

BRAZIL

NORTHWEST REGION INTEGRATED DEVELOPMENT PROGRAM

PROTECTION OF INDIGENOUS POPULATIONS

MINUTE OF UNDERSTANDING

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WORLD BANK - FUNAI - FEBRUARY 12, 1981

1. General

Objective - As part of its appraisal of the POLONOROESTE program the World Bank held a series of meetings with FUNAI to inform itself about the programming for 1981 of the "Project to Assist Indigenous Communities in the area of influence of the Cuiaba/Porto Velho, 1980/85".

Background. The discussions with FUNAI were based on the original project proposal and on two letters sent to the Bank on January 20 and on February 2, 1981 respectively; these letters already contain specific responses to recommendations made by a Bank mission in September/October of last year.

Observations. The points raised by the mission were based on the assumption that all interventions aiming at the protection of and assistance to indigenous groups in the area of the POLONOROESTE program must be closely coordinated with the activities foreseen in the context of this program.

During its visit to the areas of Rondonia and Mato Grosso, the mission observed considerable progress made with the help of budgetary funds which have been allocated since the last quarter of 1980. The availability of funds allowed for the acquisition of medicine, equipment and for infrastructure works.

However, up to now, project implementation has been constrained to a certain extent due to the impossibility of contracting personnel (in function of a hiring freeze). Due to these restrictions, it has not been possible yet to hire new "chefes de postos", health auxiliaries, teachers etc.

Programming. Given that (a) the development process is already ongoing and that (b) construction works could begin in June of this year, a number of immediate measures become indispensable. These measures require the contracting of personnel for key positions. Insofar as priority areas are concerned, the areas of the Nambikwara and Paracis (area of the BR-364 Highway variant) in Mato Grosso, and areas of potential conflict between colonists and indigenous groups in Rondonia will have precedence during the next months.

The protection of the small and dispersed Nambikwara groups will depend directly on :

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- (a) preventive immunization campaigns and efficient medical assistance; and,
- (b) on an ensured subsistence base in demarcated areas that must be viable in terms of size and quality.

In view of the strong economic interests in the area of the Guapore Valley, the completion of all demarcation processes for the Nambikwara and Parecis areas in 1981 becomes indispensable for the protection of the interests of these indigenous groups.

With regard to the use of resources which have been already allocated to the Nambikwara project for 1981 (Cr\$3.5 million for each of the three Indian posts) which are designated for improvements in the areas of infrastructure and production, it becomes urgent that the 5th delegacia of Cuiaba submit a detailed program for their use.

It is the understanding of the mission that the government of the State of Rondonia has committed itself to evict, after the next harvest, those squatter families who are at present illegally occupying lands on the "Sete de Setembro" Indian reserve.

The rainy season which will start again in September imposes a tight time-frame for the execution of infrastructure works. Priority infrastructure works (particularly the establishment of Indian posts for groups who are so far not assisted, see para. 2) should be executed during the summer months given that a delay would imply postponement of project implementation until May 1982.

Costs. Due to inflation, program costs will need substantial adjustments. Changes in the arrangements made with CEME and the Ministry of Health imply cost increases in the area of health (see proposed action plan/FUNAI).

With reference to the annual allocation of project funds, flexibility to make possible adjustments according to specific needs as well as the availability of sufficient funds for operation and maintenance (transport, acquisition of medicine, maintenance of equipment etc.) are of central importance.

Financing. FUNAI commits itself to submit to MINTER by February 15 a plan of priority action with regard to specific measures to be taken during the next six months. This plan has already been established by FUNAI and the Cr\$50 million funds were guaranteed by MINTER.

As a result of cost adjustments FUNAI will need a total of Cr\$166 million of POLONOROESTE funds in order to execute its 1981 program. MINTER will make these funds available to FUNAI.

With regard to planned demarcation activities, the mission received assurances from Dr. Claudio Pagano/DOPI that Cr\$92 million have been designated for these works and are included in FUNAI's budget.

Annual Planning. The mission received assurances that future annual planning in the context of the project will be made on the basis of priorities established by the indigenous groups themselves, by the "chefes de posto" and by the regional Delegados.

Monitoring. As already confirmed by the government, the Bank will be informed about annual plans and will receive half-yearly reports about project progress. Bank missions, always accompanied by FUNAI officials, will be able to convince themselves of project progress in visits to indigenous areas.

Special Studies. Special studies and preservation work appear as urgent for the area of the Nambikwara caves. The mission suggests that FUNAI contact the Patrimonio Historico in order to define measures for the protection and acquisition of these areas.

With regard to this topic as well as for studies in the areas of health and nutrition and for studies preceding the delimitation of indigenous areas, the experience of anthropologists would seem of key importance. The mission requests that copies of plans for eventual studies be submitted to the Bank.

Technical Assistance. The mission agrees to the proposed contracting of agricultural technicians who should assist the "chefes de posto" in the planning and execution of agricultural support projects.

2. Specific Steps

The following priority measures for the period up to September 1981 were discussed with FUNAI:

A. Sub-project Demarcation

Types of Interventions- It becomes urgent to :

- . interdict, delimit, and demarcate indigenous areas according to their respective specific situations;
- . evict squatters and other illegal occupants from tribal lands;
- . improve demarcated boundaries of existing reserves by signs, clearing etc.;
- . regularize demarcated areas with the S.P.U.

Area of Mato Grosso/5th Delegacia

For the area of the 5th Delegacia the demarcation of the Nambikwara area was already scheduled for 1980. In its letter (February 2, 1981) FUNAI commits itself to delimit these areas starting in May 1981. In view of the construction of the BR-364 variant the Bank mission considers the mere

delimitation in 1981 as insufficient, although it realizes that the time available until the end of August is short with regard to the demarcation task. It assumes however that, with the allocation of two work teams and by breaking down the tasks into fractions that can be carried out reasonably by small or medium size firms, the different demarcation processes could be carried out in parallel.

In the Guapore Valley, the following specific steps need to be taken :

- . demarcation of the Sarare/Katditaunlu area;
- . increase of the Wasusu/Galera reserve to include the neighboring sacred caves located on the Fazenda Guanabara. Other arrangements should be sought for further caves and archeological findings in the area;
- . recuperation of the forest area now occupied by the Fazenda Zillo, for the Yotdunsu group;
- . demarcation of the area of the Waikatdesu/Alakatdesu;
- . increase of the reserve of the Aladnesu/Erahitdanusu (Fazenda Bagua);
- . demarcation of the proposed Mamainde area;
- . interdiction of areas for groups who have not yet been contacted (on the rivers Piolho and Colorado);
- . delimitation of the Saluma area;
- . redefinition and demarcation of the Parecis areas (already ongoing).

In the case of the Nambikwara reserves a close cooperation between FUNAI and the IBDF could contribute to the promotion of, on the one hand, an agglomeration of obligatory forest reserves on farms in the area, and, on the other hand, of indigenous reserves, aiming at an increase of contiguous forest areas. This becomes important given the fact that the Nambikwara depend on hunting for their subsistence, and that the fauna cannot maintain itself if confined to small forest "islands".

The 5th Delegacia should keep in touch with the INCRA project for land regularization in the municipality of Tangara da Serra, with regard to the definition of boundaries of the different indigenous areas (Parecis) in this municipality.

Area of Rondonia/8th Delegacia

The mission's short visit did not allow for a reconnaissance of the area as a whole. The following situations were brought to the attention of the mission :

the illegal occupation of the lands of the Surui in the "Sete de Setembro" reserve; the situation in this Indian post appears as serious;

Squatters and illegal farms also exist in the Indian posts of Roosevelt, Linha 14, on the lands of the Zoros and of the Tubaroes Massaca;

the demarcation of areas for the Zoros and the Tubaroes Massaca is urgent due to their proximity with colonization areas and to the current penetration of these areas;

according to information obtained from the Delegado of Porto Velho, 5 Cinta Larga villages in the north of the Aripuana Park are threatened by the presence of a mining firm. The firm is seeking to establish its hold on an area of 100,000 ha and already has heavy equipment in place. Steps towards the solution of such problems should be initiated in 1981;

#### B. Sub-project Administration

Project Coordination. The Bank mission was informed that the Project Coordinator will maintain continuous contact with the two Delegacias aiming at the expeditious handling of their work, and that he will

- . see relevant processes through at the Brasilia level;
- . visit the area;
- . promote contact with other agencies involved.

At the state level FUNAI will participate in the "State Council". The two Delegacias will handle the project funds and will have full responsibility for project implementation in all aspects that apply to this administrative level.

In order to serve the area of influence of the BR-364, a new "ajudancia" will be created in Vilhena. Its purpose is to complement current services. An Administrator for the "ajudancia" will be nominated in March 1981. The "ajudancia" of Vilhena will principally serve the area of Mato Grosso and will be subordinated to the 5th Delegacia; to the extent necessary it will also attend the area of the BR-364 in Rondonia. In order to coordinate the work to be done out of Vilhena, the Delegados of the 5th and 8th Delegacias will establish a joint work program.

The establishment of new Indian posts for groups which so far lack continuous assistance by FUNAI has priority over the upgrading of already existing Indian posts.

Steps to contract key personnel ("chefes de postos", health auxiliaries, bi-literal monitors, agricultural technicians) have priority over the construction of infrastructure works.

Mato Grosso/5th Delegacia

For 1981 the establishment of two Indian posts in the Parecis area has been scheduled;

an increase of the coverage provided for the Nambikwara group

will be studied; corresponding proposals will be included in the 1982 plan.

Rondonia/8th Delegacia

The community of Araras (Lurdes) needs an Indian post;

the area of the BR-172 requires an Indian post in order to attend the Indians migrating to the area from Serra Morena;

a further post is needed in the area of the Cinta Larga/Rio Ouro Preto;

the following Indian posts have no chief at present

- Serra Morena
- Tubaroes Massaca
- Kaxarari

The administration of the two Delegacias will be strengthened through improvements of the communication system (radios) and by increased transport facilities (including an airplane which is to serve the area of the BR-364 out of Vilhena).

Initial steps to deal with these problems are specified in the emergency program to be submitted to MINTER by FUNAI.

C. Health Sub-project

According to the program a new mobile health unit out of Vilhena should be set up in March 1981.

During the coming months, this mobile unit will concentrate its initial efforts on the immunization campaign in the Nambikwara areas in view of the fact that this area will be affected by the construction of the BR-364 variant. To the extent necessary, the mobile unit of Vilhena as well as the three already existing mobile units of the 5th and 8th Delegacias should attend the many areas of contact between Indians and the surrounding population in the proximity of colonization frontiers.

FUNAI must establish an agreement with DNHR aiming at the necessary instructions and immunizations of road construction teams, in order to minimize contact between workers and Indians as well as health risks.

Other measures :

- The allotment of medicine will be increased, including Indian posts that do not have a health auxiliary yet;
- The "casa do Indio" in Cuiaba is in precarious condition and should be upgraded;
- FUNAI will sign a "convenio" with a hospital in Vilhena (probably FSESP);
- FUNAI will collaborate in all that is necessary with the Ministry of Health and with SUCAM in order to guarantee the efficiency of campaigns to control tuberculosis, malaria and other infectious diseases;
- at the level of Brasilia, the health supervision capacity needs to be strengthened. The Bank recommends that one more physician be contracted at this level;
- given the new CEME policy it becomes necessary to allocate additional resources for the purchase of drugs on the part of FUNAI.

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REMARKS: <i>The same should be discussed these details to be discussed at the Vice President's level. Solutions that you should deal with these issues directly at the Washington level.</i>		
FROM: Y. Rajagopalan	ROOM NO.:	EXTENSION:

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FROM: James A  
SUBJECT: BRAZIL

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(b) Satisfactory evidence that the FUNAI has initiated the recommended reform in its organization, planning, staffing and budget, that the recommended health care and immunization program for the tribal peoples has been initiated; that periodic (monthly/quarterly?) status reports on FUNAI's efforts and observed results are transmitted to the Bank (the risks inherent in this could be minimized by invoking a mutually acceptable third party to assist in the monitoring and reporting process).

(c) That the GOB fully understands the risk to the Bank's image and possible donor governments' reactions from its association with this highly controversial project. In respect of this, the GOB will interpose no objection to the Bank's inviting those organizations and institutions critical of the project and the Bank's involvement for a frank and open exchange of information and views prior to negotiation.