

LARGE-SCALE PROJECTS IN THE AMAZON

lessons learned
and guidelines
2nd edition



SÃO PAULO SCHOOL OF
BUSINESS ADMINISTRATION
*Center for Sustainability
Studies*



**International
Finance Corporation**
WORLD BANK GROUP





LARGE-SCALE **PROJECTS** **IN THE AMAZON**

lessons learned
and guidelines

EXECUTIVE SUMMARY

Sao Paulo, September 2018, 2nd edition

The complete document *Grandes Obras na Amazônia - Aprendizado e Diretrizes*, which includes the research behind the guidelines in six papers, is available on diretrizes-grandesobras.gvces.com.br (in Portuguese only).

6	Introduction to the 2nd edition
8	The initiative
12	How the guidelines were drawn up
15	The guidelines
52	Common priorities: the core messages

Introduction to the 2nd edition

Fifteen months after the launch of the first edition of the *Guidelines for Large-Scale Projects in the Amazon*, new lessons have been accumulated and driven the preparation of this new edition.

The main novelty - and the focus of this update - is the inclusion of a set of guidelines resulting from a work-group on development-induced displacements. A trigger of profound social transformation and a source of constant conflict and human rights violations, the issue is in a direct dialogue with the anxieties and concerns of the populations affected by large projects. Added to this are the lessons which underlie the *Guidelines* issued in 2017, derived from the almost always painful experiences of the installation and operation of large infrastructure, mining and logistics projects in Amazon territories.

Since the launch of the first edition, we have also progressed in discussions for the internationalization of the *Guidelines* in Latin America. Dialogue and the emphatic interest shown by representatives of other Latin American countries indicate that, despite existing particularities, lessons and challenges are not limited to the Brazilian Amazon region, and recommendations may contribute in other biomes and countries.

The launch of the first edition also raised 'how to' questions. How to implement the compiled guidelines into a real territory? One of the main lessons of this three-year period stems from this question. The possibility of replicating the *Guidelines* in the Amazon, or in other contexts, shows that the social technology used in the construction of the guidelines is a practical reflection of the central messages behind its recommendations: governance, continuous dialogue, social participation, transparency and access to information.

Coordination of the construction process of the *Guidelines* plays an important role in the maintenance and coherence of such principles. At first, it looks as if there is a paradox between assuming a leading role in the construction of the *Guidelines* and, therefore, responsibility and authorship for its products, and at the same time maintaining horizon-

tal and broad participation in the process. Nevertheless, we believe them to be, in fact, complementary positions. Contradictions and conflicts must be addressed through the transparency of discussions, with all outcomes, whether intermediary or not, publicized, as well as discussion participants. To not hide from difficult subjects, as they will point to conflicts and the paths to be taken. And above all, to not shy away from putting forth a propositional and provocative view which problematizes the still urgent challenges in need of solutions within the context of major investments in the country and in the world, in respect of socio-environmental, territory-based challenges.

Access to information is one possible form of seeking to counter the gigantic power imbalance between different actors within the context of the installation and operation of major projects. It is essential to ensure that different parties participate in the discussions, not only so that their voices and concerns may be heard, but also because sitting at the table can be an opportunity for empowerment. The focus group held twice in the city of Altamira, Pará, with people affected by the Belo Monte hydroelectric power plant, brought utterly innovative and provocative contributions to the guidelines on development-induced displacements from those directly affected by challenges arising from processes which fall short of what is needed for a sustainable society.

Representativeness keeps relevant interests on the agenda and does not ignore the lessons and assets of discussion, while the environment in which the guidelines are built, away from any impending conflict and protected from the urgency of particular decision-making in specific enterprises, allow for the opportunity of looking for better planned and more participatory and effective procedures and processes. In presenting this second edition, FGVces and IFC hope to update reflections produced from the implementation of the *Guidelines*, as well as register contributions towards the relevant subject of development-induced population displacements. May the legacy and contribution of major projects towards the promised trajectory of local development be feasible. Or, may new, autonomous and desired trajectories emerge by the leadership of territories themselves.

The initiative

The initiative *Large-Scale Projects in the Amazon – Lessons Learned and Guidelines* organizes and sheds light on the lessons learned and recommendations for public policy and business practices so that a new relationship between large-scale projects and the territories they target in the Brazilian Amazon can be established. Led by the **Center for Sustainability Studies at the Getulio Vargas Foundation (FGVces)** and the **World Bank Group’s International Finance Corporation (IFC)**, this initiative engaged over 470 people representing some 180 institutions. For almost three years diagnostic studies, practical tools and guidelines were put together in seven areas: Territorial and Land-use Planning; Financial Instruments; Institutional Capacities; Indigenous Peoples, Traditional Communities and *Quilombolas*; Children, Adolescents and Women; Legal Removal of Vegetation; and Development-Induced Displacements.

Historically described as a land of endless natural resources, the Brazilian Amazon has in recent decades seen major investments in **mining, hydropower and logistics projects** with a view to facilitating exports to key global markets. However, the region is still highly under-developed. For example, 98% of the municipalities in the region are below the country’s average in the Social Progress Index (SPI) – based on 43 social and environmental indicators. Significantly, the ten municipalities with lowest Human Development Indexes (HDI) in the country are also in the North. Per capita income is 26% lower than the national average. While only 36% of urban households have adequate sanitation, rural areas of the Amazon have been a hotspot for violent conflict over land ownership.

The initiative *Large-Scale Projects in the Amazon: Lessons Learned and Guidelines* proceeds from two basic tenets. The first is that large infrastructure and mining projects are invariably planned, implemented and measured according to the expectations created by the sector and according to national macroeconomic goals. Little or no connection remains to actual local and regional

demands. The outcome is often the violation of rights, the loss of socioeconomic opportunities and restrictions on the ways of life and the uses of natural resources that are elemental to sustainable human development.

As planned investments for the Amazon region amount to \$70 billion by 2020, it is inconceivable that places rich in culture and natural resources but nonetheless burdened by historical hardships continue to be deprived of a fair share of benefits while suffering the full weight of negative impacts. The solution entails, on the one hand, the strengthening of existing legal socio-environmental safeguards and, on the other, the improvement of voluntary practices and integration such as those prescribed in this paper.

The second tenet is the absence of widespread integrated mechanisms that enable learning from the past in order to avoid repeating mistakes. Without best practices that provide a minimum degree of predictability and adequate risk management, entrepreneurs and investors are also exposed to reputational, operational, financial and legal risks.

The initiative's commitment to diversity in dialogue has demonstrated that among multiple sectors of society there are points of confluence and the will to depart from "business as usual". More revealing than the lessons learned, however, is the greater space available to experiment and to pose new questions. These guidelines are also an invitation for further solutions to address the gaps existing in our current levels of knowledge.

1 Descendants of Afro-Brazilian slaves who escaped from slave plantations that existed in Brazil until abolition in 1888.

Starting point: systemic problems that inspired this initiative

Social issues

The socio-economic repercussions of large-scale projects, as well as their socio-environmental dimensions as a whole, still suffer from the lack of proper diagnoses and better references for more appropriate procedures.

Lessons learned and best practices

Large-scale projects have been implemented in the Amazon for decades, but the lessons from previous mistakes seem to get lost from one project to the next. There is no robust systematization of best practices for how to implement lower-impact interventions and mitigate risks for affected communities, companies and investors in an innovative, inclusive and effective manner.

Misuse of money

Thanks to advances in environmental licensing based on the rule of law, large-scale projects now provide significant financial resources to minimize socio-environmental externalities. However, the lack of planning, poor timing and poor governance ultimately prevent resources from delivering expected benefits.

Mismatch between revenue generation and local needs

While most of the investments intended for the localities that are being impacted are concentrated in the construction period, social demands begin to rise long before the project starts and continue long after its completion.

Local agendas

There is a lack of capacity at the sub-national level to guide the structuring of long-term investments beyond the “minimum agenda” required by the environmental licensing process.

Territorial planning

There is a lack of planning regarding territories affected by large-scale projects. Rather, there should be a more comprehensive and long-term vision, including the historical development problems faced by these places.

Top-down approach

Project-level decision-making is concentrated at the State level and in the hands of the companies responsible for the projects. Social participation and the involvement of social actors in accountability processes are lacking, especially the participation of those who are directly affected and those who are most vulnerable to the installation and operation of large-scale projects. These are the groups who understand the specificities of the territory.

Unclear roles and responsibilities

When companies begin to take on roles that have not been conferred on them by society and that they have no expertise in – a situation that is further exacerbated in the absence of proper coordination with public policy – the result is often duplicative efforts, inefficiency and a low level of community satisfaction.

How the guidelines were drawn up

Starting in October 2015, seven working groups led by FGVces, the IFC or specialist partners were provided with interviews, case studies, debate proceedings and literature reviews. Meetings and seminars were held in four cities: Altamira, Belém, São Paulo and Brasília. Based on the identification of key obstacles confronting a given thematic area, each working group followed its own path to finding solutions that attracted the greatest support of participants. The guidelines found later in this publication are thus the result of technical proposals first put forward by the leaders of each working group, but then debated and fine-tuned by the group's participants. Finally, the resulting guidelines were subject to online public consultations, which received 57 additional contributions and resulted in 40 modifications to the final text.

Efforts to bring together diverse stakeholders throughout the course of this initiative allowed them to build on each other's ideas, shaping proposals that were more likely to be achievable. A special effort was also made to allow people who had directly experienced the impact of large-scale projects in the Amazon – whether urban, traditional or indigenous populations – to be represented. That said, the guidelines are living tools that need to be constantly reviewed and updated on the basis of new experiences, practices and research.

These guidelines are explained and analyzed through in-depth papers written on each topic. The full documentation on each thematic area can be found at *diretrizes-grandesobras.gvces.com.br* (in Portuguese only).

In the complete document it is also possible to access the list with the institutions that participated in each of the thematic working groups.

Systematization of knowledge

SYSTEMATIZATION OF LESSONS LEARNED

- Two meetings of prior consultation attended by **40 people** each
- Survey of the literature, **70+ interviews**, consolidation of discussions by the working groups
- **50+ publications and reports** to inform discussions and facilitate the drawing up of proposals

Coordination and discussions

IDENTIFICATION OF PATTERNS AND COMMON AGREEMENT

- **180+ institutions** and **470 participants** from business, the public sector, finance, the academia and civil society
- **22 meetings and six seminars** in Belém, Altamira, Brasília and São Paulo

Drawing up of guidelines

GUIDELINES FOR LARGE-SCALE PROJECTS IN THE AMAZON

- Guidelines: produced by **seven working groups**
- Practical tools: methods and advice on applying the guidelines
- Common principles: strategic messages identified
- **Online public consultation**

Dissemination and engagement

DISSEMINATION, IMPLEMENTATION AND INTERNATIONAL REPLICATION

- Launch of guidelines in Belém
- Engagement of the business, financial and government sectors
- International replication of the social technology in Latin America
- 2nd edition of the Guidelines



The guidelines

These guidelines take as their starting point a territorial approach where impacts, risks and opportunities have to be managed, recognizing the confluence of multiple interests and needs in a process of **territorial and land-use planning** that is consistent with this integrated vision. To this end, **financial instruments** are proposed that can provide the resources required at critical stages with an eye on the longer term and based on principles of good governance and transparency. Allied to these efforts is **strengthening the capacities** of all relevant institutions, not only within municipal authorities but also among other public organs, civil society and at the companies responsible for the projects.

Certain segments of society are particularly disadvantaged by the installation and operation of large-scale projects. The initiative has thus drawn up strategies to protect the human rights of specific communities – **indigenous peoples, traditional communities and quilombolas** – and other priority groups within society: **children, adolescents and women**. The guarantee of protection of the rights of the affected is also central in the definition of recommendations on processes of **development-induced displacement** of populations.

Finally, considerations regarding environmental and territorial management identified a serendipitous opportunity to set up a working group to address the obstacles facing the use of forest products resulting from the **legal removal of vegetation**, in addition to the cross-cutting thematic groups listed above. (Under certain circumstances, the legal clearing of vegetation is authorized, e.g., prior to the construction of a duly licensed facility or structure with a large physical footprint.)

The research behind the following guidelines is available in the complete document at diretrizes-grandesobras.gvces.com.br (in Portuguese only).

Territorial and Land-Use Planning

A territorial approach to development planning in the context of large projects involves addressing two basic challenges: on the one hand, preparing territories in light of their innate capacities and weaknesses to minimize the impact of changing circumstances; and on the other, coordinating public policies and company investments to promote beneficial legacies over the long term. In the typical context of unclear land ownership, this includes responding to population growth and migration and designating land either to be used productively or to be conserved and managed sustainably.

The idea was to draw up guidelines to help achieve development that takes into account not only the necessary scale of the infrastructure or the performance of certain sectors of the economy, but also gives consideration to the intricate web of needs and potential within local communities. To this end, alternatives have to be created so that the decision-making process regarding such large-scale projects is both flexible and responsive to demands emanating from affected localities.

GUIDELINE 1

Territory must be seen as a strategic element in regional planning, one that supports decision making about and the implementation of large-scale projects in the Amazon.

1.1. The State must improve its planning capacity based on “territorial dimensions”, enhancing mechanisms for community participation and for the systematization and analysis of local data, so that development is aligned with local specificities.

1.2. Sector-specific plans must be linked to territorially-defined development plans and reflect similarly designed decision-making structures based on social participation, transparency and monitoring.

1.3. Territorial planning must consider how landscapes are being transformed, taking into account how multiple interventions planned for a given territory might have combined effects on such landscapes before, during and after the installation of large projects.

1.4. The scope of territorial planning must be compatible with the regional scale of major projects (for example, those that extend across multiple municipalities) and the direct and indirect impacts they cause.

1.5. Planning measures related to large-scale projects should also promote the complementarity of federal, state and municipal public policies and mesh with the mitigation and compensation measures stipulated in the environmental licensing process.

GUIDELINE 2

Territorial planning processes must include mechanisms and procedures designed to achieve agreements, increase capacities, and ensure adequate funding and effective monitoring.

2.1. Territorial development agendas or plans must be designed to identify agreements and synergies under a common vision of the future, as agreed upon by society at large, and not just driven by sector-based interests.

2.2. The strengthening of individual and institutional capacities is essential for processes that lead to the formulation of territorial development plans and agendas, as part of both implementation and the involvement of social actors in accountability for the actions that have been planned.

2.3. Territorial development plans and agendas must include adequate funding mechanisms, providing the human and financial resources for the implementation of planned actions.

2.4. Territorial planning must result in implementation and monitoring plans, with clear and objective goals, allowing for the constant assessment and re-planning of processes and outcomes.

GUIDELINE 3

Land-use zoning and regulation is essential for development and must therefore be carried out prior to the installation of large-scale projects.

3.1. Comprehensive land-use zoning and regulation presupposes not just mapping and legally organizing land occupation, ownership and usage, but it also involves designating and consolidating functions for public lands whose use is still undefined. This points to the need for an ongoing process of monitoring, oversight and incentives to ensure that the designated purposes for such lands are respected.

3.2. The viability of large-scale projects depends upon land-use zoning and regulation and the creation, maintenance and management of areas set aside for the conservation of socio-biodiversity, preventing the downgrading, downsizing and degazettement of protected areas (PADDD) due to the presence of such projects.

3.3. Land-use zoning and regulation must include strategic planning to contain the expansion of deforestation indirectly caused by the installation of large-scale projects.

3.4. In adapting to the impacts forecast for a large-scale project, land-use zoning and regulation must prioritize clarifying and organizing land tenure for areas surrounding indigenous lands and conservation units.

3.5. Land-use zoning and regulation associated with large-scale projects must set up appropriate mechanisms for resettling families impacted in urban and rural areas in order to guarantee legal security for fair compensation, the best options for resettlement and the basic conditions for exercising citizenship and enjoying development, such as access to public services and the ability to maintain and continue pre-existing social structures after resettlement.

3.6. Planning large-scale projects must seek to respect and adapt to existing land-use agreements and instruments, such as urban “master plans” and “economic-ecological” zoning plans.

3.7. It is essential that land registries, environmental registries and other land-ownership data be publicly available, organized and properly integrated in order to contribute to such planning processes.

GUIDELINE 4

Establishing governance with full social participation is essential for planning and territorial development.

4.1. Access to information and the strengthening of capacities must be ensured for all individuals and institutions participating in settings where governance takes place in order to minimize imbalances in knowledge and power in drawing up and monitoring development plans and agendas.

4.2. The representation of distinct institutions in spheres of governance must comply with clear and objective criteria to ensure both balance and participation of diverse sectors within the territory, in particular the less professional or well-resourced organizations and sectors, assuring them resources for training and participation.

4.3. Governance for territorial planning or related agendas must be distinct from execution and financial management, which should be carried out on the basis of specialized, appropriately trained functions.

4.4. Similar, pre-existing governance initiatives should be taken into account when establishing governance fora to draw up and manage territorial plans.

4.5. Good governance should enable the participation of academia and research institutions to allow for interaction among applied research, land-use planning and decision-making, and it should also draw on sector-based councils, connecting all of these actors to public-policy formulation and monitoring.

4.6. The functioning of effective governance fora depends on the corresponding political and administrative capacity of local institutions to deliberate issues of collective interest; this capacity includes professional administration and the ability to develop channels for communication with different federal, state and municipal authorities.

Financial Instruments for Territorial Development

How can exceptional investments brought about by large-scale projects result in effective, long-term territorial development, stretching from before to well after the limited period when environmental licensing requirements apply? The approaches analyzed by the initiative go beyond the challenge of providing funding at different stages. They encompass the mission, governance and autonomous management of a financial instrument with its own legal status, guided by clear and universal principles. The main virtue of this model is that it avoids pressure and bilateral negotiations between specific players and companies responsible for large-scale projects, which not only undermine relations among companies, the government and the community, but also hamper the progressive construction of a genuinely integrated model of development.

GUIDELINE 5

Financial instruments must be designed to respond to local development agendas, generated collectively at the “territorial” level.

5.1. Financial instruments must take into account territorial planning and development processes and respond to the territory’s development demands at distinct phases in the implementation of large-scale projects.

5.2. The structure and number of instruments will depend on the nature of social and environmental demands, funding sources and territorial planning, rather than the other way around.

5.3. Financial instruments must always respect the territories’ vocations² and prioritize investments focused on long-term objectives that ensure the sustainability of the local economy.

5.4. Financial instruments must be grounded in the local reality, be complementary to and integrated with a broader investment agenda related to environmental licensing and/or other relevant public policies.

5.5. The design of these instruments must be accompanied by agreements that provide formal guarantees that the investments are connected to territorial planning and development and that also encompass municipalities, consortiums, states and the federal government.

GUIDELINE 6

The financial instruments must be grounded in participatory governance arrangements that are representative of multiple stakeholders.

6.1. The governance model must be structured to include the different stakeholders and address imbalances in power and capabilities, ensuring full, effective and informed participation in decision-making processes guided by collectively agreed criteria, with appropriate spaces and mechanisms for diverse stakeholders to manifest their ideas and proposals.

6.2. The financial instruments must contain mechanisms that ensure clear and universal criteria for the use of funds, transparent management and due accountability in processes, spending and monitoring of results.

6.3. The financial instrument’s governance structure must be compatible with the territory’s geographic scale and with the demand for funding, avoiding the creation of complex, costly structures for small-scale investment arrangements.

6.4. The governance arrangement for decision-making regarding the use of resources must be independent but must be coordinated with the body responsible for territorial planning.

² “Territorial vocations” are understood to be the most culturally, economically and environmentally appropriate use of resources in a given territory.

GUIDELINE 7

Financial instruments must be flexible, dynamic and structured in with a view to how locally-defined demands are exerted during different phases of large-scale project implementation.

7.1. Financial instruments must have the capacity to apply resources early on, thereby guaranteeing investments in the preparatory stages of large-scale projects.

7.2. The use of resources early on in the initial phase of a project must include the preparation of local institutional capacities to manage and benefit from the financial instruments, as well as the ability for local actors to discuss and negotiate within decision-making fora.

7.3. Financial instruments must envision the funding of issues identified as priorities during the territorial planning process.

7.4. Financial instruments must be prepared to handle unforeseen situations arising from the unexpected demands related to the dynamic impacts caused by large-scale projects.

GUIDELINE 8

Financial instruments must be able to apply resources in line with their mission and objectives, bearing in mind the specificities of locally-defined demands and the needs of investors so that such investments are efficient and effective.

8.1. The financial instruments may be structured around several sources of funding with clear and transparent rules regarding investments and their limitations.

8.2. Regardless of the variety of financial instruments, disbursements must be coordinated under governance arrangements that are necessarily bound by the instruments' overriding mission: a focus on local development.

8.3. The financial instruments must define their legal status and operational model based on their principles and mission, the sources of available funding and locally-defined demands, all of which will in turn influence the fund-raising and operational structure that is adopted.

8.4. It is essential that financial mechanisms adapt to territorial needs and to the requirements expressed by investors in order to create the most efficient matches between sources and uses of funding.

8.5. The uses of financial instruments must be complementary and cooperative to maximize the positive impact of the monies they disburse.

GUIDELINE 9

Financial instruments must have systems for monitoring their processes and results in order to check the effectiveness of investments in achieving their objectives.

9.1. Monitoring indicators must be directly related to the goals for the projects funded, which in turn must be aligned with the local development plan or agenda.

9.2. A minimum number of useful and easily measured indicators must be chosen; their selection should take into account the information needs of diverse stakeholders.

9.3. Monitoring must include both process and results indicators to allow for mid-course changes and adjustments in how the financial instruments themselves function in order to ensure the effective impact of investments on local development.

9.4. Investments in monitoring must stipulate training for managers and implementers, as well as the involvement of society, in drawing up and using the indicators.

9.5. Investors in financial instruments must encourage the use of monitoring indicators and tie them to the socio-environmental standards of existing projects.

Institutional Capacities

Multiple pressures affect the implementation and operation of large-scale projects in the Amazon; they demand a full-spectrum response from government and civil society institutions as well as community participation and effective coordination among different sectors. In general, however, local governments, civil society, financial and research institutions, public administration and the companies responsible for projects themselves are ill prepared and overloaded in the face of such challenges.

Delayed or non-existent planning to prepare these institutions ultimately undermines the development of the entire region that is impacted. This is especially true for those institutions responsible for the basic services due to all citizens in the areas of healthcare, education, sanitation, mobility and so on. The answer lies not only in increasing material, human or financial resources seeking to provide such services, or even in targeting certain public servants for professional training, for example. Organizational cultures and new practices and values must also be worked on in order to achieve greater transparency, planning and institutional coordination.

GUIDELINE 10

Diagnosing areas in which to strengthen institutions and how initiatives are planned must be detailed, inclusive and sufficiently funded.

- 10.1.** The demand for institutional strengthening must be identified and responses planned based on the actual needs of the targeted institutions, with diagnoses carried out with the institutions themselves and on the basis of adequate funding.
- 10.2.** Institutional strengthening requires both a preparatory and an ongoing, longer-term effort; these conditions can only be achieved by planning ahead and by adapting tools of the environmental licensing process to this end.
- 10.3.** Access to information and the transparency of processes leading to the installation of large-scale projects are fundamental features for strengthening institutional capacities.
- 10.4.** Sufficient financial capacity is essential for institutional strengthening, particularly during critical periods during the installation of large-scale projects.
- 10.5.** Effective institutional strengthening is underpinned by institutional relations based on dialogue and a willingness to interact with local realities and to delve into the resolution of key problems.
- 10.6.** Strengthening institutional capacities requires innovative instruments that combine training and technical assistance for every phase of the large-scale project (before, during and after its installation); these innovative approaches must also be applied to planning and institutional coordination.
-

GUIDELINE 11

Strengthening institutional capacities must balance tangible and intangible factors.

- 11.1.** Capacity-strengthening processes must emerge from assessments that also consider cultural and behavioral changes (intangible factors), the identification and measurement of which are notably more complex than tangible factors (e.g., money spent or number of trainings held).
- 11.2.** Capacity-strengthening actions must consider that intangible factors take much longer to mature and require specific strategies to achieve actual results.
-

GUIDELINE 12

Strengthening capacities must include all stakeholders, recognize asymmetries in the knowledge and skills that they possess and promote dialogue among them.

12.1. Any action to work on institutional capacities must start from the overriding principle that all institutions possess knowledge and skills, forged by the reality they find themselves in.

12.2. Mapping the needs for institutional strengthening must identify each of the stakeholders involved in the process: civil society, research institutions, the government, the business sector, financial institutions and social oversight institutions.

12.3. Strengthening institutional capacities includes mapping strategic needs for institutional integration and strengthening for different stakeholders in light of the specific needs at each stage of a large-scale project in order to better guide project planning, notwithstanding the countless particularities of Amazonian territories.

GUIDELINE 13

Ensuring local stakeholder participation in territorial governance structures is the primary way to develop appropriate approaches for institutional strengthening.

13.1. Processes for strengthening institutional capacities must be aligned both with long-term territorial plans and instruments and with the necessary, short-term responses to immediate demands generated by the installation of a large-scale project.

13.2. Priorities for actions aimed at institutional strengthening must be agreed upon in the governance spaces created at the local, “territorial” level.

13.3. Social participation settings should provide the opportunity for developing the ability to strive for the common good and help consolidate institutional behaviors essential for capacity-strengthening processes.

Indigenous Peoples, Traditional Communities and Quilombolas

Indigenous peoples, traditional communities and *quilombolas* are among those most affected by the construction and operation of large-scale projects in the Amazon region, as their ways of life are extremely vulnerable to the resulting environmental and social impacts. Such impacts are not only a threat to their cultural reproduction but also to their physical integrity and well-being. Historically, these groups' relationships with development programs in the Amazon have been marked by territorial expropriation, the restriction of access to natural resources, violence and coercion, among other consequences. In practice, national and international laws meant to protect indigenous and traditional populations' rights are not generally enforced.

The guidelines presented here were elaborated from the Participatory Seminar (August 2016, Brasília). The full text of these contributions can be found in the final report of the working group prepared by Isabelle Vidal and Cassio de Sousa, available on diretrizes-grandesobras.gvces.com.br, in Portuguese only.

GUIDELINE 14

Establish territorial planning and development processes with specific public policies and protection measures to promote the social well-being of indigenous peoples, traditional communities and *quilombolas*.

14.1. Clearly define institutional responsibilities for the execution and integration of public policies, private social investments, anticipatory measures and other long-term territorial planning instruments.

14.2. The consolidation of land title regularization processes for indigenous lands and territories belonging to *quilombolas* and traditional peoples and communities is a necessary pre-condition – within the scope of territorial planning – for decision-making regarding large-scale projects.

14.2.1. Such processes must be transparent, guaranteeing access to information by traditional peoples and communities, as well as by companies and civil society.

14.2.2. The existence of specific policies and procedures for land title regularization should be a pre-condition for any investment decision by a potential financier of a large-scale project, thereby preventing social and environmental risks related to land conflicts.

14.3. Incorporate the participation of indigenous peoples, traditional communities and *quilombolas*, as well as that of government organs responsible for protecting their rights, in all strategic, tactical and regional planning procedures, thereby conferring explicit legitimacy by the State, financial institutions and the business sector to such participation.

14.3.1. Based on the results of “prior consultations”,³ incorporate into all the

territorial planning processes involving large-scale projects the prevention of human rights violations against peoples and communities and the mapping of socio-environmental risks and impacts. This would help assure that there are effectiveness actions linked to environmental licensing for preventing, mitigating and – in the event that prevention and mitigation are not possible – compensating communities for such risks and impacts.

14.4. Improve integrated studies and assessments from the standpoint of the “territory”, with the participation of relevant social players, not only to identify the economic potential for large-scale projects but also any pre-existing plans, community consultation protocols and regional “vocations”.

14.4.1. Incorporate the results of these studies and assessments of synergistic and cumulative impacts into discussions on territorial planning and on specific projects.

14.4.2. Carry out surveys of previous enterprises to identify any socio-environmental liabilities and human rights violations by the State and entrepreneurs to help assess the need for reparation policies.

14.5. Establish anticipatory measures in conjunction with indigenous peoples, traditional communities and *quilombolas* as a necessary pre-condition for the construction of large-scale projects to prevent human rights violations and to improve living conditions in the long term.

14.5.1. Ensure funding to strengthen the institutional capacities of these populations both before and during the whole planning and installation cycle for large-scale projects, based on their specific needs and characteristics.

14.5.2. Within the scope of territorial planning, add actions to combat racism and discrimination against indigenous peoples, *quilombolas* and traditional communities to the anticipatory socio-cultural measures.

14.6. Within the scope of territorial planning, establish independent mechanisms to monitor the implementation of actions, including anticipatory measures, and to receive any complaints about human rights violations.

GUIDELINE 15

Coordinate efforts and investments to make environmental licensing more effective and efficient while giving appropriate consideration to components related to indigenous peoples, traditional communities and *quilombolas*.

15.1. Ensure that environmental licensing processes are based on principles of transparency and universal access to documents and information, in accessible language or that complementary communication material be produced to help traditional peoples and communities understand the entire process.

15.1.1. Create or strengthen local spaces (forums, committees and the like) to allow ongoing, direct dialogue among public officials, companies, indigenous peoples, traditional communities and *quilombolas*, with special attention to avoid negatively impacting the daily life of such communities.

15.1.2. Ensure that public hearings on the project are held prior to its implementation specifically for indigenous peoples, traditional communities and *quilombolas*, taking into consideration each community's consultation protocols and their linguistic and cultural diversity, with the ample and timely provision of information to allow all the parties to be suitably prepared.

15.1.3. Hold feedback meetings following public hearings and similar consultations, in which the company and governmental bodies responsible for protecting the rights of indigenous and traditional peoples present the main concerns made by peoples and communities and how they will be dealt with.

15.1.4. Set suitable deadlines for environmental licensing together with peoples and communities to ensure respect for their internal processes for understanding and discussing projects, impacts and planned actions.

15.2. Ensure that official environmental agencies and related bodies possess the necessary institutional capacities (human, technical and financial resources) to carry out environmental licensing processes in a suitable and efficient manner, with a focus on "prior consultation" with peoples and communities.

15.2.1. Determine the responsibilities and procedures needed to strengthen institutional coordination and to incorporate continuously the technical opinions of government agencies working with indigenous peoples, traditional communities and *quilombolas* on the environmental licensing.

15.2.2. Regulate explicit public administrative procedures to ensure the enforcement of legal requirements for environmental licensing.

15.2.3. Establish permanent settings for inter-ministerial coordination to monitor and oversee compliance with the conditions set out by environmental licenses and compliance with government responsibilities.

15.2.4. Establish instruments and platforms to ensure that environmental agencies coordinate the environmental assessment of cumulative impacts in a region, as well as the distribution of

responsibilities for managing impacts among the various projects.

15.2.5. Strengthen the legal mechanisms that can suspend environmental licenses in the event of proven non-compliance with mitigation and compensatory measures by companies.

15.3. Develop training processes with companies to better understand the socio-cultural realities and specificities of peoples and communities to be engaged with during environmental licensing.

15.4. Ensure that the loan-approval processes at financial institutions consider technical opinions issued by Funai and the Palmares Cultural Foundation regarding the assessment of impacts in order to respect the interests and rights of affected communities.

15.5. Draw up and implement effectively and appropriately the mitigation, compensatory, oversight and monitoring measures stipulated by environmental licensing processes.

15.5.1. Ensure the direct participation of peoples and communities in discussions which define and detail terms of reference, work plans, environmental studies and mitigation and compensation measures that affect them, as well as involving them in the monitoring of implementation.

15.5.2. Ensure that all parties involved in environmental licensing (licensing bodies, companies and other interested parties) recognize the social and cultural aspects related to indigenous peoples, traditional communities and *quilombolas*.

15.5.3. Guide the drafting of mitigation and socio-environmental compensation measures that will bring about lasting legacies to improve quality of life and strengthen peoples and communities.

15.5.4. Synchronize work on social and environmental components as well as those concerning peoples and communities during the environmental licensing process, to ensure the quality of impact assessments and the effectiveness of the mitigation and compensation measures proposed therein.

15.5.5. Provide the resources to fund skilled and independent organizations and/or individuals to follow up, inspect and monitor the impacts of projects throughout all the environmental licensing stages.

15.5.6. Draw up and provide contingency and emergency response plans to all potentially affected parties.

GUIDELINE 16

Invest in improving communication and governance processes with indigenous peoples, traditional communities and *quilombolas*, using appropriate channels, formats, language and settings to ensure stronger participation during planning and throughout the lifetime of the projects.

16.1. Ensure indigenous peoples, traditional communities and *quilombolas* have access to information in suitable formats and languages, providing enough time for effective comprehension and internal discussion of territorial planning and the installation and operation of large-scale projects.

16.1.1. Environmental studies and communications must consider the knowledge of peoples and communities, including about biodiversity, in compliance with current legislation and ensuring direct participation by local communities.

16.1.2. Consolidate settings in which peoples and communities can learn about and discuss projects before any decisions about them are made.

16.1.3. Communicate with peoples and communities in an independent manner, free of outside interests and influences, ensuring options for access to information produced by the communities themselves.

16.1.4. Translate information into indigenous languages whenever applicable and as required by the communities.

16.1.5. Experts working on studies of indigenous and *quilombola* components of impact assessments must have prior knowledge about the traditional territories, peoples and communities to be studied, and preferably they should enjoy the prior approval of the communities.

16.1.6. Systematize and divulge the strategic milestones for consultation and participation in sector-based planning (mining, logistics, energy, oil and gas).

16.2. Invest in developing technology, tools for communication and the provision of information that are effective and culturally appropriate and that respect the existing organization of local peoples and communities affected, in terms of language, format and dynamics.

16.2.1. Develop and implement a communications and engagement plan suitable for the communities impacted, to be used by the company, based on discussions with responsible governmental bodies (Funai, the Palmares Cultural Foundation).

16.2.2. Hold public hearings specifically with indigenous peoples, traditional communities and *quilombolas* on any large-scale project in advance,

considering each community's consultation protocols and their linguistic and cultural diversity, following the widespread and timely announcement of such hearings so that all the parties can prepare properly.

16.2.3. Independent mechanisms for monitoring and for receiving project-related complaints and reports of human rights violations must be easily accessible to indigenous peoples, traditional communities and *quilombolas*.

16.3. Ensure the active participation of peoples and communities throughout the project's cycle of discussions and decision making, as well as during the definition, drafting, implementation and monitoring of mitigation measures, including monitoring of compliance with conditions of environmental licenses through management committees, councils or other governance mechanisms.

16.3.1. Strengthen and better inter-link existing settings for governance related to territorial planning and monitoring of large-scale projects to ensure the involvement of peoples and communities, as well as governmental bodies, social movements, research institutions, universities, associations from civil society, organizations and businesses.

16.3.2. Respect the traditional forms and practices by communities and peoples in governance settings that discuss the planning, implementation and operation of projects, and which do not necessarily require institutionalized structures.

GUIDELINE 17

Ensure the effectiveness of prior consultations with indigenous peoples, traditional communities and *quilombolas*, to be carried out in a broad and comprehensive manner, including in the territorial planning processes.

17.1. The State and companies must broadly recognize prior consultation as a fundamental right of peoples and communities affected by large-scale projects.

17.1.1. Recognize that prior consultation is a duty of the State, which must safeguard the autonomy of peoples and communities in defining forms of consultation, respecting the specificities of each, as a guarantee of the protection of collective rights.

17.1.2. Clearly establish guidelines and responsibilities for governmental bodies in prior consultation procedures regarding projects.

17.1.3. Promote the systematization and dissemination of best practices, national and international norms regarding prior consultation, as well as training processes on this issue for peoples and communities, representatives of the State, companies and financial institutions.

17.1.4. Invest in the prior organization of peoples and communities to draw up and guarantee procedures related to prior consultation, especially the venue, language to be used, who will speak on behalf of the communities, the necessary time for reflection and moments for decision-making, and funding for the actions related to prior consultations.

17.1.5. Produce plans for prior consultation that consider characteristics and specificities of each people and community for deciding on activities,

formats and language, respecting the time needed for effective understanding and internal organization.

17.1.6. Detail the procedures for broad and participatory prior consultations, encompassing the State and representatives of peoples, communities and companies.

17.1.7. Ensure that free, prior and informed consultation [CLPI, in the Portuguese acronym] does take place before the commencement of environmental licensing, so the results can be incorporated into project planning.

17.1.8. Ensure that prior consultations on the installation and operation of projects are carried out as a part of an ongoing process that will be repeated with each new measure and/or phase that may directly and/or indirectly impact traditional peoples and communities.

17.2. Create financing mechanisms for the mobilization and strengthening of peoples, communities and their representative entities in the prior consultation processes, in which decisions on how to spend the resources involve the direct participation of representatives of the peoples and communities affected.

17.2.1. Establish forms of financing for prior consultations provided by the State to be paid back by the companies.

17.2.2. Establish effective prior consultation processes by the State as a pre-condition for the granting of financing by banks and financial institutions.

17.3. Investment in strengthening local governance by indigenous peoples, traditional communities, *quilombolas* and their representative organizations, in particular the communities affected, is the key requirement for appropriate prior consultation processes.

17.3.1. Invest in developing Territorial Management Plans for indigenous peoples, traditional communities and *quilombolas*, to be used as tools and starting points for prior consultation processes.

17.3.2. Invest in developing and applying community consultation protocols for indigenous peoples, traditional communities and *quilombolas*, to provide guidance in the prior consultation process and format.

17.3.3. Establish processes of open, transparent and planned dialogue among the state, companies, funding institutions, and peoples and communities, as a means to minimize conflicts both inside and beyond communities affected by projects.

17.3.4. Consider the differences and avoid potential conflicts between peoples and communities who have already been impacted and others yet to be impacted, including different opinions regarding the projects.

17.4. Adapt the decree that established the National Policy on Traditional Peoples and Communities (PNPCT, in the Portuguese acronym), as a legal basis for applying the right to prior consultations for traditional communities.

17.5. Consult the National Council of Traditional Peoples and Communities (CNPCT, in the Portuguese acronym) to determine which body shall be responsible for monitoring the process of prior consultations in specific traditional communities.

3 This and other references to prior consultation relate to the meaning of consultation stipulated in Article 6 of the International Labour Organization's Convention on Indigenous and Tribal Peoples (No. 169), to which Brazil is a signatory. Note that the IFC's 2012 Performance Standards on Environmental and Social Sustainability specify circumstances under which IFC clients must also seek the free, prior, and informed consent (FPIC) of impacted indigenous peoples (IPs), beyond the informed consultation and participation (ICP) otherwise required for projects affecting IPs. As these guidelines were discussed, debated, and developed in a Brazilian context, the phrase "prior consultation" as derived from ILO Convention No. 169 is used throughout.

Children, Adolescents and Women

Large-scale projects in the Amazon have impacted local communities, including as regards human rights. For children, adolescents and women such an impact is more severe, leading to increased sexual exploitation, child labor, the breakdown of families and the exclusion of adolescents and women from economically productive activities. This happens in part because the decision-making process within such projects does not consider the rights of these groups at any stage, nor do the projects involve them directly throughout the life-cycle of the project. The responsibilities for the main players – the State, financiers, companies and civil society – are also not clear. Support is needed for public policies and guidelines for companies to prevent adverse impacts on the rights of these groups in the context of large-scale projects in the Amazon.

GUIDELINE 18

Human Rights Impact Assessments as part of planning for, installing and operating large-scale projects are essential to correctly identify the vulnerabilities and risks that should guide prevention and control efforts by the State and the companies.

18.1. Human Rights Impact Assessments must specifically examine pre-existing vulnerabilities and those accentuated by the project, including risks created by the supply chain.

18.2. Diagnosis of public policies and socio-environmental issues in territories affected by large-scale projects must incorporate gender and generational questions.

18.3. The results of the Human Rights Impact Assessment must be used to develop and/or adapt business policies and practices to ensure the effectiveness of efforts to prevent and mitigate the impacts and vulnerabilities diagnosed.

18.4. Monitoring and oversight fora must be established involving the state, companies and civil society, with decision-making and deliberative powers to guarantee ongoing assessments of project risks for and impacts on the human rights of children, adolescents and women.

18.5. Process and outcome indicators with gender and generation variables must be used to prioritize rights and the participation of children, adolescents and women in the decision-making process and the implementation of projects, as well as the effectiveness of measures taken to control impacts and risks.

18.6. The State must constantly oversee business practices in large-scale projects to ensure accountability regarding measures taken to prevent and control impacts on human rights, specifically involving children, adolescents and women, exercising government authority in investigating and remedying any violations.

GUIDELINE 19

Priority must be given to the planning, establishment and ongoing operation of social services facilities specific to children, adolescents and women and those which otherwise assure them access to essential rights and services.

19.1. Places where large-scale projects are built and operate in the Amazon should be given priority for the creation or upgrading of strategic public services for children, adolescents and women.

19.2. Development planning policies must be inter-linked, including multi-year and thematic plans for children, adolescents and women, to increase funding for better services in areas where large-scale projects are being built and/or are in operation.

19.3. Urban and rural resettlement programs must include, prior to the relocation of the affected population, the establishment and operation of social services facilities to serve the specific needs of children, adolescents and women, planned in conjunction with the communities affected and their representative organizations and overseen by competent authorities.

19.4. Terms of reference, environmental licensing conditions, territorial development funds and tax revenues from project operations must include specific indicators and measures by which social services facilities can be improved.

19.5. Companies must provide technical and financial support for the installation and operation of social services facilities for children, adolescents and women, proportional to the severity of impact in the territory, as stipulated in the public financial instruments or managed independently by the companies, based on the Human Rights Impact Assessment (HRIA).

19.6. Compliance with the measures established to improve social services facilities must be monitored by the Council on the Rights of Children and Adolescents, the Council of Women's Rights, and by the Public Prosecutor's Office.

GUIDELINE 20

The business sector's management of the impacts caused by large-scale projects must prioritize the prevention, oversight and monitoring of risks to human rights, by using listening mechanisms and indicators capable of assessing the quality of the measures adopted.

20.1. A company's commitment to human rights must be made public and backed by senior management, with verifiable effects on operational policies and procedures, and in line with standards of conduct established for all its stakeholders, including the supply chain.

20.2. Companies should provide periodic accounting on the measures they have planned and executed to prevent and remedy impacts by their operations on the rights of children, adolescents and women, with the State and civil society responsible for monitoring and for the participation of social actors in accountability processes.

20.3. Channels of dialogue with impacted communities and mechanisms for reporting complaints must be established, providing effective responses and adapting practices and operations to avoid risks and to remedy any human rights violations companies may be involved in.

20.4. Within the scope of environmental licensing and/or of the bidding process, accountability for measures adopted to prevent and remedy human rights violations, especially towards children, adolescents and women must be established.

20.5. Establish a zero-tolerance policy for every form of violence against children, adolescents and women occurring in the company's facilities or in the surroundings of the large-scale project which involve the company's staff or outsourced workers, including the immediate notification of competent authorities and the inclusion of clauses that end contracts with suppliers in the event of conviction for such violations.

GUIDELINE 21

Ensure the ongoing participation of local civil society – with children, adolescents and women taking active roles in decision-making on large-scale projects – and support settings that already mobilize these segments as well as existing sector-based councils focused on children’s and women’s rights.

21.1. Adjust the language and media (especially social media) used to convey information and facilitate interaction for children, adolescents and women.

21.2. Ensure sufficient financial resources to support the participation of children, adolescents and women.

21.3. Consider the stage of development, family conditions and ethnic and cultural specificities of children, adolescents and women in defining and adapting procedures for participation, paying special attention to the inclusion of individuals belonging to indigenous, traditional and *quilombola* communities.

21.4. Prioritize the technical and financial strengthening of the Council on the Rights of Children and Adolescents as well as the creation or strengthening of Councils on the Rights of Women in the localities to be affected by large-scale projects, making them required interlocutors in the decision-making processes.

21.5. Within the scope of territorial planning, environmental licensing and funding for large-scale projects, establish legal or contractual conditions that ensure the right for participation by children, adolescents and women.

21.6. Companies must communicate and interact with local communities directly regarding human rights impacts, especially when involving children, adolescents and women, transmitting such demands to the realm of corporate decision-making.

The Legal Removal of Vegetation

The installation of large-scale infrastructure and mining projects in the Amazon involves the removal of vegetation, stipulated and authorized by licensing agencies, but the difficulties faced in disposing of this material mean it is generally left to rot in storage yards. Depending on the size of the venture, this may be a substantial volume of timber that could be used by legal forest supply chains and cleaner energy generation. Fundamentally, the obstacles lie in regulating and planning for the potential use of good-quality timber and biomass that could be used to generate energy. The rationalization of removal presupposes institutional arrangements with distinct capacities, ranging from the classification of timber and preparation for storage, to its final destination and use.

GUIDELINE 22

Underpin procedures for operations involving the Legal Removal of Vegetation on rules that are binding for administrative procedures in the public sphere, focused on the destination and use of the cleared timber and woody plants.

22.1. Agencies responsible for environmental licensing and the fostering of forestry activities must review and adapt their norms, along with stakeholders, to make full use of forest material from such operations.

22.2. Updates to regulatory frameworks governing the use of timber and woody plants from the Legal Removal of Vegetation must cover the possible sale of such products, considering potential impacts on the supply chains for forest products and services.

22.3. It is essential that instruments guiding or regulating the Legal Removal of Vegetation share a common understanding regarding the ownership of timber and woody plants produced by such processes, especially when operations are carried out on public land.

GUIDELINE 23

Planning for the Legal Removal of Vegetation should be done ahead of such clearance, with a focus on the use and destination of the removed material and on reinforcing studies, diagnoses and recommendations.

23.1. It is essential that project planning and environmental impact studies be preceded by action focused on the use to be made of material produced by the removal of vegetation, incorporating diagnosis of the structure of the regional logging supply chain and of potential uses based on analysis of and information about the volume and quality of the forest material to be removed.

23.2. Licensing agencies must stipulate the level of detail for forest inventories, based on the diagnosis presented in impact assessments, focused on mitigation processes and the use and destination of the vegetation to be removed.

23.3. The evaluation of possible uses and destinations for the material produced by the Legal Removal of Vegetation must consider various factors, centered on the potential impact on the forestry sector, on social inclusion and on technical and economic feasibility.

23.4. In seeking alternatives to ensure the full use of the material, technical and academic studies must be used to gather more in-depth information on the forest products, in order to identify their applicability and their potential uses, demand and supply capacity.

23.5. Once the feasibility of forest product use has been established, a decision to allow the project to proceed must be conditional upon a clear designation for the destination of said products, requiring mitigation of any impacts caused by the Legal Removal of Vegetation.

GUIDELINE 24

The full use of forest material produced by the Legal Removal of Vegetation should prioritize the strengthening of regional forest supply chains and local economies.

24.1. Seek interconnections and ways to integrate plans to remove vegetation into regional forest planning in order to allow for the controlled production and circulation of such material, as well as the use of such products by sustainable forest supply chains.

24.2. Foster institutional and production arrangements specifically to support initiatives in this field and define funding strategies needed to structure them, thereby ensuring the effective destination of forest products of the Legal Removal of Vegetation.

24.3. Impact mitigation and compensation plans should include actions to support the structuring and strengthening of forest supply chains in the project region, including local cooperatives and traditional communities, complementing similar initiatives.

24.4. It is essential that impact mitigation plans and programs be aligned with Territorial Development Plans in order to strengthen forest and timber supply chain structures.

24.5. The creation of strategies for the internal use of removed wood by the companies themselves should be encouraged, replicating other successful experiences in processing and destination of processed material for internal use.

24.6. Partnerships between the government, companies and social organizations should strengthen public policies and initiatives aimed at containing deforestation and forest degradation in areas surrounding projects, controlling and suppressing illegal supply chains, and conserving biodiversity.

24.7. Focus efforts on structuring the chain of custody related to the removal of vegetation based on reliable traceability mechanisms that afford greater quality and effectiveness in the procedures that are commonly used in these operations.

GUIDELINE 25

Participation of social actors in accountability processes regarding decisions and the monitoring of material produced by the Legal Removal of Vegetation maximizes the effectiveness of actions and minimizes socio-environmental costs.

25.1. It is essential that settings for territorial governance as well as the mechanisms for dialogue and consultation stipulated in environmental licensing be used to debate and improve the processes for removing vegetation in order to involve society at large in both creating and monitoring solutions.

25.2. Forest products resulting from the Legal Removal of Vegetation that enter local timber markets can act as a boon to their development but must have their impacts on supply chains monitored by adequate mechanisms.

25.3. Comprehensive, clear and periodic information on studies, diagnoses, operations and data on the volume and destination of removed material must be provided publicly to enhance the informed participation of the population in the debate about the Legal Removal of Vegetation.

Development-Induced Displacements

Development-induced displacements resulting from forced removal, abandonment of native territories or the impossibility of maintaining full access to resources used by families and communities entail social transformations and material and immaterial losses, being a source of conflict in large construction projects. In Brazil, affected populations are usually disregarded and impacts are underestimated. Processes are characterized by low social participation, lack of transparency, the absence of government monitoring and human rights violations. In cases in which displacement is unavoidable, its processes must ensure the full protection of displaced-populations rights and reparation measures must be effective. To this end, the central role of those affected during the entire process is essential, from the planning of actions and identification of impact and damages to registration and negotiations, structuring of reparations and monitoring of results.

Premisse 1

Any population displacement on the context of large-scale projects must be seen as an extraordinary measure, and all efforts must be made to avoid it.

Premisse 2

It is essential to take the perspective of those affected as the guiding thread for decision-making, ensuring their centrality with effective participation and wide access to information.

Premisse 3

The full protection of impacted-community's rights should be the priority in displacement processes.

Premisse 4

Children, adolescents, women and seniors are priority groups in the full protection of rights, and specific policies supporting their full development should be designed and implemented

Premisse 5

Traditional communities and peoples⁴ must have their specific rights recognized and the process of displacement of these groups must ensure their consultation and participation in decision-making process in all stages of the project.

Premisse 6

Reparation measures must be comprehensive, recognizing material and immaterial damages, both individual and collective, and employ forms of monetary and non-monetary compensation.

⁴ This set of guidelines do not consider indigenous peoples, since Brazilian legislation prohibits the displacement of these populations.

GUIDELINE 26

Deliberative spaces for the governance of development-induced displacement processes should be established or strengthened with the effective participation of affected groups, as well as government, businesses and civil society.

26.1. Representatives of affected communities and social groups, public institutions involved in the displacement processes or with competencies related to these populations, as well as organizations representing the interests of specific groups, should have a guaranteed presence and an active and informed participation in governance forums.

26.1.1. Institutional capacity strengthening activities must be implemented in affected territories, especially for public institutions responsible for affected social groups, to guarantee adequate governance of displacement processes.

26.1.2. Logistical support for participation and broad communication on the activities carried out in the forums of governance are fundamental to the full participation of the affected population.

26.1.3. The population should be widely informed about their rights as affected in the displacement process, as vulnerable groups and as traditional communities.

26.2. It is attribution of the forums of governance to promote the institutional articulation and clarification of the responsibilities and co-responsibilities on the displacements, especially the ones from entrepreneurs and State.

26.3. Governance forums should support free and informed, prior consultation in accordance with International Labor Organization Convention 169 guidelines as a tool for the participation of traditional peoples and communities in all stages involving their displacement.

26.4. The government must guarantee access to justice and effective reparations, strengthen institutions for the protection of human rights and promote the effective presence of public defenders and public prosecutors in the territories targeted by large projects. The companies, in turn, have the obligation of not generating, and should it happen, to cease human rights violations, committing to full reparations for damages caused.

26.4.1. Continued investments should be made to prevent and remedy violations of human rights in all phases of the projects, with the commitment of the state and the entrepreneur to maintain and improve human rights attention and protection services.

26.5. It should be guaranteed that decisions, agreements and actions defined by the governance forums are made in a transparent way, in order to promote the effective participation of actors in accountability processes related to development-induced displacements.

26.5.1. All and any information subsidizing or resulting from planning, negotiation, decisions and monitoring of displacement processes of population must be accessible, in a language and platform adequate to the different social groups affected, safeguarding the right to the confidentiality of personal data.

26.5.2. Governance spaces must promote the monitoring and clarifications of impact study results, registration of the population, methodologies of impact assessment and information about forms of compensation and resettlement.

26.6. Governance spaces must include mechanisms for collectively agreeing on impact mitigation and damage reparations, as well as their monitoring, continuously promoting assessment of their effectiveness, adjustments and renegotiation of actions when necessary.

26.7. Governance spaces must agree on actions prior to the start of displacement processes for the structuring of public policies, prioritizing actions for land regularization and/or recognition of possession and use, as a way of ensuring the legal security of the properties and territories which are the target of investments.

GUIDELINE 27

Terms of Reference (TR) and Environmental Impact Assessments (EIA) should reflect territorial specificities and be elaborated with the participation of the affected communities, with transparency and social monitoring.

27.1. Participatory methodologies for impact assessment and identification should be adopted so that the collection and analysis of information wholly incorporates the views and knowledge of the affected population, with special attention given to the cultural and immaterial aspects of impacts.

27.1.1. The involvement of local research institutions and universities in the preparation of studies should be promoted.

27.2. Methodologies of Social Impact Assessment, Health Impact Assessment and Human Rights Impact Assessment must be adopted and integrated with EIA, with a special focus to the vulnerabilities caused or reinforced by the project towards children, adolescents, women, seniors and traditional communities and peoples.

27.3. Impact studies must be presented in a clear and objective language, with translated and/or adapted versions according to the specificities of the affected social groups, and made available on platforms accessible to the population.

27.4. Potential synergic and cumulative impact studies must be carried out between projects overlapping on a same territory and that may cause new displacements or intensify impacts on the affected population.

27.5. New impacts and damages diagnosed after the completion of studies must be duly recognized and incorporated into actions of mitigation and reparation.

GUIDELINE 28

Socio-economic registers should be built based on the specificities of the affected territories and populations, ensuring participatory creation of the categories, parameters and criteria employed, as well as the monitoring of their application with transparency and the disclosure of registered information.

28.1. The definition of parameters, categories and criteria which make up the socio-economic registration must be discussed in the governance spaces of the displacements, ensuring that they reflect demands and specificities of the affected territories.

28.1.1. Procedures for the identification and registration of affected families must include participation and control mechanisms that promote community recognition processes and that have permanent monitoring by government and human rights institutions.

28.1.2. Categories, parameters and criteria employed in registration must be reviewed periodically, adjusting them as necessary.

28.2. It should be ensured that the entire affected population is duly registered, with recognition of the diversity of family structures and ways of life.

28.2.1. Application of the register must be pre-scheduled, with delivery of a written notification, and should encourage the participation of the greatest number of representatives of the family, especially women, prioritizing their voices and views.

28.2.2. Economic activities carried out by family members, although informal or complementary income, should be considered in the registers, with special attention to those carried out by women and seniors, even when they are not heads of household.

28.2.3. The registries should identify resources and services used by the affected populations for the reproduction of their ways of life.

28.3. It is necessary to stimulate the hiring of local labor to carry out the registrations, and, as preparatory action, professionals involved in registering the population must receive training to adequately dialogue with those affected and properly understand multiple local realities.

28.4. Population registration must rely on qualitative methodologies, which allow a deeper comprehension and greater accuracy of the information gathered, should focus on the quality and traceability of registration and guarantee enough time for the application of questionnaires.

28.5. Community and government representatives can, if required, sit in on interviews for the application of registration, with the aim of increasing the security of the registry's final information.

28.6. Information on affected population registration must be widely disclosed, allowing unrestricted knowledge of the stages, deadlines and conclusions of procedures, ensuring affected families have free access to registration data about themselves.

28.6.1. Copies of registration, with the option of accompanying audiovisual format, must be made available for affected families at the end of each interview.

GUIDELINE 29

Valuation criteria must be collectively agreed upon with guaranteed isonomy in negotiation processes, government monitoring, access to information and legal advice for those affected.

29.1. The different relationships and rights over land use and tenure must be recognized and considered in property and valuation processes, as well as negotiations.

29.2. Eligibility criteria for types of compensation and/or resettlement, as well as forms of proof of ties with the property to be expropriated, must be collectively agreed upon.

29.3. Criteria for proving income must be adapted to the specificities of social groups and territories, taking into account in the evaluation process informal activities carried out by those affected.

29.4. Land and property improvement valuation methodologies must be clarified and, where possible, agreed upon collectively, with full participation of the affected population and mediation by public authorities, and ensuring accessible information in a language adequate to the social groups affected.

29.5. The valuation process must take into account assets of collective use, as well as the cultural specificities of social groups, observing the immaterial values the affected populations have with their territory.

29.6. Compensation amounts should be calculated according to family composition, with equal conditions for men and women, recognizing diversity in family structure and aggregate entities.

29.7. Clear, objective and detailed information about price records, property and improvement assessment reports, forms

of compensation and possibilities of resettlement, among others, must be permanently accessible, safeguarding the free choice, counterproposal and necessary time for reflection and decision of those affected.

29.8. Prior to the start of the project installation the government must provide legal assistance for the affected families, facilitate the presence in the territories of services and bodies for representation of the population and the defense of human rights.

29.9. The option of collective negotiation should be provided whenever required by communities and/or family groups, assuring the population autonomy of choice.

29.10. The promotion of the participation of women and seniors in negotiation is essential, ensuring their access to resettlement actions offered and/or compensation values.

GUIDELINE 30

Populations must be guaranteed the reestablishment of their livelihoods and housing in equal or better conditions to those preceding the displacement. The central objective must be to avoid the risk of impoverishment and preserve ways of life, respecting the socio-economic and cultural specificities, strategies and life plans of families.

30.1. Resettlement plans, as well as their implementation, must be created with the effective participation of the affected population, including the decision over to where the resettlement is being made.

30.1.1. Prior consultation with host communities should be carried out, as well as the assurance of their participation in the discussion forums on resettlement plans, seeking integration and involvement with families to be resettled.

30.1.2. The establishment of management bodies of the new resettlement districts or territories with effective participation of the resettled should be ensured.

30.2. Housing conditions should be adequate to existing family structures, respecting aesthetic and constructive regional standards, with the use of materials previously agreed upon with those affected, ensuring thermal comfort, as well as areas for leisure and family life.

30.2.1. Residence options adapted to the needs of the elderly and people with physical disabilities should be offered, as well as ensuring accessibility of all public and community spaces.

30.2.2. The environmental quality of resettlement areas must be guaranteed, discarding contaminated areas, with geotechnical risks or areas which pose a risk to the health or safety of those affected.

30.3. Companies and government, in coordination, must guarantee the provision of education, health and social assistance services, transport infrastructure, fixed and mobile telecommunication, basic sanitation and electricity in resettlement locations - with reduced pricing mechanisms where necessary - as well as providing a Postal Address Code for neighborhoods and resettlement lots.

30.3.1. Legal certainty over urban and rural lots must be guaranteed for those resettled, with immediate titling, shared between those responsible for families or preferentially for women.

30.4. Information about the conditions and stages of the resettlement process must be widely disclosed, distributed on platforms and in language appropriate to the different realities of the social groups affected, with the aim of ensuring transparency and broadening access by the population.

30.5. Families and communities must be guaranteed the preservation of kinship and neighborhood ties by preferentially offering them collective and/or community resettlements.

30.6. It is essential to guarantee the access to collectively used areas (such as rivers, forests, areas for crops), as well as those material and immaterial cultural landmarks (such as cemeteries, religious and remembrance places) and those for the practice of leisure and social and communal life (such as squares, football pitches and community halls).

30.7. Economic displacements must be recognized, and the restoration of economic activities and full reparation of the damages suffered must be guaranteed, with a guarantee of social participation in the elaboration of productive projects.

30.7.1. Families must be provided assistance in stages of transition and adaptation to resettlement, including financial support, until sources of work and income have been restored.

30.7.2. Areas intended for rural resettlement must have proven land productivity and environmental conditions conducive to cultivation, be planned according to the current rural model, environmentally regulated and connected to the rest of the region, allowing for the trade of production.

30.7.3. Technical assistance and rural extension programs must be guaranteed and collectively planned with the resettled families, taking into account the strategies of life and knowledge of social groups.

30.7.4. Special credit lines for those affected should be stimulated by the state and entrepreneurs must provide technical support for access, in order to bring families back to productive activities.

30.8. Any compensation given should be based on the cross-cutting principle that there should be no exacerbation of existing disparity or any new rights violation of affected populations, and particular attention must be given to different needs and cumulative impacts and damages to vulnerable social groups.

30.8.1. Physical and mental health damages must be compensated for with medical and specialized support, and families must be assisted by companies and government throughout the treatment process, and in cases of aftereffects or disability, supported indefinitely.

30.8.2. Damages caused to public assets, and assets of common and communal use must be compensated, with attention given to the immaterial aspects which form part of the relationship between the social group and its territory.

30.8.3. Damages caused to environmental quality must be compensated according to current environmental legislation, considering the material and immaterial losses.

30.8.4. Plans and projects for restoration of degraded areas and environmental preservation should be established, ensuring the prevention of contamination of water bodies and areas of use of families.

30.9. Consideration should be given to the possibility of populations returning to their territories of origin, or of their memorial use, whenever there is interest of those affected and guarantee physical, psychological and environmental quality of the areas, and, if necessary, structured basic services.

30.10. The monitoring of adaptation to resettlement and the restoration of living conditions must be carried out for a period of time agreed upon by those affected, licensing and intervening bodies and companies, and never inferior to the duration of the processes of impact mitigation and reparations for damages caused to those affected.

30.10.1. Transparency and social participation are essential to monitoring, as well as the collective construction of the indicators to be monitored and the guarantee of periodical assessments of results, with the renegotiation of agreements and adjustments of mitigation and reparation programs and measures where necessary.

30.11. The State should promote the redemption of the historical liabilities related to the social debt generated by the processes of displacement to affected families, guarantee the proper accountability of the actors and direct broad and transparent negotiation of the forms of reparation.

Common priorities: the core messages

Independent working groups were formed to examine this issue in depth without losing sight of the particular line of inquiry in each area. From the outset, however, it was clear that similar diagnoses and proposals were being replicated in different meetings by different groups. It is those strategic messages that cross over thematic barriers that help us visualize the systemic nature of certain obstacles and highlight a sense of priority regarding proposals promoted by the initiative as a whole.

Anticipatory measures Right from the start, there were signs of a cross-cutting concern over how quickly decisions are made and how little time is available to prepare the territories and the enterprises involved. The timescale allowed for environmental licensing – nowadays the frame through which territories are to be prepared for large-scale projects – is too short for preventing and minimizing negative impacts satisfactorily. The mere expectation that a large-scale project is to be installed is enough to mobilize social-spatial dynamics, such as large migration shifts and the consequent overloading of public services well in advance of the project's beginning. Given how soon political decisions on these projects are taken and the predictable impacts they cause, local societies and the institutions that operate in these territories need their capacities to be built up quickly. This explains the necessity to strengthen territorial planning and to conceptualize smarter financial instruments, with an eye to early funding for preparatory measures.

Territorial governance To move toward a process of better preparing for and linking these projects to development outcomes desired by communities, what these localities need is better territorial governance. Proposals for new decision-making and consensus-building mechanisms among different policies, investments, people and institutions come up frequently in the guidelines presented here. Society wants a holistic outlook and participatory decision-making, in keeping with its hopes for the future. Governance faces challenges such as how to harmonize actions, enhance positive synergistic effects and avoid waste and overlap. This also raises the issue of institutional capacities, as all of the actors involved must prepare for cooperation and dialogue.

Social participation An unshakable condition for good governance, and perhaps one of the most resounding principles in all these guidelines, is stakeholder participation. The involvement of distinct sectors of society in formulating solutions is a necessary complement to the predominating roles of the Brazilian federal government and of companies responsible for the projects. This may sound contradictory, in places where the notorious absence of the State has historically left gaps. The guidelines did, in fact, unequivocally identify the need for a more consistent, ongoing presence of the public sector. Nor are the roles of companies and the financial sector underestimated in this context. Yet recognizing that certain stakeholders in particular have been invisible is a way to advocate for a new balance of forces, capable of alleviating social conflicts and the wasteful investments that today penalize everyone. The effective way to protect the rights of those left most vulnerable by large-scale projects is to involve such groups and the organizations that represent them directly, from the very start of planning. Through such a process other parties who have been typically sidelined – such as unions, local businesspeople, social movements, and local authorities – are able to come forth and contribute their knowledge and legitimacy to processes defining the future of their territories.

Transparency and monitoring – The mere existence of settings in which governance takes place does not guarantee that all stakeholders enjoy an equal basis for participation, nor that the outcome of the agreements they forge will actually reflect the concerns and in-depth knowledge of minority groups. Knowledge must also be shared through outreach and social learning, and this necessitates training and strengthening players involved in the process. Access to information in a user-friendly format is therefore an even more powerful driver of equity than formal rules for decision making. Ultimately, monitoring allows parties to know whether or not actions undertaken actually correspond to established goals and agreements. It is thus a kind of mortar, binding planning to its actual outcomes. Ongoing observation and information-sharing about monitoring results also allow parties to revise and renegotiate plans in light of dynamic circumstances so inherent to the process of building large-scale projects.

About us

The **International Finance Corporation (IFC)**, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. With long-term investment of nearly \$23 billion in 2018, the IFC leverages capital, expertise and influence to help the private sector play a fundamental role in ending extreme poverty and boosting shared prosperity. The **Center for Sustainability Studies at the Getulio Vargas Foundation (FGVces)** has more than sixty researchers who support public and private policies in sustainable development. For the past ten years it has been working with large-scale projects in the Amazon region, producing studies, tools and guidelines to promote local development. For more information, visit ifc.org and gvces.com.br.



SUMMARY OF THE GUIDELINES
LARGE-SCALE PROJECTS IN THE AMAZON

Territorial and Land-Use Planning	Financial Instruments	Institutional Capacities	Indigenous Peoples, Traditional Communities and Quilombolas
<ol style="list-style-type: none"> 1. Territory must be seen as a strategic element in regional planning, one that supports decision making about and the implementation of large-scale projects in the Amazon. 2. Territorial planning processes must include mechanisms and procedures designed to achieve agreements, increase capacities, and ensure adequate funding and effective monitoring. 3. Land-use zoning and regulation is essential for development and must therefore be carried out prior to the installation of large-scale projects. 4. Establishing governance with full social participation is essential for planning and territorial development. 	<ol style="list-style-type: none"> 5. Financial instruments must be designed to respond to local development agendas, generated collectively at the territorial level. 6. The financial instruments must be grounded in participatory governance arrangements that are representative of multiple stakeholders. 7. Financial instruments must be flexible, dynamic and structured in with a view to how locally-defined demands are exerted during different phases of large-scale project implementation. 8. Financial instruments must be able to apply resources in line with their mission and objectives, bearing in mind the specificities of locally-defined demands and the needs of investors so that such investments are efficient and effective. 9. Financial instruments must have systems for monitoring their processes and results in order to check the effectiveness of investments in achieving their objectives. 	<ol style="list-style-type: none"> 10. Diagnosing areas in which to strengthen institutions and how initiatives are planned must be detailed, inclusive and sufficiently funded. 11. Strengthening institutional capacities must balance tangible and intangible factors. 12. Strengthening capacities must include all stakeholders, recognize asymmetries in the knowledge and skills that they possess and promote dialogue among them. 13. Ensuring local stakeholder participation in territorial governance structures is the primary way to develop appropriate approaches for institutional strengthening. 	<ol style="list-style-type: none"> 14. Establish territorial planning and development processes with specific public policies and protection measures to promote the social well-being of indigenous peoples, traditional communities and quilombolas. 15. Coordinate efforts and investments to make environmental licensing more effective and efficient while giving appropriate consideration to components related to indigenous peoples, traditional communities and quilombolas. 16. Invest in improving communication and governance processes with indigenous peoples, traditional communities and quilombolas, using appropriate channels, formats, language and settings to ensure stronger participation during planning and throughout the lifetime of the projects. 17. Ensure the effectiveness of prior consultations with indigenous peoples, traditional communities and quilombolas, to be carried out in a broad and comprehensive manner, including during planning processes.

Children, Adolescents and Women

- 18.** Human Rights Impact Assessments as part of planning for, installing and operating large-scale projects are essential to correctly identify the vulnerabilities and risks that should guide prevention and control efforts by the State and the companies.
- 19.** Priority must be given to the planning, establishment and ongoing operation of social services facilities specific to children, adolescents and women and those which otherwise assure them access to essential rights and services.
- 20.** The business sector's management of the impacts caused by large-scale projects must prioritize the prevention, oversight and monitoring of risks to human rights, by using listening mechanisms and indicators capable of assessing the quality of the measures adopted.
- 21.** Ensure the ongoing participation of local civil society – with children, adolescents and women taking active roles in decision-making on large-scale projects – and support settings that already mobilize these segments as well as existing sector-based councils focused on children's and women's rights.

Legal Removal of Vegetation

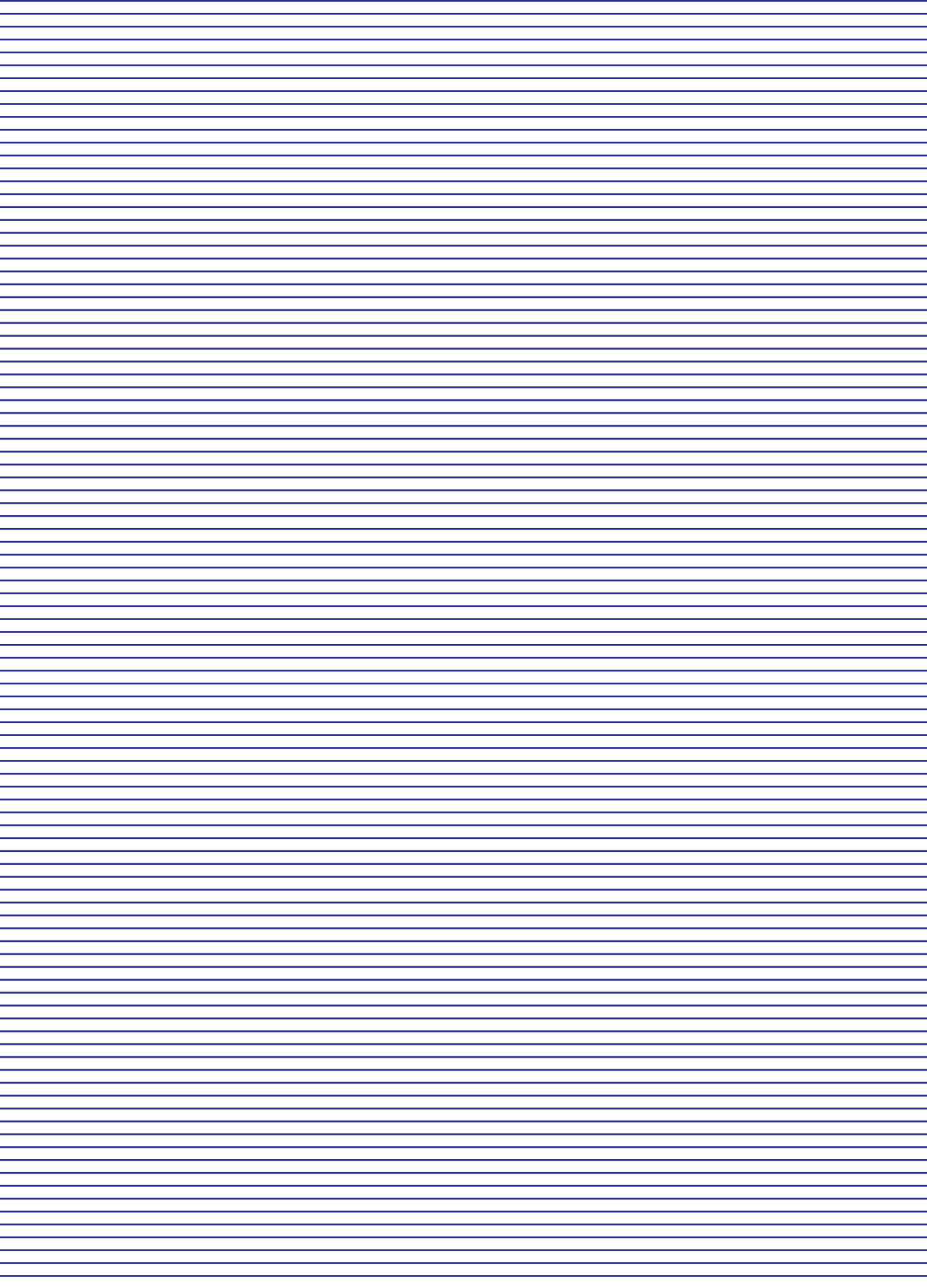
- 22.** Underpin procedures for operations involving the Legal Removal of Vegetation on rules that are binding for administrative procedures in the public sphere, focused on the destination and use of the cleared timber and woody plants.
- 23.** Planning for the Legal Removal of Vegetation should be done ahead of such clearance, with a focus on the use and destination of the removed material and on reinforcing studies, diagnoses and recommendations.
- 24.** The full use of forest material produced by the Legal Removal of Vegetation should prioritize the strengthening of regional forest supply chains and local economies.
- 25.** Participation of social actors in accountability processes regarding decisions and the monitoring of material produced by the Legal Removal of Vegetation maximizes the effectiveness of actions and minimizes socio-environmental costs.

Development-Induced Displacements

- 26.** Deliberative spaces for the governance of development-induced displacement processes should be established or strengthened with the effective participation of affected groups, as well as government, businesses and civil society.
 - 27.** Terms of Reference (TR) and Environmental Impact Assessments (EIA) should reflect territorial specificities and be elaborated with the participation of the affected communities, with transparency and social monitoring.
 - 28.** Socio-economic registers should be built based on the specificities of the affected territories and populations, ensuring participatory creation of the categories, parameters and criteria employed, as well as the monitoring of their application with transparency and the disclosure of registered information.
 - 29.** Valuation criteria must be collectively agreed upon with guaranteed isonomy in negotiation processes, government monitoring, access to information and legal advice for those affected.
 - 30.** Populations must be guaranteed the reestablishment of their livelihoods and housing in equal or better conditions to those preceding the displacement. The central objective must be to avoid the risk of impoverishment and preserve ways of life, respecting the socio-economic and cultural specificities, strategies and life plans of families.
- P1)** Any population displacement on the context of large-scale projects must be seen as an extraordinary measure, and all efforts must be made to avoid it.
 - P2)** It is essential to take the perspective of those affected as the guiding thread for decision-making, ensuring their centrality with effective participation and wide access to information.
 - P3)** The full protection of impacted-community's rights should be the priority in displacement processes.
 - P4)** Children, adolescents, women and seniors are priority groups in the full protection of rights, and specific policies supporting their full development should be designed and implemented.
 - P5)** Traditional communities and peoples must have their specific rights recognized and the process of displacement of these groups must ensure their consultation and participation in decision-making process in all stages of the project.
 - P6)** Reparation measures must be comprehensive, recognizing material and immaterial damages, both individual and collective, and employ forms of monetary and non-monetary compensation.

This subject is a development of environmental and territorial management discussions which took place within the initiative, therefore motivating an additional working group.

This subject was added in the 2nd edition of the Guidelines



THE INITIATIVE'S TEAM

General Coordination

Hector Gomez Ang (IFC)

Mario Monzoni (FGVces)

Technical Coordination

Daniela Gomes Pinto, Marcos Dal Fabbro

(FGVces), Carolina Douek,

Diogo Bardal, Laura Oller (IFC)

Executive Secretary

Graziela Azevedo (FGVces)

Researchers

Carolina Derivi, Kena Chaves (FGVces)

Technical Support

Cristina Catunda, João Paulo Abud,

Konrad Huber (IFC),

Camila Yamahaki, Jéssica Chryssafidis

Leticia Arthuzo, Livia Pagotto,

Paula Peirão (FGVces)

Consultants

Isabelle Vidal, Cassio Inglês de Souza

Fernando Burgos (FGV EAESP),

Flávia Scabin (GV Direito),

Assis Oliveira (UFPA), Sergio Andrade,

Bruno Gomes (Agenda Pública)

Ane Alencar, Paulo Moutinho,

Raíssa Guerra (IPAM), Marcio Halla

Communications

Bel Brunharo, Bruno Toledo,

Cintya Feitosa, Ricardo Barretto (FGVces)

Patricia Carvalho (IFC)

Administration Office and Event Planning

Daniela Sanches, Isabella Fumeiro, Marina

Borges, Mariana Goulios, Miria Alvarenga,

Roberta Bocalini (FGVces)

Donors

IFC – *International Finance Corporation*

Rede de Pesquisa e Conhecimento Aplicado
da Fundação Getulio Vargas

THE EDITORIAL TEAM

Production and Editing

Graziela Azevedo

Copy-writing

Carolina Derivi, Daniela Gomes Pinto,

Graziela Azevedo, Marcos Dal Fabbro,

Carolina Douek, Diogo Bardal, Konrad Huber

Photography

Kena Chaves

Layout and Design

Bloco Gráfico

Editorial Support

Bel Brunharo



