges. The first is that the project needed nearly twice the planned time to achieve these results. The principal reasons for the delays included the passage of Decree 1775/96 and Internal Decree 14/96 which changed, at the beginning of the project, the procedures for identifying Indigenous Lands; bureaucratic and administrative complexities for the land regularization process together with the limited capacity of FUNAI. As the project primarily focused on land regularization, the institutional capacity of FUNAI and the internalization of project actions through FUNAI were considered secondary issues. This, apart from having created some tensions between partners during implementation, subjected the Project to a need to prioritize the internalization process during the current phase of implementation.

A second challenge relates to the sustainability of Indigenous Lands and the protection actions supported by the project. The PPTAL challenged the traditional framework of protecting Indigenous Lands and it promoted territorial consciousness. However, still lacking is an analysis of the internal management of Indigenous Lands and the relation of lands with their local and regional surroundings. The project-supported ethno-environmental studies produced a very interesting basis for this analysis, but these studies have been underutilized within the scope of the PPTAL.

The recommendations based on this evaluation in large part refer to these two issues: the process of internalizing the PPTAL lessons within FUNAI and how to guarantee land integrity.. With respect to internalization, the report asserts that this should not occur through "contamination" whereby persons and institutional units unconsciously absorb the project approaches and lessons. In this phase of the project, the process should be proactive and transparent following an agreed strategy that includes staff training and the transfer of responsibilities to FUNAI's departments. With respect to land sustainability, the project argues that there is both an internal and an external dimension. The internal issue involves the management and generation of income. To address these, the Project could in these last years promote better coordination with the PDPI and other government and NGO projects and programs. The external issue involves better integration of Indigenous Lands with territorial planning and environmental management of the surrounding areas both locally and regionally. The Project could better coordinate its activities with other government agencies, and state and municipal governments.

Finally, there are some issues relating to the participation and capacity-building of community members, the strengthening of indigenous associations and the impact that these activities had on the relations within and between communities.

**Annex 11. Comments of Cofinanciers and Other Partners/Stakeholders**

## **Annex 12. List of Supporting Documents**

Memorandum of the Director (MOD), Washington, DC: World Bank, June 6 1995.

Project 590s, PSRs and ISRs - 1996-2006.

Fostering Change for Brazilian Indigenous People during the Past Decade: The Pilot Program's Indigenous Lands Project, IN Lessons of Indigenous Development in Latin America, edited by Shelton H. Davis, Jorge E. Uquillas and M. Eltz, Washington, DC: World Bank, September 2004.

Final Evaluation of the Indigenous Lands Project (Government's Final Evaluation Report)  
/Estudo de Avaliacao-Projeto Integrado de Protecao as Populacoes e Terras Indigenas de Amazonia Legal (PPTAL). Brasilia: FUNAI, December 2005.