

## Background note: The World Bank's support for land titling or "regularization" in the state of Piauí

On 21 December 2015, the World Bank approved a 120 million USD loan to the government of Piauí. The loan agreement for the project "Piauí: Pillars of Growth and Social Inclusion"<sup>1</sup> (project no. P129342) was signed on 27 April 2016 and the project will run until 31 December 2020 with the stated objective of benefitting "the state's rural poor by increasing and improving services in education, health, agriculture and water resources."<sup>2</sup>

One of the components of the project is the regularization of land in Piauí.<sup>3</sup> Subcomponent 1.4 of the loan aims at the "strengthening real property rights," through the support to the implementation of Piauí's Land Tenure Regulation Program. This program is set forth in the Piauí State law 6.709 from 28 September 2015 on regularization of ownership and colonization of lands belonging to the state of Piauí, which have been characterized as vacant. The law is accompanied by Decree 1.634/2015, which sets as objectives until 31 December 2019 the issuing of 11.000 titles for family farmers, the regulation of six *quilombola* communities and the privatization (through selling and leasing) of 4 million hectares of land.<sup>4</sup> The World Bank project has set the target of 5.000 land titles to be delivered by the end of 2019. In addition, the project aims at issuing land titles to eight *quilombola* communities.

The World Bank justifies its support to the regularization program by arguing that the lack of formal land titles is a major obstacle to increase income of rural communities in a context of widespread rural poverty in Piauí. According to project documents, the "land regularization through the provision of full land tenure titles to small farmers contributes to social and productive inclusion because land: (i) is their primary means for growing crops that can improve food security and quality, reducing vulnerability to hunger and generating livelihoods; (ii) constitutes the main vehicle for investing, accumulating wealth, and transferring resources between generations; and, (iii) provides farmers with a basic social safety net. Furthermore, formal land ownership facilitates access to credit and subsidized financing lines, such as the National Program for Strengthening Family Agriculture (PRONAF) and National Rural Housing Program (PNHR)."<sup>5</sup>

The World Bank's support for land regularization and formalization in Piauí goes back many years. The current project was approved together with another loan of 200 million USD ("Piauí: Productive and Social Inclusion", project no. P146981) with similar components and which ended on 31 August 2017.<sup>6</sup> Both loans/projects are the continuation of a previous project of 350 million USD ("Piauí: Green Growth and Inclusion", project no. P126449,

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1 <http://projects.worldbank.org/P129342?lang=en&tab=overview>

2 See the World Bank's press release: <http://www.worldbank.org/en/news/press-release/2015/12/21/brazil-more-social-inclusion-productivity-benefit-piaui-rural-poor>

3 Other components concern secondary education, access to health services, registration of ground water users, participation of farmers in value chains and technical assistance to support Piauí's public management

4 Law: <https://www.legisweb.com.br/legislacao/?id=303923>, decree: <https://www.legisweb.com.br/legislacao/?id=313412>.

5 Project Information Document (PID) : <http://documents.worldbank.org/curated/en/423181468213891806/pdf/PID-Print-P129342-12-01-2015-1448983947229.pdf>.

6 <http://projects.worldbank.org/P146981?lang=en>.

approved on 6 March 2012 and closed on 30 March 2013<sup>7</sup>), which also included the issuing of tenure titles as one of its pillars.

According to the World Bank's most recent Implementation Status & Results Report (dated 17 January 2018), so far 258 beneficiaries have received registered land titles under the current project, while another 336 beneficiaries were in the final stages of receiving their title before the end of 2017, bringing the total so far to 694 beneficiaries with a received a registered land title. This means that the project target of 2.000 land titles issued in 2016 and 2017 (cumulative) was not achieved. According to the same report, there are currently 7,937 requests filed by small-scale farmers for land titles through the state program and eight teams in place to "execute land tenure regularization activities." Five *quilombola* communities have further received land titles under the project.<sup>8</sup>

### **Land grabbing and environmental destruction in Piauí**

The World Bank project is intervening in a region, which is currently facing high degrees of land grabbing and land-conflicts, which are linked to the expansion of monocultures into the region known as MATOPIBA, and the Brazilian *Cerrado* more generally. Extensive research by CSOs and an international fact-finding mission, which took place in September 2017, has documented severe impacts on local communities and the ecosystem. Loss of land, food insecurity, disputes over water use and pollution of water, violence against community leaders, deforestation and loss of biodiversity through the destruction of the *Cerrado* biome are among the most critical impacts. The research has also documented the links to the ongoing land grab and transnational financial actors, in particular pension funds in the USA and Europe.

The expansion of soy monocultures into the *Cerrado* has led to an explosion of land prices and speculation. Companies and individual investors are making a business with land, by enclosing areas that are without property title and creating farms/*fazendas*, which are then sold. Fraud and falsification of land titles is common (*grilagem*) as land grabbers seek to legalize the appropriation of lands, including those that have been occupied and used by local communities over generations.

### **Protecting and securing people's land rights or legalizing grabs?**

In this situation, the World Bank project has a high risk of further deteriorating the situation, by legalizing illegal and/or illegitimate appropriation of community lands and triggering further dispossession and environmental destruction. Project documents recognize that "high global commodity prices have driven the exploitation of the *Cerrado* biome for commercial agriculture, generating an unorganized occupation of large areas of land, frequently with little or no regulation. [...] Vulnerable communities on public lands, including both Quilombola settlements and smallholders engaged in family agriculture, are at risk of losing some or all of their land rights if their occupation is not regularized. In addition, the disorderly and illegal occupation of rural land (*grilagem*) is common, especially in the *Cerrado*, generating tax

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7 <http://projects.worldbank.org/P126449/piaui-green-growth-inclusion-dpl?lang=en>, <http://www.worldbank.org/en/news/press-release/2012/03/06/world-bankbrazil-more-200000-poor-families-benefit-green-growth-social-inclusion-policies-piaui>

8 Implementation Status & Results Report. Piauí: Pillars of Growth and Social Inclusion Project (P129342), 17 January 2018. <http://documents.worldbank.org/curated/en/255531516201161985/pdf/Disclosable-Version-of-the-ISR-Piaui-Pillars-of-Growth-and-Social-Inclusion-Project-P129342-Sequence-No-05.pdf>.

losses and other adverse social, environmental and economic effects.”<sup>9</sup> According to the World Bank, the regularization of local communities’ occupation through the state’s Land Tenure Regulation Program should protect them against losing their land.

However, the project contains no concrete safeguards to ensure that it actually secures people’s tenure rights against dispossession by local agribusiness and speculators, and to guarantee that it does not formalize the dispossession of communities in the context described above. It also has no clear focus on small-scale peasant communities, by including also explicitly “medium and large farmers” into the regularization process.<sup>10</sup> The project further (implicitly) focuses on the issuing of individual titles, without giving due consideration of other – collective – forms of tenure that are common in many by communities in the *Cerrado*. Finally, the project contributes to the privatization of public land in a very sensitive ecosystem/biome, which is at great risk due to continued deforestation.

As such, the project does not close the gaps of the state of Piauí’s law on land regularization and is not in line with the UN Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (Tenure Guidelines).<sup>11</sup> Indeed, while the state law mentions the observance of the social function of property (art. 14 §1, 2) and the preservation of the environment as criteria for regularizing property, and further stipulates the need to reconcile the regularization of state public lands with the national agrarian reform plan (art.28) while prioritizing the attribution of public lands with the objectives of settling rural workers and protect natural ecosystems (art. 32), it does not establish a clear regulatory framework for governance of land, fisheries and forests, which prioritizes the realization of the human right to food and other human rights of marginalized groups (paragraph 1.1 of the Tenure Guidelines). The law also lacks a gender equity approach, which is one of the main principles of responsible governance (Tenure Guidelines, paras. 3B4, 4.6, 5.3, 5.4, 5.5). It further lacks a participatory approach of the most affected groups in the process of identifying the legitimate tenure rights of traditional communities living on public lands<sup>12</sup> (see Tenure Guidelines paras. 7.3 and 8.2), which takes into account existing power relations (see Tenure Guidelines paras. 3B6 and 9.9). In addition, the law (implicitly) prefers tenure rights in the form of individual/family property rights when it comes to regularizing the ownership of traditional communities and does not explicitly state the need to recognize collective and customary forms of tenure of land, fisheries and forests. The Tenure Guidelines emphasize the need to provide appropriate recognition and protection of all legitimate tenure rights, including the legitimate tenure rights of indigenous peoples and other communities with customary tenure systems (para. 9.4). They also specifically underline the need for states to recognize and protect collectively managed lands and their related systems of collective use and management, including in processes of allocation (para. 8.3).

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9 Project Information Document (PID),

<http://documents.worldbank.org/curated/en/423181468213891806/pdf/PID-Print-P129342-12-01-2015-1448983947229.pdf>.

10 Ibid.

11 Food and Agriculture Organization of the United Nations (FAO) (2012), Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security.

12 For example, Article 8, which establishes the Special Commissions for regularization does not include a mechanism of participation of traditional communities in this process.

## **Stop the land regularization process in Piauí**

Taking into account the critical situation in the *Cerrado* and the risk of formalizing land dispossession through the land regularization process, the Brazilian Public Prosecutor's Office formally recommended on 18 December 2017 to immediately suspend the application of the state law no. 6.709/2015 until measures have been taken to ensure the possibility of collective titling for communities and ensure their free, prior and informed consent regarding land attributions. The Prosecutor's Office further recommends to identify and document the local traditional communities' forms of tenure and use of natural resources through an anthropologic study as well as consultations with affected communities. The recommendation underlines the importance of consulting the affected communities about how their traditional forms of tenure and resource use should be protected.

The recommendation of the Public Prosecutor's Office is addressed to INTERPI (Instituto de Terras do Piauí, Land Institute of Piauí)<sup>13</sup>, as well as the World Bank, calling upon the latter "to adopt measures to assess and correct the negative effects of the World Bank-financed land regularization program in the State of Piauí, in order to prevent and remedy violations of the land rights of traditional peoples and communities."<sup>14</sup>

The recommendation of the Public Prosecutor's Office supports the demands of eight affected communities from the municipalities of Gilbués, Santa Filomena and Bom Jesus who, in a letter sent to the Food and Agriculture Organization of the United Nations (FAO) on 11 December 2017, have asked for the establishment of a round table for dialogue about the land regularization process, including the collective registration of community lands. The communities propose that this round table is composed of the agrarian court of the state judiciary (Vara Agrária da Justiça Estadual), INTERPI and representatives of the communities and with the participation of the state and federal Public Prosecutor's Offices, the World Bank, the State Parliament of Piauí, FAO and support groups from civil society.

The World Bank has not responded to the letter of the Public Prosecutor's Office. According to media reports, the governor of Piauí has recently announced that the implementation of the land regularization program will move on with the support of a World Bank consultant.<sup>15</sup>

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13 INTERPI is the public body responsible for the implementation of the state law on land regularization.

14 The letter is available at

[http://www.fian.org/fileadmin/media/publications\\_2017/Letters\\_and\\_statements/Recomendac\\_a\\_o\\_MPF.pdf](http://www.fian.org/fileadmin/media/publications_2017/Letters_and_statements/Recomendac_a_o_MPF.pdf).

15 <http://www.pi.gov.br/materia/ccom/governo-traca-plano-estadual-de-regularizacao-fundiaria-4609.html>