



HOW MUCH DOES IT  
COST TO MAKE A  
**PGTA**  
HAPPEN?

**FUNDING POSSIBILITIES FOR  
INDIGENOUS MANAGEMENT  
PLANS (PGTA) IN BRAZIL**

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# LIST OF ACRONYMS

**Arpa** - Amazon Region Protected Areas Programme

**COIAB** - Coordination of Indigenous Organizations of the Brazilian Amazon

**EC** - Constitutional Amendment

**ENREDD+** - National REDD+ Strategy

**Funai** - Brazilian National Indian Foundation

**FA** - Amazon Fund

**FUNBIO** - Brazilian Biodiversity Fund

**GCF** - The Green Climate Fund

**Inesc** - Institute of Socioeconomic Studies

**IPCC** - Intergovernmental Panel on Climate Change

**PGTA** - Indigenous Management Plans, in Portuguese

**PNMC** - National Climate Change Policy

**PPCDAm** - Action Plan for Prevention and Control of Deforestation in the Legal Amazon

**PPCerrado** - Action Plan for the Prevention and Control of Deforestation and Forest Fires in the Cerrado Biome

**PNGATI** - National Policy for Territorial and Environmental Management of Indigenous Lands

**PPA** - Multiyear Government Plan

**ODA** - Official Development Aid

**RFN** - Rainforest Foundation Norway



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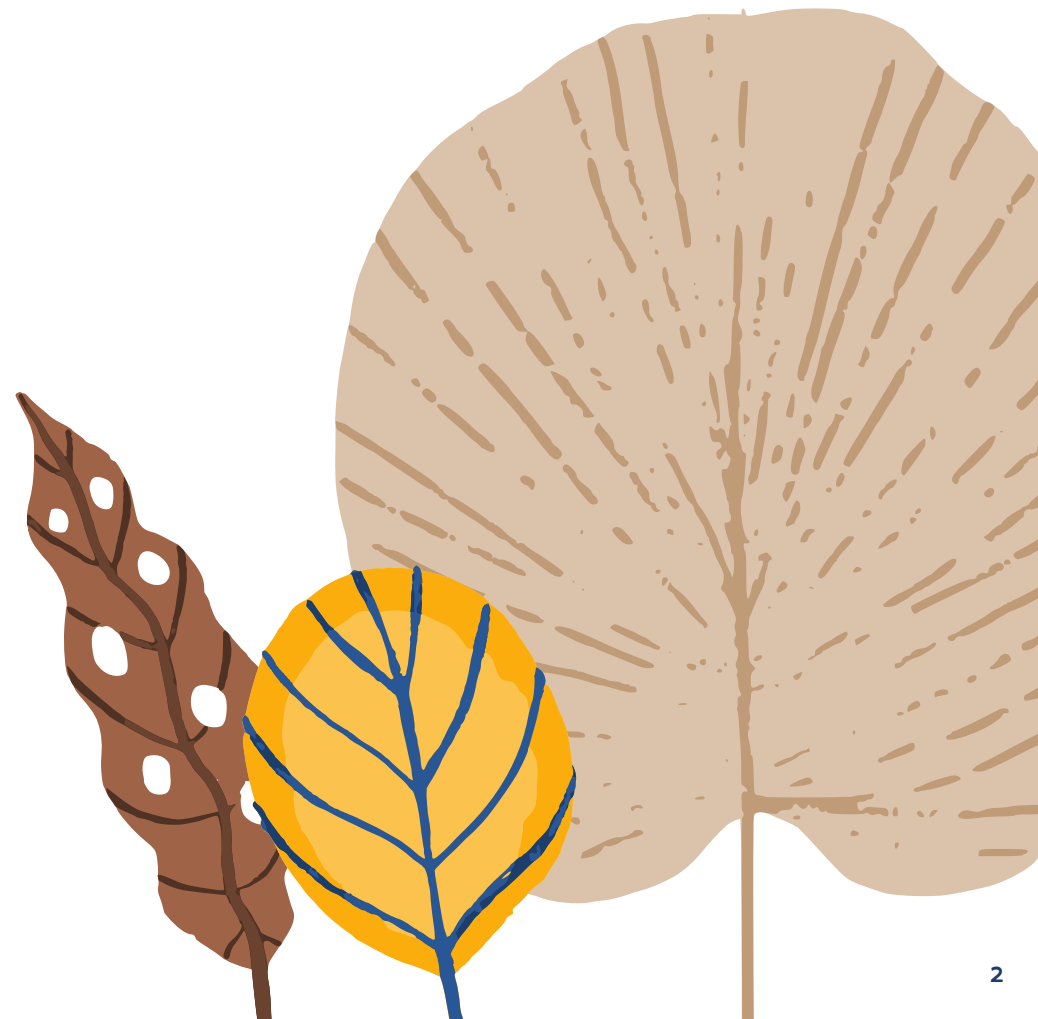
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# PRESENTATION

This study was elaborated by the Institute of Socioeconomic Studies (Inesc) and supported by the Rainforest Foundation Norway (RFN). It is aimed to raise budgetary and extrabudgetary funding possibilities for the implementation of Territorial and Environmental Management Plans for Indigenous Lands (PGTA) in Brazil. This study is part of a project that aims to add to the various initiatives in support of this instrument developed by the Brazilian indigenous communities, offering two tools for this purpose. First, to design a cost estimate methodology to implement the PGTA that can be replicated by the various indigenous communities and their partners. Second, the effort to find possible funding paths for effective implementation of the Plans, taking into account the current political and economic scenario in Brazil.

Indigenous Management Plans is a tool derived from the social mobilization of indigenous communities and organizations and their partners, synthesizing shared expectations, demands and interests for and from their territories. According to the National Indian Foundation (FUNAI):

PGTAs can contribute to greater appreciation and public recognition of the value of indigenous peoples knowledge about their territory; to enhance knowledge transfer between generations; to reduce internal conflicts and to establish agreements for the management of Indigenous Lands; to assist in the claim processes for the defense and protection of the territory and its natural resources; to promote the sustainable use of natural resources; to generate economic and income-generating alternatives; to decrease the number of threats to Indigenous Lands; to contribute to the qualification of indigenous land claims; to strengthen indigenous organizations; to improve processes related to education, health and social promotion; to expand the dialogue with governmental and non-governmental institutions and to promote the protagonism and autonomy of indigenous peoples.<sup>1</sup>

Elaborated in collective and unique processes by each of the peoples,<sup>2</sup> the PGTA have become - in addition to an important device towards the autonomy of indigenous peoples - the main instrument for implementing the National Policy for Territorial and Environmental Management of Indigenous Lands (PNGATI), established in 2012 by the Decree no. 7,747/2012.

Although not initially foreseen in the bill, the importance of the PGTA for the effectiveness of this Brazilian public policy was initially recognized i) in the commitment to implement and support its

preparation inscribed in the Multi-Year Plan 2012-2015, ii) in the FUNAI's guidance document (2013) and iii) in the launch of funding public notices for its preparation and implementation (Grupioni, et al, 2019). Therefore, also according to Grupioni, the PGTA:

”represent one of the possible instruments to articulate the work of the indigenous body, guiding the State's relationship with indigenous peoples, as they seek to promote and develop coordinated and structuring actions in Indigenous Lands, based on a correlation between public policy and indigenous policy, placing them on the same level of importance. (...) Many of the action proposals and activities provided for in the plans end up being demands for various state agencies, demanding support for internal agreements and consensus on what is a priority to guarantee their own ways of life. By directing clear demands and pointing out specific priorities for government agents, the PGTAs hold public bodies and policies accountable, creating guidelines that restrict exogenous proposals, dissociated from the indigenous logic, and needs, or formulated without dialogue and consultation with those who will be affected by them.”

The importance of this instrument is remarkable for ensuring the self-determination of the indigenous peoples of their territories, as well as their ways of life and relationship with the environment. As revealed by the Special Report on Climate Change prepared by the Intergovernmental

<sup>1</sup> Available at: [http://funai.gov.br/arquivos/conteudo/cggam/pdf/Cartilha\\_PGTA.pdf](http://funai.gov.br/arquivos/conteudo/cggam/pdf/Cartilha_PGTA.pdf)

<sup>2</sup> To learn more about a PGTA's preparation processes, see Grupioni et al (2019).

Panel on Climate Change (IPCC)<sup>3</sup>, launched in 2019, policies that strengthen indigenous peoples and local communities are key to mitigating global climate change. Ensuring the implementation of the PGTA, therefore, is also a way to ensure a common future for all of us.

Despite the recognized power of this instrument - whose positive impacts far exceed the limits of indigenous communities, being key in the fight against climate change - the PGTA and PNGATI have suffered from severe and successive lack of public funding, aggravated by the budgetary strangulation of the bodies responsible for indigenous and environmental policies, drastically in the last two years, but ongoing at least since 2016.<sup>4</sup> The combination of austerity policies, such as Constitutional Amendment EC95<sup>5</sup>, with the anti-indigenous and anti-environmentalist shift taken by the executive branch, have ended the meager public funding for carrying out the PNGATI, excluding any mention of PGTA at the current multi-year government plan (**SEE BOX - 1**).

### BOX 1 THE PGTA IN THE MULTI-YEAR GOVERNMENT PLANS (PPA)

Multi-year Government Plans (PPA) are the executive branch's main medium-term planning instrument, containing the objectives and goals to be achieved over a four-year period. Based on its analysis, it is possible to assess which are the priority political projects of each administration, in addition to monitoring and evaluating the proposed public policies. The objectives and goals of the PPA are linked to specific Budget Programs, for which estimates of the budget allocation to be executed during the Plan period are also provided.

The PGTA appeared for the first time in this stage of the Brazilian budget cycle in the PPA 2012-2015, consolidating the relationship between their implementation and the effective execution of the PNGATI. The PGTA are also present in the PPA 2016-2019, although in a more modest way. There is, however, no mention of the instrument in the PPA 2020-2023, currently in force, evidencing the absolute lack of commitment to its implementation.

#### THE PGTA IN THE MULTI-YEAR GOVERNMENT PLANS

	PPA 2012 -2015	PPA 2016-2019	PPA 2020-2023
<b>OBJECTIVES DIRECTLY RELATED TO THE PGTA</b>	To implement and develop national environmental and territorial management policy for indigenous lands, through integrated and participatory strategies aimed at the sustainable development and the autonomy of indigenous peoples	To promote territorial and environmental management of indigenous lands	None
<b>GOALS DIRECTLY RELATED TO THE PGTA</b>	To implement 51 environmental and territorial management plans for indigenous lands	To support the preparation and review of 20 Territorial and Environmental Management Plans (PGTA) and the implementation of integrated actions in 40 indigenous lands	None

<sup>3</sup> Available at: Download Report – Global Warming of 1.5 °C (ipcc.ch)

<sup>4</sup> For a broader framework of Brazilian state underfunding of indigenous policy see Inesc (2020) and Inesc (2021).

<sup>5</sup> Brazilian fiscal policy that instituted a limitation for social spending in the Brazilian State.

In addition, measures were also taken to hinder the arrival of funding for international cooperation for the preparation and implementation of the PGTA, in which the Amazon Fund (FA) stands out, with resources from Norway and Germany. The Amazon Fund was essential for both the preparation and the implementation of PGTA in the Legal Amazon, having invested a total of BRL 4,754 million in projects, with BRL 1,860 million being allocated to projects, of which BRL 1,173 million have already been spent, according to the 2019 report<sup>6</sup> With the dismantling of its governance structure by the current government, the amounts are paralyzed. Besides, public investments are insufficient, which borders on making it impossible to implement or prepare new PGTA, were it not for the work of raising funds from other sources by indigenous and indigenous organizations.

Thus, it is urgent to think about other financing possibilities for the effective implementation of such an instrument, both in the national and international levels, since Brazil is under binding commitments regarding indigenous rights and the preservation of their territories.

At the national level, obtaining public financing for the effective implementation of the

PGTA is anchored, first, in the constitutional commitments assumed by the Brazilian State in relation to territories traditionally occupied by indigenous peoples. Moreover, the country is also a signatory of international treaties that advocate the guarantee of indigenous rights and the preservation of their territories, such as Convention 169 of the International Labor Organization (ILO).

At the international level, the pressure for the effective application of the resources available for the implementation of the Plans is necessary, as well as the availability of more funds and donations that guarantee their execution, despite the current anti-indigenous political decisions in force in the country.

In this environment of constant attack on indigenous rights in Brazil, the global commitment to implement the PGTA should be a priority, for the effective fulfillment of the constitutional obligations of the Brazilian State to indigenous peoples and their territories. This study, therefore, seeks to point out ways to effectively implement the Brazilian indigenous communities' management projects for their territories and guarantee their well-being (and ours).

<sup>6</sup> Report available at: [www.fundoamazonia.gov.br/export/sites/default/pt/.galleries/documentos/rafa/RAFA\\_2019\\_port.pdf](http://www.fundoamazonia.gov.br/export/sites/default/pt/.galleries/documentos/rafa/RAFA_2019_port.pdf)





# METHODOLOGY

In this study, we used our own methodology to estimate the costs of implementing PGTA to assess their possible funding sources. To this end, 5 PGTA of Indigenous Lands located in the Legal Amazon (BLA) were analyzed through this methodology as described **in boxe 2**.

The joint analysis of each of these areas's singularities allows us to suggest how much it would cost to implement PGTA in other territories as well, based on their similarities with the Indigenous Lands (TI) analyzed in this research. Thus, the 5 PGTAs chosen and budgeted for in the study are configured

as a reference to think about the investments necessary for the effective execution of the Plans, at least in the Legal Amazon.

## BOX 2 THE REFERENCE INDIGENOUS MANAGEMENT PLANS OF THE STUDY



### INDIGENOUS MANAGEMENT PLANS - ALTO RIO NEGRO

Preparation: Federation of Indigenous Organizations of Rio Negro - (FOIRN)  
Socio-environmental Institute - (ISA)  
Year: 2019 area: 799.000 ac State: Amazonas Population: 26.046 Ethnic groups: 23



### INDIGENOUS MANAGEMENT PLANS - XINGU

Preparation: Indigenous Land of Xingu Association (ATIX)  
Institute of Etnoenvironment Research of Xingu (IPEAX)  
Socio-environmental Institute - (ISA)  
Year: 2016 area: 2.642.000 ac State: Mato Grosso  
Population: 6090 Ethnic groups: 16



### INDIGENOUS MANAGEMENT PLANS - HUMAITÁ RIVER'S KAXINAWÁ

Preparation: Association of Indigenous People Kaxinawá do Rio Humaitá (APIRH)  
Associatio for the Indigenous Culture from Humaitá (ACIH)  
Agroflorestal agents association from Acre (AMAAIC)  
Acre Pro-Indigenous People Commission (CPI-Acre)  
Year: 2015 area: 127.000 ac State: Acre Population: 331 Ethnic groups: 4



### INDIGENOUS MANAGEMENT PLANS - ZO'Ë

Preparation: Institute of Indigenous Research and Formation (Iepé)  
National Indian Foundation (Funai)  
Year: 2019 area: 671.227 ac State: Pará  
Population: 310 Ethnic groups: 1



### INDIGENOUS MANAGEMENT PLANS - TUMUCUMAQUE PARK AND PARU D'ESTE RIVER

Preparation: Tiriýó, Katxuyana e Txikiyana Indigenous People Association (Apitikatxi)  
Wayana e Aparai Indigenous People Association (Apiwa)  
Institute of Indigenous Research and Formation (Iepé)  
Year: 2018 area: 3.071.000 ac State: Pará, Amapá Population: 1700 Ethnic groups: 6

## METHODOLOGY

Furthermore, in the construction of the methodology for cost estimate, seven areas of interest were formulated based on the proposals outlined in each of the PGTA. The areas of interest, whose definition can be found in the Attachments, allow us to be relatively autonomous in the search for financing for areas included in each of the PGTA. For instance, making it possible to budget the costs for "Territorial

Protection" of all indigenous peoples in a region according to the priorities of the communities. Such separation by areas is also important to consider financing lines intended exclusively for certain types of activity. It should also be noted that the cost estimate includes the separation between current expenses (performed periodically, every year) and capital expenses (occasional and long-term investments).

The yearly cost estimate for implementation of the 5 reference PGTA by area of interest is detailed in **table 1**:

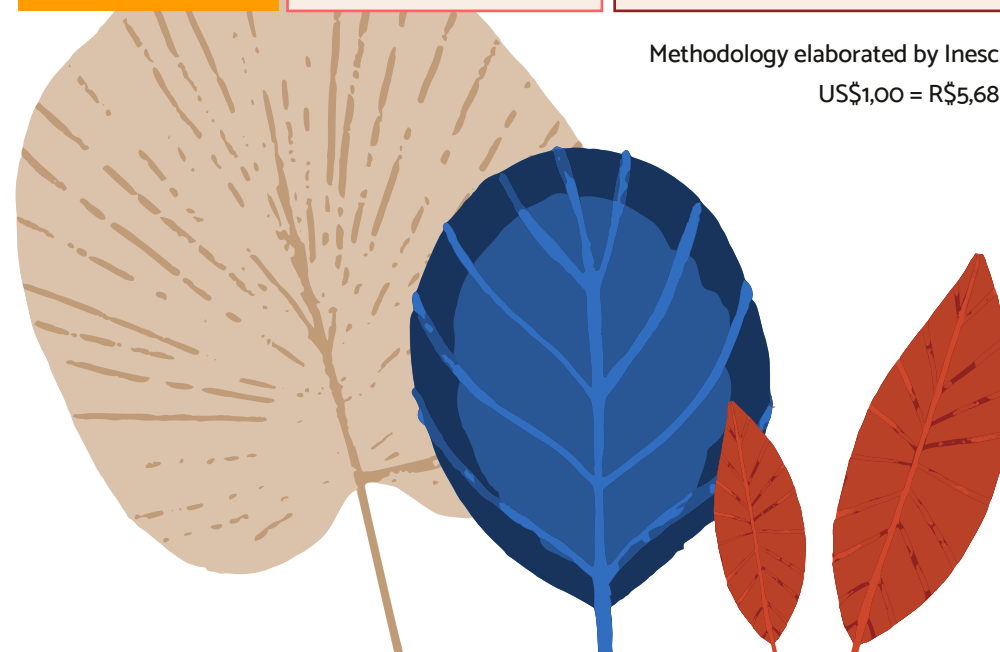
**TABLE 1 : HOW MUCH DOES IT COST TO MAKE A PGTA HAPPEN?**

PGTA	CURRENT EXPENSES/ CAPITAL EXPENSES	IMPLEMENTATION VALUES FOR THE 5 PGTA IN US\$	PGTA	CURRENT EXPENSES/ CAPITAL EXPENSES	IMPLEMENTATION VALUES FOR THE 5 PGTA IN US\$
Territorial Protection	Current Expenses	879.115,13	Income Generation	Current Expenses	412.489,61
	Capital Expenses	134.002,60		Capital Expenses	57.035,21
	Total	1.013.117,73		Total	461.088,20
Food Sovereignty and Management	Current Expenses	938.295,39	Governance	Current Expenses	509.299,33
	Capital Expenses	137.833,27		Capital Expenses	62.500,00
	Total	1.049.575,67		Total	209.255,46

TABLE 1 : HOW MUCH DOES IT COST TO MAKE A PGTA HAPPEN?

PGTA	CURRENT EXPENSES/ CAPITAL EXPENSES	IMPLEMENTATION VALUES FOR THE 5 PGTA IN US\$	PGTA	CURRENT EXPENSES/ CAPITAL EXPENSES	IMPLEMENTATION VALUES FOR THE 5 PGTA IN US\$
Infrastructure, communication, and transport	Current Expenses	209.255,46	Formal education and further training	Current Expenses	608.363,03
	Capital Expenses	4.299.881,93		Capital Expenses	102.733,27
	Total	3.994.362,79		Total	484.430,46
Health	Current Expenses	1.258.138,36	Yearly Total for Implementation	Current Expenses	4.814.956,31
	Capital Expenses	2.491.933,39		Capital Expenses	6.771.145,08
	Total	3.750.071,75		Total	11.586.101,39

Methodology elaborated by Inesc  
US\$,1,00 = R\$,5,68



# FUNDING POSSIBILITIES FOR PGTA

## 5.1 UNEXECUTED RESOURCES FROM THE NATIONAL INDIAN FOUNDATION (FUNAI) INDIGENOUS-TARGETED PROGRAM:

As previously mentioned, the Indigenous Management Plans, although present in the country's budget laws, were fundamentally financed by extrabudgetary resources, as the Amazon Fund and other financing sources from international cooperation raised by civil society organizations. This situation, however, does not release the Brazilian State from its constitutional commitments. It is therefore necessary to think about how the resources received by FUNAI could have been applied in the effective implementation of PGTA, in view of the recognized success of this instrument in achieving the institutional mission of the agency<sup>7</sup>.

The resources of the National Indian Foundation faces at least two major problems. The first is related to a budget bottleneck process at the agency: between 2013 and 2019, for example, the agency's authorized budget fell 27%, as argued in the "Brazil with Low Immunity" Report<sup>8</sup>.

The constant decrease in funding attributed to the agency implies a continuous fraying of its structures, which means that even when funding is authorized to increase, there is often no capacity or personnel for adequate execution. In the case of Funai, this is especially true due to its lack of workforce,

which, as analyzed in the Report "A suffocated country" (2020)<sup>9</sup>, should have at least 2300 more employees than it currently has. Added to the political instrumentalization of the agency, Funai's work is notably insufficient for its main beneficiaries.

A Funai committed to indigenous rights and with adequate staff would contribute significantly to the implementation of the PGTA. This is what is evidenced by the comparison of the amount of authorized resources and not executed from the main final program of the agency and the estimated costs of the PGTA of reference<sup>10</sup>, as shown in **table 2**:

WHAT IF FUNAI S NOT EXECUTED RESOURCES WERE USED TO IMPLEMENT PGTA?		
YEAR	Targeted expenditures not executed with guarantee of indigenous rights (in millions of BRL, current values)	How many times could the 5 reference PGTA of the study have been implemented?
2016	BRL 442	10,7
2017	BRL 436	10,6
2018	BRL 279	6,8
2019	BRL 244	5,9
2020	BRL 175	4,2

Preparation by Inesc. Source: Siga Brasil

<sup>7</sup> Available at: FUNAI

<sup>8</sup> Available at: O Brasil com baixa imunidade - Balanço do Orçamento Geral da União 2019 - INESC

<sup>9</sup> Available at: Um país sufocado - Balanço do Orçamento Geral da União 2020 - INESC

<sup>10</sup> Excluding values related to health and education, as these are the responsibility of other agencies in the Brazilian State.

## FUNDING POSSIBILITIES FOR THE PGTA

Thus, the effects of an effective accountability of the Brazilian State for the implementation of the indigenous policies, or prioritizing policies developed in partnership with indigenous peoples, such as the implementation of the PGTA, would be remarkable. Even considering that the budget allocated in Brazil for guaranteeing indigenous rights is far from adequate and it has suffered successive cuts.

### 5.2 REACTIVATION OF THE AMAZON FUND:

In Brazil, the debate about the lack of resources for environmental protection and preservation of the Amazon rainforest has been happening for a long time. As part of this diagnosis, financing possibilities were built through international cooperation, as is the case with the Amazon Fund, with international cooperation resources coming mainly from the German and Norwegian governments. As for today financial resources around **BRL 2.9 billions** are frozen due to the Brazilian government's insistence on dismantling the Fund's governance structure. This happened even though external evaluations considered it to be effective in tackling the deforestation problem, with a high degree of

transparency, good management from the BNDES and excellent guidance by the Guidance Committee for the Amazon Fund - COFA.

Due to this obstacle, a Direct Action of Unconstitutionality is being processed by the Supreme Court for Omission (ADO No. 59) which indicates the omission of the federal government regarding the implementation of the obligations to protect the Legal Amazon, especially, regarding the obligations related to the allocation of resources available from the Amazon Fund.

The Amazon Fund has indirectly supported the implementation and elaboration of the PGTA, whose results were fundamental for the reduction of deforestation, promoting, at the same time, conservation through the sustainable use of biodiversity, income generation, adding value to forest products and raising awareness about conservation. If the resources paralyzed in the Fund were used to implement the reference PGTAs, this could be done **44 times**.

### 5.3 BRAZILIAN NATIONAL BANK FOR ECONOMIC AND SOCIAL DEVELOPMENT FUNDS (BNDES)<sup>11</sup>:

#### 1. SOCIAL FUND

The BNDES Social Fund provides non-reimbursable support for projects of a social nature aimed at generating employment, income, and social development. Since 2018, there are no new calls for the application of resources from this Fund. In its balance sheets, BNDES presents a disbursement provision of approximately **BRL 300 million per year**, enough to implement the areas of interest corresponding to the fund's scope - "Food and Nutrition Management and Sovereignty" and "Income Generation" - of the 5 PGTA referenced in this study **35 times**.

This fund was essential to expand the scale of important Brazilian social and environmental public policies between 2005 and 2015, such as the Food Acquisition Program (PAA)<sup>12</sup> and construction of cisterns. Currently, the public call for Family Farming and Solidarity Economy Cooperative Projects by BNDES and the National Union of Family Farming and Solidarity Economy Cooperatives - UNICAFES is in operation.

<sup>11</sup> Brazilian national bank founded for investment in regional development. According to its official page: "Founded in 1952, the National Bank for Economic and Social Development (BNDES) is one of the largest development banks in the world and, today, the main instrument of the Federal Government for long-term financing and investment in

all segments of the Brazilian economy", available at: About us (bndes.gov.br).

<sup>12</sup> The Food Acquisition Program (PAA), created by Article 19 of Law No. 10,696, of July 2, 2003, has two basic purposes: to promote access to food and encourage family farming.

## FUNDING POSSIBILITIES FOR THE PGTA

A group of organizations and social movements, including INESC, has sought to present the use of resources from the Social Fund by the BNDES as a demand from society, to support projects by community groups, including indigenous peoples:

“As part of the work of the Social Fund, high priority must be given to the financing of Indigenous Management Plans (PGTAs). Hundreds of Plans have already been built by indigenous communities throughout Brazil and are part of a historic effort to structure the National Policy for Territorial and Environmental Management of Indigenous Lands (PNGATI) instituted by Decree no. 7747/2012. This indigenous and autonomous economy based on cultural and environmental values must be strengthened through a Public Bank for Economic and Social Development”.

### II. CLIMATE FUND

Created by Law No. 12,144 of 2009, the National Fund on Climate Change was regulated by Decree 9,578/2018 and amended by Decree 10,143/2019. At least one of the nine Climate Fund Subprograms, entitled “Native Forests”, aimed at projects associated with sustainable forest management and agrobiodiversity, could be used to

properly finance the implementation of PGTA. According to the Bank’s description, the Subprogram “Native Forests” can finance projects related to:

1. Sustainable Forest Management, including preparation of the management plan, either alone or associated with logging projects, and investments for traceability or certification,
2. Planted forests with native species for timber and non-timber production purposes, including investments for traceability and certification,
3. Restoration of vegetation coverage with native species, including Permanent Preservation Areas (APP) and Legal Reservation (RL) from the Brazilian Forest Code (Law no. 12,651/2012),
4. Support for the production chain of wood and non-wood products of native species, including the steps before and after forest production,
5. Technological development in activities associated with the production chain, production and use of wood and non-wood products of native species,

6. Support for the acquisition of wood or wood products of native origin with traceability or forest certification, within investment projects.

Such activities are present in the 5 PGTA referenced in this study, configuring themselves as fundamental in the areas of interest “Food and Nutrition Management and Sovereignty” and “Income Generation”. In addition, the “Innovative Projects” subprogram could also include initiatives proposed by indigenous peoples for the proper management of their territories.

Although Decree 9,578/2018 establishes that the Ministry of the Environment should prepare an annual plan for its application, approved by the Management Committee of the FNMC and published within sixty days from the publication date of the Annual Budget Law, in 2019, such plan was not presented. In 2020, the Ministry of the Environment presented [a plan that should be in effect in 2020 and in 2021](#), reaffirming the possible lines of financing.

Despite the declared possibility of investment for the “Native Forests” Subprogram, however, the analysis of financing carried out between 2013 and 2019 demonstrates an explicit prioritization of initiatives related to sugarcane plantations. In the

<sup>10</sup> Banco nacional brasileiro fundado para o investimento em desenvolvimento regional. De acordo com sua página: “Fundado em 1952, o Banco Nacional de Desenvolvimento Econômico e Social (BNDES) é um dos maiores bancos de desenvolvimento do mundo e, hoje, o principal instrumento do Governo Federal para o financiamento de longo prazo e investimento em todos os segmentos da economia brasileira”, disponível em: Quem somos (bndes.gov.br).

## FUNDING POSSIBILITIES FOR THE PGTA

electricity and gas sector, seven contracts were signed in the area, amounting BRL 78.66 million contracted with a disbursement of BRL 55.46 million (between 2015 and 2019). A large part of these investments took place in São Paulo, where five of the seven established contracts were completed. In addition, it was mainly ethanol-related initiatives that were financed, representing six of the seven contracts established. In the Petcoke, Oil and Fuel sector, four sugarcane-based fuel contracts were operationalized, totaling BRL 66.34 million contracted, with disbursements of BRL 52.85 million (between 2018 and 2019). The investment made in this period towards sugarcane initiatives could have financed the areas of interest “Food and nutrition management and sovereignty” and “Income generation” of the reference PGTAs in this study for **over 7 times** for one year.

There is, therefore, an important path for disputing extrabudgetary public resources available to support PGTA projects that need to be strengthened. The BNDES’S recognized experience in managing the Amazon Fund is also noteworthy.

There is a staff structure and participatory governance and management experience acquired with the Amazon Fund for the management of the Social Fund, with a focus on supporting the

implementation of the PGTA. Finally, the recent experience of partnership between BNDES and the Sitawi organization with the initiative in which each BRL 1 of private resources mobilization corresponded to BRL 1 allocated from the Bank to purchase PPE for philanthropic hospitals - in which BRL 1 of mobilization of private resources corresponded to BRL 1 allocated from the Bank to purchase PPE for philanthropic hospitals - represents an interesting case of innovation, resource decentralization and transparency. A similar initiative could be replicated in support of organizations that are already contributing to the construction and implementation of PGTA with support from international cooperation, such as the partner organizations in this study.

### 5.4 GREEN CLIMATE FUND - RETAKING ENREDD+ :

In 2018, the Brazilian government presented a project to the Green Climate Fund (GCF) based on the “National REDD+ Strategy” (ENREDD+), built between 2015 and 2016. In the amount of USD 96.4 million, this project was approved in February 2019, and its implementation only started in January 2020. It was granted in view of the recognition of the results and

advances offered by the policies to combat climate change in the country, among which are the Action Plan for Prevention and Control of Deforestation in the Legal Amazon (PPCDAM), the Action Plan for Prevention and Control of Deforestation and Forest Fires in the Cerrado Biome (PPCerrado) and the National Policy for Territorial and Environmental Management of Indigenous Lands.

Compiling actions that had already been implemented before its establishment, ENREDD+ sought funding from the GCF to deepen policies such as those mentioned above, with special attention to the role of territorial and environmental management of indigenous lands for the success of the emission reduction targets set out in the National Policy on Climate Change (PNMC). This recognition was reflected in the allocation of indigenous peoples as the target audience of the strategy, especially in access to Modality 3 (Forests + Community), which provided support for associations and entities representing indigenous peoples, and traditional peoples and communities, in the amount of USD 7.5 million. In addition, ENREDD+ also prioritized investment in regions with high pressure for forest degradation, priority areas for biodiversity conservation and native vegetation restoration, buffer zones around protected



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areas, regions with greater density of small producers, regions with a greater concentration of traditional peoples and communities and integration with other public policies related to the conservation and native vegetation restoration. The reality of indigenous lands in Brazil, therefore, is doubly configured as a priority focus of investments approved by the GCF.

As analyzed in a Position Document produced by Inesc<sup>13</sup>, however, the Forest + Carbon Program, launched by the current government to implement the resources obtained through the Green Climate Fund, is contradictory with the guidelines drawn up in ENREDD+. By prioritizing the application of financial and market devices for environmental protection, both the scope of the Strategy and its target audience were harmed, as it was opted to stimulate a national carbon market. In place of indigenous peoples, traditional communities, and small farmers, notably committed to forest preservation, the program directs its investments to large landowners.

The proper use of the resource obtained through the GCF, however, would imply a great advance in the implementation of Indigenous Management Plans. For instance, the approximately **BRL 40 million** provided for in Modality 3 would serve to implement the following areas of interest for

**two and a half years**:, the following areas of interest: “Territorial Protection”, “Food and Nutrition Management and Sovereignty”, “Income generation” and “Governance”, from the 5 PGTA referenced in this study.

### 5.5 CREATION OF A NON-REFUNDABLE TRANSITION FUND FOR THE IMPLEMENTATION OF THE PGTA:

The absence of public financing for the implementation of the PGTA, aggravated by Brazil’s current situation, points to the need to encourage other types of financing. One possibility in this direction would be to create a **non-reimbursable Fund, initially private, aimed at Plans with implementation already in progress**, such as those that supported this study. Establishing it as a transition fund points to the commitment to progressive public financing, reaffirming the Brazilian State’s constitutional obligations towards indigenous peoples, despite the current hostile context.

An inspiring experience in this regard is the Protected Areas in the Amazon Region Program Fund (ARPA). Established in 2002, this is a Brazilian Federal Government program launched to ensure the

conservation of biodiversity and ecosystem services in 60 (sixty) million hectares of the Brazilian Amazon. Financed by resources from international cooperation and private organizations, its financial management is carried out by FUNBIO and its coordination by the Ministry of the Environment. Currently in its third phase of implementation, the Fund foresees clear and verifiable goals for environmental conservation, in addition to aiming for the objective of full public financing of its costs, within a period of 25 years<sup>14</sup>.

The creation of a similar fund for the implementation of the PGTA could be presented as a solution, with well-formulated goals and objectives and a solid governance structure. For such, one possibility would be the resumption of the PNGATI Steering Committee, constituted inter-institutionally between Funai, indigenous organizations and indigenous communities.

The Fund could be a good opportunity to intensify the financing of international cooperation for the empowerment of indigenous peoples and their territories, as recommended by the Rainforest Foundation Norway in a 2021 report<sup>15</sup>. According to the document, despite the proven impacts of the preservation of Indigenous Lands in mitigating climate change, the percentage of international

<sup>13</sup> Available at: [Fastenopfer\\_01\\_PORT.pdf \(inesc.org.br\)](#)

<sup>14</sup> More information at: “Protected Areas Fund”: What is – ARPA – Amazon Protected Areas Program ([mma.gov.br](#))

<sup>15</sup> Available at: [RFN\\_Falling\\_short\\_2021.pdf \(d5i6isoeze552.cloudfront.net\)](#)



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funding destined to directly support indigenous peoples and local communities remains low. About USD 270 million per year were invested around the world in favor of the territorial rights of these peoples and communities in the last 10 years, even after the signing of the Paris Agreement in 2015. Less than 1% of Official Development Assistance (ODA) for climate mitigation and adaptation in the same period. In addition, the report also highlights that these resources not always reach indigenous and local communities directly - given the bureaucratic requirements for which they are often not prepared. Only about 17% of the projects identified in the study included the name of indigenous peoples and local communities organizations in the description of project implementation, amounting to only USD 46.3 million per year, on average, worldwide.

In addition to fundings from international cooperation, the fund could initially rely on private financing, especially related to negative environmental impact projects, such as the JBS Fund for the Amazon<sup>16</sup>.

In order to carry out public financing within the agreed transition period, in addition to the allocation of state and municipal resources, the review of tax expenditures should also be investigated - especially those resources not collected by the State

from certain sectors of society, which harm the collection of public revenues that could directly execute the above-mentioned policies and assure basic rights. Studies by Inesc (forthcoming)<sup>17</sup> state that these government expenditures consume around BRL 300 billion a year, or 20% of federal revenues, without being duly transparent, monitored or reviewed. The estimate performed<sup>18</sup> by the Brazilian Internal Revenue Service (RFB) is that the government will spend **BRL 307.9 billion with tax expenditures in 2021**. Comparing with the estimated implementation costs of the 5 PGTA, this resource would be sufficient to fully implement such plans **4,736 times in the same period**.

This police review is fundamental for the Brazilian society. First, because this option consolidates the country's already unequal tax collection structure, which prioritizes consumption taxation (paid by all equally) over income taxation and equity (in which wealthier sectors would pay more). Secondly, because the tax exemptions carried out by the current tax policy benefit sectors with negative social and environmental impact. Reverting parts of the resources currently spent on tax expenditures to the implementation of the Indigenous Management Plans would therefore mean a double turnaround in the country's socio-

environmental preservation. It could guarantee both the fundamental effects of indigenous self-determination for the preservation of the biomes of the country, and discourage particularly predatory economic activities. This is the case especially with regard to the subsidies offered to **pesticides and fossil fuels**.

Another interesting initiative to think about financing alternatives for PGTA is the Podaáli Fund. Created by the Indigenous Organizations Coordination of the Brazilian Amazon (COIAB) after a long process of internal discussion between indigenous leaders in the region, its objective is precisely to promote the access of indigenous peoples to non-refundable resources for actions of territorial protection, environmental conservation and incentive to production initiatives, managed autonomously by the indigenous movement and their partners through a management committee, executive secretariat and technical commission. For its financing, support from non-governmental organizations and use of resources from international cooperation are foreseen. Funds with a similar operation could be created in the other biomes of the country, also providing for transition mechanisms for public financing of their actions.

<sup>16</sup> More information at: O Fundo - Fundo JBS pela Amazônia ([fundojbsamazonia.org](http://fundojbsamazonia.org))

<sup>17</sup> Available at: <https://www.soacreditovendo.org.br>

<sup>18</sup> Available at <https://www.gov.br/receitafederal/pt-br/aceso-a-informacao/dados-abertos/receitadata/renuncia-fiscal/previsoes-ploa/dgt-ploa>

# RECOMMENDATIONS

## NATIONALLY

- Revocation of the EC95, ensuring resources for rights guarantees,
- Reintroduction of Indigenous Management Plans in the objectives and goals of budget laws,
- Restoration of FUNAI's staff, enabling the effective execution of the resources allocated to the agency,
- FUNAI's budget restoration, doubling the authorized resources for the organization's targeted program,
- Reactivation of the Amazon Fund, based on renewed long-term strategies that correspond to its original objectives, reestablishing its management mechanisms, with transparency and civil society participation,

- Prioritization of PGTA implementations in the application of the Climate Fund and the BNDES Social Fund,
- Resumption of ENREDD+, reaffirming indigenous peoples as a priority audience for Green Climate Fund investments.
- Creation of a transition fund for financing the PGTAs, inspired by experiences such as the ARPA Fund,
- Tax reform carried out to review tax expenditures, especially that of predatory sectors such as fossil fuels and pesticides,
- Strengthening of the Podaáli Fund and creation of similar funds in other biomes in the country.

## INTERNATIONALLY

- Increased resources for international cooperation to implement the PGTA through the creation of a transitional fund created with the Brazilian State and the private sector,
- Facilitation of conditions stipulated for donations, in order to directly serve indigenous organizations,
- Requirement to fulfill the priorities of indigenous peoples in the application of resources from ENREDD+ funds
- International pressure for effective compliance of the Brazilian State with its constitutional and international agreements, with effective funding of the PGTA.

# FINAL CONSIDERATIONS

There are at least two major obstacles to the financing needed to implement the Indigenous Management Plans. The first and most important is related to political will, so that the Plans are no longer a beautiful instrument built by many hands, but is, instead, driven by economic interests that see indigenous self-determination and consequent environmental preservation as an obstacle. The second is related to the current state structure and its difficulties for implementing policies, such as the lack of technically qualified staff, for which the State should adapt to local realities if they aim to effectively meet their demands.

As explained in the course of this study, there is no political prioritization by the Brazilian State for the effective implementation of the PGTA, which basically relied on funding from international cooperation for their implementation. As stated by the Budget & Rights Methodology<sup>19</sup>, formulated by Inesc, both the form of collection and the execution of the revenue collected by the State can and should be analyzed from the human rights perspective, since rights can be ensured or violated by them. In the Brazilian case, both the revenue collected tends to aggravate the land and environmental crisis we are experiencing, benefiting sectors. Besides, the expense

has not been directed towards guaranteeing the plans and projects for the future of the indigenous communities, despite the recognition of the positive effects for the country and the world.

If this is not new in Brazil - since even the so-called progressive governments did not propose to implement the wishes and plans expressed by indigenous peoples - it is also true that the resurgence of austerity policies, in place at least since 2016, brought the situation to a whole new level. With the approval of EC95 and the containment of discretionary public spending, indigenous policies have suffered an increasingly serious strangulation, which results in abandonment of the Territorial and Environmental Management Policy for Indigenous Lands and its main practical instrument (PGTA). All of this takes on yet another dimension when the Executive power is taken over by notably anti-indigenous and anti-environmental forces, such as the one experienced since 2019, which are even betting on preventing the arrival of international resources, as exemplified by the Amazon Fund.

On the other hand, funding via international cooperation directly targeted at indigenous peoples and local communities is relatively scarce, as pointed out in a study by the Rainforest Foundation Norway

(2021, op.cit). In addition to bureaucratic obstacles, the resources invested in these communities are not compatible with the proven impacts on facing global problems, such as the mitigation of climate change.

On the other hand, the crossroads of financing experienced in the implementation of the PGTA cannot make this instrument disappear. The Territorial and Environmental Management Plans for Indigenous Lands are an example of respect for the autonomy of indigenous peoples and their recognition of environmental preservation. Thus, the aim of this study is that this glimpse at funding possibilities for this instrument drives political organization and articulation around the realization of indigenous rights.

Finally, we highlight the complications arising from the way in which the government agencies responsible for indigenous policy work, especially those at the federal level, such as the National Indian Foundation, evidenced by the monitoring of actions carried out by non-governmental organizations in the territories. There is a number of positive examples implemented in the context of the implementation of reference PGTA, such as launching specific public notices to support small projects guided by the Xingu Management Plan, simplifying access to resources by

<sup>19</sup> Available at: <https://www.inesc.org.br/eixos/orcamento-e-direitos/>

## FINAL CONSIDERATIONS

communities, while at the same time encouraging their training in the accountability process, the so-called “Support to Community Initiatives” (AIC). Or even the realization of exchange activities between peoples such as those carried out during the construction of the PGTA Zo’e, enabling the articulation between territories and the integrated implementation of policies guaranteeing rights with better application of the invested resources.

There are many important lessons to be considered by the different state spheres in carrying out projects implemented by indigenous and indigenous organizations. It is noteworthy, therefore, that PNGATI itself, as well as the PNGATI Integrated Implementation Plan (2016-2019), advocate the importance of cooperative action between various actors involved in indigenous policy for its effective implementation. The expertise effectively committed actors to indigenous lands territorial and environmental management rights, therefore, must be seen by government entities - within the municipalities, states, or federal union - as a positive factor and not as adversaries or agents of hidden interests, such as the way it has been handled by the current federal government.

Finally, another observation is crucial: although the reference PGTA concern the indigenous lands in the Legal Amazon, and some funding sources prioritize operations in this region, it is necessary to direct funding to all indigenous lands in the national territory, to result in the due guarantee of all indigenous peoples rights and in environmental preservation throughout the country. This is not a minor issue, and should be taken into account, even in the search for encouraging international cooperation to ensure the preservation of all Brazilian biomes.

Built in a deep-rooted way, deeply connected to the territories from which they emerge, the Indigenous Management Plans are a successful example of how local demands must be considered and gain space and dialogue within the structure of the State. Their effective implementation, thus, brings direct lessons both for the self-determination of indigenous peoples and environmental preservation, as well as for another form of interaction between society and State, deepening the possibilities of popular participation in the management of resources and public policies. Underfunding for its effective implementation also calls for the responsibility of

international actors towards indigenous peoples in Brazil, both to pressure the Brazilian State to respect its constitutional commitments and to increase investment in favor of indigenous projects in the country.



## HOW MUCH DOES IT COST TO MAKE A PGTA HAPPEN? DEFINITION OF AREAS OF INTEREST

### **TERRITORIAL PROTECTION:**

Proposals aimed both at the indigenous territories and at their limits and surroundings – including national borders. The general objectives include surveillance, inspection, and territorial monitoring activities, combating invasions and controlling the movement of people in the indigenous territories, reviving boundaries, campaigns aimed at the surrounding communities, firefighting strategies, coexistence agreements and transit across borders, training activities for surveillance and on peoples in voluntary isolation.

### **FOOD AND NUTRITION MANAGEMENT AND SOVEREIGNTY:**

Proposals related to natural resources and traditional practices of each TI and each people, agrobiodiversity, food, and traditional cuisine, the promotion of productive activities and animal husbandry projects, in addition to the improvement of economic alternatives and financial education. Research and actions on ecological disturbances and recovery of degraded or deforested areas are also contemplated, alongside projects and waste management policies.

### **INCOME GENERATION:**

Proposals aimed at strengthening and fostering initiatives to generate income and access to markets, including exchanges with other indigenous peoples and training processes in various topics, such as tourism in indigenous lands, payment for environmental services and sustainable business.

### **GOVERNANCE:**

Actions and projects for institutional strengthening, continuous political training, construction of spaces for events, periodic meetings and exchanges, production of reference material and reinforcement for internal communication in the TIs. Exchanges and periodic meetings in TIs (including assemblies, traditional festivals, and others). Agreements aimed at internal organization and interface with external agents and institutions, instead of classifying these processes of reflection and collective deliberation as merely carrying out prior consultation.

### **INFRASTRUCTURE:**

The objectives of this area of interest include installation of communication systems (radio, mobile infrastructure like cell phone antennas, internet), production or access to photovoltaic energy and guarantee of water supply, as well as construction of structures for various purposes and maintenance of roads and airstrips.

### **HEALTH:**

Proposals referring to the structures service, and management provided by the units linked to the Indigenous Healthcare Subsystem. Proposals related to knowledge, local experts, and traditional health promotion practices. Measures aimed at improving the facilities and equipment of the care and support units, the management of professionals in these units and the supply of medication (among others). Promotion of research and development of actions related to the main health problems of communities.

### **FORMAL EDUCATION AND FURTHER TRAINING:**

Activities related to indigenous school education: the improvement of management, infrastructure, and curricular and educational aspects of indigenous schools. Thus, this area also includes training activities for researchers, translators, and others, in addition to different ways in which training activities can be strengthened with indigenous experts, as well as strategies for protecting the material and intangible heritage of each people.

HOW MUCH DOES IT  
COST TO MAKE A  
**PGTA**  
HAPPEN?

FUNDING POSSIBILITIES FOR  
INDIGENOUS MANAGEMENT  
PLANS (PGTA) IN BRAZIL

Implementation



Support

