

INVOLVING CIVIL SOCIETY: THE DEMONSTRATION PROJECTS SUBPROGRAM OF THE PILOT PROGRAM TO CONSERVE THE BRAZILIAN RAINFOREST

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CASE IDENTIFICATION

The Tropical Forests of Brazil

The Brazilian Amazon is a region of continental dimensions, with a surface area equivalent to more than thirty European countries. Outside of South America, humid tropical forests are to be found in Africa and Asia. The planet's stock of tropical forests has been reduced to 60 percent of the 14 million square kilometers of primitive coverage, and now occupies only approximately 6 percent of the emerged lands of the planet. Brazil has about 40 percent of that forest land.

The Amazon Forest is characterized by great biological diversity, with a wealth of species, populations and ecosystems. The bio-geography of the region is complex, with the flora and fauna distributed in an irregular manner. Besides its great diversity of forest resources, the region has one of the largest mineral reserves on the planet.

The regional development policies implemented in recent decades, aimed at territorial integration and the rapid modernization of the Brazilian economy, have provided incentives for a proliferation of economic projects for the exploitation of the natural resources of the Amazon. These entrepreneurial projects have engendered social, environmental and economic impacts which have been widely questioned in terms of their sustainability. In addition, they have attracted huge flows of migrants, resulting in the disorderly economic growth of the region. The productive structure has diversified. Major highways have been built and settlement promoted, but without the necessary infrastructure for a satisfactory quality of life for the local population.

In the late eighties, the importance of conserving the biological and cultural diversity of the Amazon received growing recognition on the part of the Brazilian and international society. This new consciousness has resulted in the creation of several types of conservation units, such as national forests, national parks, biological reserves and ecological stations and reserves, as well as indigenous areas and extractive reserves.

The Amazon region represents not only a repository of natural resources to be exploited or of sanctuaries of biological diversity to be preserved, but also a social reality, the human needs of which must be duly considered and met. Thus, the great challenge is to reconcile three equally relevant dimensions, the economic, the social and the environmental, in a process capable of bringing the developmental aspirations of the peoples of the region into harmony with actions to promote human and social values, thus improving the quality of life of the population.

THE BASELINE SITUATION

Environmental Awareness

The worldwide repercussions of the environmental debate in recent years have pointed to the limitations of a development model based on the premise of an inexhaustible supply of natural resources. The assumption of an unquestionable human capacity to control nature has also been challenged. The effects of environmental imbalance (climate change, pollution, prolonged drought and nuclear disasters) have made it obligatory to analyse both economic and social costs and to take a stand against the degradation and inappropriate use of natural resources.

The United Nations Conference on the Environment and Development (UNCED), held in Brazil in June, 1992, launched the environmental debate into the global sphere, broadening its scope through raising questions such as reduction of foreign debt, establishment of more just terms of trade, access to avant-garde technology and the need for additional flows of funds to the developing countries.

The prevailing idea of nature, then seen as an object, as raw materials, or as an obstacle to progress, ran up against the concept of sustainability, through which the utilization of the natural resources of the planet is to be defined, with reference to criteria of permanence, reproduction and temporality.

In the Amazon, within the sphere of civil society networking, a new level of political-institutional relationships has been reached with the multiplication of non-governmental organizations (NGOs) of various types, disseminating experiences aimed at a sustainable model of development. Among these bodies, the grassroots organizations, the growth of which began in the sixties and accelerated in the eighties, deserve special mention.

Among the changes underway, the sustainable alternatives for traditional communities stand out, taking as their starting point the creation of reserves associated with bio-sociodiversity in the Amazon and Atlantic Forest regions. However, although the potential of these alternatives is great, technological investments in them are still sparse; consequently, their sustainability is limited. The experiments occur in ecosystems used by different social groups, utilizing diverse techniques and with different productive, social and political structures, as well as involving varied partnerships. Thus the natural resource reserves, home to the greatest potentiality in the Amazon and Atlantic Forest regions, are still fragile.

THE CHANGE PROCESS

The Pilot Program (PPG7)

At the international level, even before Rio '92, an important step was taken in 1990 to reverse the gradual destruction of the Brazilian tropical forests, through an initiative of the most industrialized countries (the G-7). The idea was born of a pilot program which was to act at the governmental level, while supporting initiatives originating in civil society organizations.

The Pilot Program to Conserve the Brazilian Rain Forest (PPG7), in its current form, is the result of an agreement between Brazil and the member countries of the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom and United States), as well as the European Union and Holland, with the World Bank as multilateral cooperation agency. From its conception, the Pilot Program has recognized the need to demonstrate the feasibility of bringing economic and social objectives into harmony with environmental goals in the use of the tropical forests. The Pilot Program is being implemented by the

Secretariat for Coordination of Amazon Affairs of the Ministry of Environment, Water Resources and the Legal Amazon.

The Role of Civil Society

The history of recent regional projects with little participation on the part of the target population has shown few results and limited accomplishment of objectives. This fact, in and of itself, would justify the inclusion of a program based on projects arising from the people themselves. There has been a growing demand on the part of various segments of civil society, local politicians, NGOs and other organized groups for alternatives aimed at reducing damage to the environment and proposing innovative models of sustained socioeconomic development, on a local or regional basis.

A significant potential for participation is to be found in the diverse segments of society. The channeling of this potential is making it possible to take advantage of the capacity which is available, although dispersed. The participation of the different social groups not only enriches the debate among different models of development for the region (based on a critical evaluation of personal experience), but also permits the engendering and testing of new alternative proposals for development and conservation of the environment.

The experiments underway with the involvement of communities and NGOs in environmental initiatives still suffer from reduced institutional capacity and dispersive efforts. In such a scenario, there is a growing consensus that more stable and continual participation by society is a basic condition for sustained development.

From this viewpoint, the varied population groups residing in the Amazon do not constitute a problem for the conservation of the forest; to the contrary, they hold the key to many possible solutions, because of their own experience and accumulated knowledge.

The Demonstration Projects of the PPG7

The document presented to the G-7 by the Brazilian Government at the meeting in Brussels in March, 1991 included the first reference to demonstration projects as a sub-component of the Pilot Program. A significant number of conservation and sustainable development projects had been proposed by grassroots organizations, supporting and advisory NGOs and/or local governments. The notion of socioeconomic and environmental sustainability already permeated the initiatives then underway.

In considering the Demonstration Projects as an integral part of the Pilot Program, and even deciding to include them among the first projects to be evaluated and negotiated, the donors and the World Bank began to envision the participation of civil society in the Pilot Program.

Thus it was that the Demonstration Projects Subprogram (PD/A) was born, the core idea of which is to reinforce the capability of civil society, in association with the government, to develop feasible solutions for the conservation and development of the Amazon region and the regions within the domain of the Atlantic Forest, testing, applying, implementing and disseminating alternative economically, socially and ecologically sustainable methods of management and conservation of natural resources.

The PD/A supports such initiatives, making them viable and disseminating them. To that end, it applies a policy of testing and expanding models of sustained development which have great potential for replication and are structured on the basis of people's experience. New production systems and new institutional cooperation arrangements have emerged from this experience. Participation and capacity building are two important principles which make the PD/A viable. Along this line of reasoning, the

PD/A projects are concrete mechanisms for improving people's quality of life, considering the environmental component as strategic.

Association Between the Government and Civil Society

The pioneering nature of this principle of government – civil society association has proved to be a challenge to project management. No action of government, no matter how big or how good, can by itself meet the challenge of simultaneously conserving and developing a region. Such a challenge can only be faced by a joint effort involving government and society. Without the growing involvement of the diverse segments of society and their own commitment to the objectives of the Pilot Program, no real change in the social, economic and environmental conditions of the Amazon and the areas within the domain of the Atlantic Forest may be expected.

THE OUTCOME

The Innovative Mechanism

In its current phase, the PD/A is the recipient of financial contributions of DM 20 million from the Kreditanstalt für Wiederaufbau (KfW), ECU 4 from the European Union (EU) and US \$ 3 million from the Rain Forest Trust Fund (RTF), totaling approximately US \$ 19 million at current exchange rates, for the five year anticipated duration of the PD/A. A new grant of FF 10 million is currently under negotiation with the French Fund for the Environment (FFEM). Recently, the Government of Germany announced new donations to the PD/A in the amount of DM 15 million.

Maximum financial support per institution is US \$ 210,000 for three years, with a required counterpart contribution of 10 to 30 percent, according to the amount requested. For proposals with a requested amount of up to US \$ 20,000, the evaluation, judgement and approval process has been simplified. The goal is to increase the number of small projects, simplifying their administrative procedures. It is estimated that by the end of this phase of the component, ca. 250 subprojects will have been supported in the Amazon and Atlantic Forest regions.

Implementation of the PD/A only became viable with the creation of a streamlined financial mechanism of easy access for the small organizations of the Amazon and Atlantic Forest regions. The participation of the Banco do Brasil as the financial agent of the PD/A has been of fundamental importance to this process. The bank brings the donations into the country and transfers funds to the subprojects, through its widespread network of agencies and service centers throughout Brazil.

The networks of non-governmental organizations in the Amazon and Atlantic forest regions, the Amazon Working Group (GTA) and the Atlantic Forest Network (RMA), respectively, also support the PD/A technical secretariat in making contact with entities at the regional level to present innovative proposals and disseminate experience among organizations, whether associated or not with the networks. They also participate directly in PD/A undertakings and planning for the future, through engendering regional policy.

First Accomplishments

The PD/A has received 507 proposals for subprojects, involving requests for a total amount of approximately US \$ 81.6 million. Of the proposals, 366 were from the Legal Amazon area (totaling approximately US \$ 56.6 million) and 141 from the Atlantic Forest region (ca. US \$ 25.0 million).

The first PD/A funding for subprojects was in 1996. To date, 97 subprojects have been approved, of which 79 are in the Amazon and 18 in the Atlantic Forest, for a total of US \$ 13.5 million in financial support provided.

The geographic distribution of the approved subprojects in the Amazon shows a certain concentration in the states of Acre, Maranhão and Pará, which had 49 subprojects approved, or 50.5 percent of the subprojects for the region and 45.5 per cent of all funding approved by the PD/A. This phenomenon is the consequence of a long history of strong performance by the NGOs and universities in those states. In the area covered by the Atlantic Forest and associated ecosystems, the distribution has been more equitable, although the states of Rio Grande do Sul, Sergipe, Alagoas, Paraíba, Rio Grande do Norte and Ceará have had no subprojects approved.

The grassroots organizations (producers' associations, cooperatives, unions, indigenous organizations, residential associations and community organizations) together have had 61 subprojects approved, or 63 per cent of the total. In terms of funding, these organizations have received approximately 57 per cent of the funds.

Except for the funding of a few subprojects engaged in a more 'traditional' style of environmental preservation, the lion's share of the money provided for subprojects executed by NGO's and supporting organizations is applied directly to improving living standards in the grassroots communities, through capacity-building activities and efforts toward the recovery and sustainable stewardship of the natural resources of the areas they inhabit. A total of 35 subproject proposals submitted by NGOs have been approved: 18 in the Legal Amazon and 17 in the Atlantic Forest region.

THE LESSONS LEARNED

One of the main lessons learned from this experience is the importance of the NGO networks in the dissemination of the PD/A and in providing training for building the capacity of local organizations for formulating and executing subprojects. In this regard, special mention should be made of the performance of the Amazon Working Group (GTA), which has been very successful in publicizing the PD/A and generating a great demand for approval of proposals. Evidence of this relationship is provided by the fact that the subprojects approved by the PD/A are concentrated where the GTA has its most active and well coordinated regional bodies.

The lessons learned from the difficulties faced by the subprojects deserve special mention, especially in relation to the economic sustainability and management of the proposed activities of a productive nature. There is a process of transition of the grassroots organizations from their current stage, aimed more at their own formal establishment and survival, to a more advanced stage, at which they come to act as economic agents. This transition sometimes occurs in a traumatic manner, without observance of the values which had oriented the very existence of these communities. To help overcome these problems, the PD/A must be strongly engaged in the formation and capacity building of managers and other local actors, and in the transfer of knowledge about the management of productive enterprises.

In disseminating their experience in the different states, involving numerous grassroots groups, the Demonstration Subprojects are contributing to a growing awareness on the part of the population of the regions involved in the Pilot Program. With this raising of people's consciousness, the PD/A is directly and indirectly contributing to the strengthening of civil society. Evidence is already available of the existence of better conditions for evaluation of public policies and of forms of action more in line with the requirements of economically, socially and environmentally sustainable development.

The final goal of the Demonstration Projects, which is a large-scale multiplication of the positive results obtained in the execution of the subprojects, will be satisfactorily attained to the degree that the methodology and working philosophy of the PD/A and its outcomes are finally incorporated into the context of Brazilian public policy. Generally speaking, projects planned by the international bureaucracy have imposed many obstacles upon the executing agents, failing as they often do to pay attention to local conditions. Perhaps the greatest innovation of the PD/A has been its understanding of the communities as the principal actors in the process of sustainable development.