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## Vale Fund launched in São Paulo to develop sustainable projects in the Amazon

Seven social and environmental civil society organizations and Vale will today officially launch the Vale Fund, a pioneering initiative initially focused on combating deforestation and forest degradation and promoting socioeconomic development in the Amazon biome. Vale's administrative board has approved funding of R\$51 million, to be spent over the next three years by the fund, which is open to new private and public investors from Brazil and abroad.

Since it began operating one year ago, the Vale Fund has spent R\$7 million of its approved resources on eight projects carried out by the following NGOs: IEB (Instituto Internacional de Educação do Brasil - "International Education Institute of Brazil"), IFT (Instituto Floresta Tropical, or "Tropical Forest Institute"), Imaflora (Instituto de Manejo e Certificação Florestal e Agrícola - "Forestry and Agricultural Management and Certification Institute"), Imazon (Instituto do Homem e Environment da Amazônia, or "Amazon Institute for Man and the Environment"), Instituto Peabiru, ISA (Instituto Socioambiental - "Social and Environmental Institute") and TNC (The Nature Conservancy).

The Vale Fund is a pioneering initiative designed to spread best practice and sustainable development far beyond the limits of Vale's operations. In the future, the idea is to operate in other regions and countries, always through projects related to the central issues of macro-sustainability - biodiversity, climate change, forest conservation and so on.

In the Amazon, the Vale Fund is focusing on projects related to three main themes: Regional Satellite Monitoring; Strengthening and Creation of Protected Areas; and Promotion of Green Municipalities.

As part of the first theme, a partnership was been established with Imazon to improve the deforestation monitoring system in the Amazon. This investment, made in 2009, has enabled advances in data geo-processing to be incorporated, providing for greater precision and speed in the production of reports upon which public authorities and other sections of society base their inspection work.

Among new reports issued by Imazon in 2009, with the support of the Vale Fund and other sources of finance, was *Transparência Manejo Florestal* (Transparent Forest Management), which evaluated estimates of the area of forest legally and illegally exploited in the state of Pará (legal exploitation taking place within a forest management plan authorized by the state government). The report found that almost 90% of the area studied (418,000 hectares of forest) had been exploited without authorization from the Pará State Environment Secretariat. On the other hand, in the area authorized by the state government, 85% of the management plans presented had a good or average implementation quality, i.e. with less impact on the forest.

For the theme of Protected Areas and Biodiversity, three projects have been initiated: strengthening of conservation units at Calha Norte, in Pará, which account for nearly 12 million hectares of preserved forest; strengthening of Extractive Reserves at Terra do Meio in the south of Pará, within the so-called "arc of deforestation"; and implementation of the Marajó Archipelago Biosphere Reserve.

The project in the Terra do Meio region, carried out by ISA with support from Imaflora, aims to develop an integrated set of actions to contribute to strengthening the mosaic of conservation units in the region, focusing on the Riozinho do

Anfrísio, Iriri and Xingu Extractive Reserves and the people who live there. The Extractive Reserves cover around 1.5 million hectares of protected areas, with 1,737 inhabitants spread across 74 locations.

The project to implement and support a biosphere reserve on the Marajó Archipelago encompasses a set of initiatives in the environmental, social and cultural fields, to take place over three years. The project will help strengthen conservation units on the archipelago, support local culture through capacity-building at the Marajó Museum, identify sustainable enterprises that can benefit local communities, and boost social development through courses, technical advice and workshops to create regional work clusters.

Our Green Municipalities project centers on providing an environmental management model for municipalities in the Amazon region, in order to combat illegal deforestation and help integrate minimum tree cover requirements and Permanent Protection Areas into properties in the region, in line with the Brazilian Forest Code.

The project was inspired by the list of municipalities with the highest deforestation indicators produced annually by the Environment Ministry. Some extreme cases were selected from this list, such as Paragominas, which was ranked first, as well as São Félix do Xingu and Novo Progresso, which still had more than half of their territory preserved.

In addition to the municipalities on the list, the Vale Fund selected Almeirim, which had very low deforestation indices. Located at the entrance to Calha Norte, Almeirim had the potential to become a management model before deforestation could emerge as a critical issue. This work is being conducted by IFT in partnership with Imaflora.

A valuable tool used by the Vale Fund's NGO partners to carry out their activities is the Rural Environment Register (Cadastro Ambiental Rural, or CAR). Created by the state government of Pará, CARs are not designed to punish landowners, but rather to help them comply with environmental legislation, which in the Amazon region stipulates that 80% of land must be preserved.

A significant outcome of the Green Municipalities project, to which the Vale Fund contributed, was the announcement in April of Paragominas' removal from the Environment Ministry's deforestation blacklist. The municipality managed to achieve the targets demanded by the ministry, namely to incorporate 80% of its rural properties (excluding indigenous reserves) in the CAR and cut the deforestation rate to less than 40 km<sup>2</sup> per year.

Deforestation in Paragominas fell by 43% in 2008 and by 86% in 2009. Monthly satellite monitoring was implemented, and with data readily available, inspection activities have become much more effective. The activities undertaken in Paragominas by TNC and Imazon, through a project supported by the Vale Fund among other sources, have been strongly supported by local public authorities and the region's association of rural producers.

Having until recently been a center for illegal timber production, Paragominas is now an example of a positive economic solution for the Amazon.

Elsewhere, in the municipality of São Félix do Xingu, TNC and IEB are helping local people to incorporate integrated environmental management into farming systems in order to promote sustainable development and remove the municipality from the deforestation blacklist.

## More information



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