

3-24-1992

Brazil: US\$167 Million World Bank Loan For Environmental Conservation Program In Rondonia State

Barbara Khol

Follow this and additional works at: <https://digitalrepository.unm.edu/notisur>

Recommended Citation

Khol, Barbara. "Brazil: US\$167 Million World Bank Loan For Environmental Conservation Program In Rondonia State." (1992).
<https://digitalrepository.unm.edu/notisur/8834>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiSur by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Brazil: US\$167 Million World Bank Loan For Environmental Conservation Program In Rondonia State

by Barbara Khol

Category/Department: General

Published: Tuesday, March 24, 1992

On March 18 in Washington, the World Bank announced approval of a US\$167 million loan to finance a broad-based sustainable development program for the state of Rondonia. Program objectives include conservation of jungle terrain and biodiversity, and protection for indigenous tribes. Total program cost is US\$228.9 million. The population of Rondonia increased from 113,000 in 1970 to 491,000 in 1980, and 1.4 million in 1988. Forest cover declined from 99% to 76% of the state's 23.4 million ha. surface area. The government has defined agro-ecological zones in terms of soil capacity to sustain crops, biodiversity, and traditional habitation for indigenous tribes. About 4,400 indigenous persons live in 12 delimited reserves covering a total area of 4.7 million ha. Another 8 million ha. have been placed in conservation and reserve units, including reservations delimited for communities dependent on rubber tapping. Beneficiaries include over 5,000 indigenous persons, 2,400 rubber tapper families and other residents of the forest, 900 families of fisherfolk and groups living along the river, and 52,000 low-income farm households. Loan terms are 15 years and a five-year grace period. Environmental Defense Fund (EDF) attorney Bruce Rich told Inter Press Service that the World Bank had failed to provide sufficient resources to local non-governmental organizations (NGOs) to monitor implementation of the project and had excluded Brazil's Institute of Environment and Renewable Natural Resources (IBAMA) in both planning and implementation. According to the San Francisco-based Sierra Club director of international affairs, the commitment of "local officials in Brazil to enforcing environmental standards is very questionable." Rich said these concerns were "not enough" for EDF and other environmental groups to actively oppose funding the project, described as "somewhat improved" over earlier plans that had excluded NGOs altogether. The new project, he added, is designed primarily to compensate for damage caused by a series of huge World Bank-financed road and agricultural modernization projects in the early 1980s in Mato Grosso and Rondonia states. An area of tropical forests and woodlands the size of Britain was opened to tens of thousands of settlers who contributed to massive deforestation of the region. Epidemics of contagious disease threatened indigenous populations, the native rubber tappers, and the settlers themselves. Rich said the result was an ecological, health, and social "catastrophe" for which then-World Bank president Barber Conable apologized five years ago. According to the Bank, the new project "incorporates the lessons that both the Brazilian government and the Bank have learned over the last 10 years on how to balance the promotion of economic development with environmental protection...The misguided policies of the past such as fiscal incentives, subsidized credit, land-titling policies and public infrastructure investment programs conspired to encourage unsustainable patterns of migration and land occupation, with harmful consequences for the environment and the Amerindian populations in Rondonia." The World Bank statement noted that the state was "subject to rapid and disorderly occupation and deforestation." Rich said the Rondonia resource management project, as well as a similar project pending for Mato Grosso, is designed to "clean up the mess created by the earlier projects." In November 1988 one month before he was assassinated rubber producer union leader Chico Mendes formally complained to Conable about the absence of NGO participation in regional development planning. His complaint was

followed by pressure from the US and West European executive directors at the Bank to increase NGO involvement. Subsequent consultations by all parties resulted in improvements, according to Rich, who said that EDF and the British development agency, Oxfam, still had strong reservations. In addition to lack of resources for NGOs to monitor implementation and continuing exclusion of IBAMA, Rich said the World Bank should have also insisted that 7,000 families displaced in the mid-1980s by a Bank-sponsored hydroelectric project (Ita Parica dam) be resettled prior to approval of the new loan. According to Rich, the Bank has provided US\$232 million in two loans to resettle the families over the last several years, but the government has not taken steps to carry through with the plan. Failure to resettle the Ita Parica displaced raises questions about the future implementation of the Rondonia project. (Basic data from Inter Press Service, 03/18/92; Chinese news service Xinhua, Agence France-Presse, 03/19/92)

-- End --