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**REVIEW OF ACTIVITIES OF THE UNITED NATIONS SYSTEM RELATING
TO INDIGENOUS PEOPLES: AN INTERACTIVE DISCUSSION**

Information received from the United Nations system

The World Bank and indigenous peoples

The World Bank

1. The World Bank¹ provides loans for programmes that cover a range of development and economic activities aimed at reducing poverty and improving living standards in the developing world with programmes in areas such as agriculture, road construction, forestry, education and the environment. The World Bank also provides funding for development-related projects which directly assist the world's most disadvantaged populations, including indigenous peoples. A significant number of projects that have been launched to benefit indigenous peoples include land and judicial reform, building the human capital of indigenous communities (education, health and social protection) and strengthening the social capital of indigenous organizations and communities. Bank projects also promote and preserve the cultural heritage, language and identities of indigenous peoples.

2. The World Bank is among the world's largest sources of development assistance. The Bank uses its financial resources, its highly trained staff and its extensive knowledge base to individually help each developing country onto a path of stable, sustainable and equitable growth. The Bank's mission is a global fight against poverty which aims to ensure that people everywhere have a chance for a better life for themselves and for their children. Through its loans, policy advice and technical assistance, the World Bank supports a broad range of

programmes aimed at reducing poverty and improving living standards in the developing world. Effective poverty reduction strategies and poverty-focused lending are central to achieving these objectives. Bank programmes also give high priority to sustainable environmental, social and human development as well as strengthened economic management, with a growing emphasis on inclusion, governance and institution-building. The Bank sees poverty reduction as intrinsically linked to both environmental and social sustainability.

3. The World Bank was founded in 1944 and is owned by 183 member countries whose views and interests are represented by a Board of Governors and a Washington-based Board of Executive Directors. Member countries are shareholders who carry ultimate decision-making power at the Bank. Under the Bank's Articles of Agreement, the World Bank can only lend to a member Government or under a member Government's guarantee. However, the Bank encourages Governments to work closely with non-governmental and community-based organizations to strengthen participation of local people affected by Bank-financed projects.

The World Bank and indigenous peoples

4. Indigenous peoples have historically been the poorest and most excluded populations in many parts of the world. Some sources estimate that there are over 200 million indigenous peoples worldwide living in more than 70 countries. They have not only faced serious discrimination in terms of their basic rights to property, language, culture and citizenship, but also in terms of access to basic services and essential material conditions for a satisfying life. In many countries there exists a high correlation between poverty and being indigenous, and the socio-economic conditions and access to basic social services are significantly worse for the indigenous peoples than for the non-indigenous population.

5. The Bank's commitment to addressing the poverty and marginalization of indigenous peoples is activated by:

Engaging in policy dialogue with borrower Governments and other stakeholders through applying the Bank's indigenous peoples policy;

Financing development projects which benefit indigenous peoples;

Strengthening of borrower institutions and indigenous peoples' organizations; and

Building a knowledge base on development issues to be shared with all stakeholders.

The World Bank's indigenous peoples policy

6. The World Bank's indigenous peoples policy is one of 10 safeguard policies² introduced to ensure that the projects it finances avoid or mitigate adverse social and environmental impacts on indigenous peoples and that the project benefits are tailored to their specific needs.

7. The World Bank was the first multilateral institution to introduce a special policy for the treatment of indigenous or tribal peoples in development projects. The Bank's first policy directive concerning indigenous peoples, "Tribal people in Bank-financed projects", was issued

in 1982 and was initially designed to address issues relating to isolated tribal groups. The directive recognized the need to adopt special measures to safeguard the interests of tribal people in World Bank-financed projects which affected the environmental or social situation of tribal communities. The directive focused on the protection of land rights and the provision of health services, particularly in relation to forest-dwelling indigenous groups affected by World Bank-financed projects in lowland South America.

8. In 1991, the World Bank adopted Operational Directive (OD) 4.20, which established measures to incorporate indigenous peoples' concerns into Bank-financed projects to ensure that indigenous peoples benefit from development projects. While OD 4.20 maintained the protective measures of the earlier directive, the new policy specifically promoted the rights of indigenous peoples to participate in, and benefit from, the development process.

9. Specifically, the World Bank's indigenous peoples policy requires that:

Indigenous peoples are given a voice in projects that affect them;

Adverse impacts on indigenous peoples are avoided, or if that is not possible, minimized or mitigated; and

Project benefits are tailored to the specific needs of indigenous peoples.

OD 4.20 introduced four important new elements into the World Bank's activities relating to indigenous peoples:

The OD identifies indigenous peoples as groups who maintain social and cultural identities distinct from those of the national societies in which they live, who have close attachments to their ancestral lands, who speak an indigenous language and who are vulnerable to being disadvantaged in the development process;

The OD recognizes the need to protect indigenous peoples against potential harm or damage from development projects and promotes indigenous participation in the development process;

The OD identifies funding for technical assistance to strengthen government institutions and indigenous communities to address the needs of indigenous peoples;

The OD requires that indigenous peoples are consulted and that their views and concerns are incorporated in all Bank-funded projects which affect the lands, resources and cultures of indigenous peoples.

10. The World Bank's policy direction concerning indigenous peoples reflects an increased awareness of the need to promote indigenous participation in development-related activities and to protect indigenous peoples' rights to their lands, resources, ethnic identities and cultural autonomy.

11. Currently, the Bank is in the process of converting all of its Safeguard Operational Directives - basic policy statements guiding projects - to a new format, that of Operational Policies (OP). The new format more clearly differentiates those aspects of policy and procedure which are mandatory from those aspects which are considered non-mandatory "good practice". It also separates out required Bank procedures into a separate document.

12. As part of this process, the Indigenous Peoples Policy is being converted from OD 4.20 to OP/BP 4.10. External consultations on draft versions of OP/BP 4.10 took place between July 2001 and February 2002. During that period the Bank participated in 32 consultation meetings with stakeholders (borrower Governments, indigenous peoples' organizations, NGOs, academics, and development institutions) from more than 35 countries in all of the Bank's six regions. Additionally, consultations were carried out in international forums and electronically through the web. The current policy revision will be completed based on this external input as well as discussions with internal stakeholders, including the Bank's Executive Directors.

13. The broad objective of revised draft OP 4.10 is to ensure that the development process fosters full respect for the dignity, human rights and cultures of indigenous peoples, thereby contributing to the Bank's mission of poverty reduction and sustainable development. The draft OP/BP 4.10 strengthens the mandatory provisions in comparison to the current OD 4.20 by:

Providing clearer provisions for early and meaningful consultation and informed participation of affected groups. The borrower and the Bank must take into account the results of consultations when deciding whether to proceed with project processing;

Mandating mechanisms not only to avoid adverse impacts, but also to tailor benefits to indigenous peoples;

Adding new mandatory requirements regarding the commercial use of natural resources (including forest, mineral and hydro-carbon resources) on lands owned, or customarily used, by indigenous groups; and

Adding new mandatory requirements regarding the commercial use of cultural resources (including indigenous knowledge).

World Bank projects benefiting indigenous peoples

14. As of April 2002, 233 of the World Bank's active projects involved indigenous peoples' issues and another 15 projects in the pipeline are anticipated to involve indigenous peoples. Within the framework of OD 4.20, the World Bank is assisting indigenous peoples in five main areas of activities: projects in the Bank's six regions,³ the Global Environmental Facility, the institutional strengthening of borrower and indigenous peoples' organizations, the Small Grants Programme and building a knowledge base on indigenous peoples' issues.

The Regions

15. *World Bank projects in the African Region:* The World Bank's activities in the African region are focusing on promoting greater awareness of the role of indigenous knowledge systems and institutions in the development process, particularly in relation to natural resource management and biodiversity conservation. Although Bank projects in the African region have not affected indigenous peoples directly, the Bank has implemented projects involving hunting/gathering peoples, including the San of southern Africa, the various "Dorobo" and other hunting peoples of eastern Africa and the pygmy peoples of central and west central Africa. One example of such projects is the Rwanda Food Security and Social Action project, which was implemented in the 43 poorest communes of Rwanda.

16. *World Bank projects in the East Asia and Pacific region:* The World Bank is currently supporting 56 projects in the Asia and Pacific region involving indigenous peoples in areas such as forestry management, education, community development, conservation and natural resources management. In Viet Nam, for instance, the World Bank is supporting the Agricultural Diversification Project, which safeguards the interests of "ethnic minorities" through land allocation based on current land use and participatory land use planning. In Indonesia, recent Bank-financed projects in road construction, forestry and rural health are being designed to take into account the needs of "isolated indigenous populations". A series of education projects have been designed to support the provision of educational services tailored to the specific needs of "national minorities". Also, a number of community development projects are being implemented or prepared in Indonesia, Viet Nam, the Philippines and Laos with specific measures and design features to ensure the participation of indigenous peoples in culturally appropriate manners.

17. *World Bank projects in the Europe and Central Asia region:* Indigenous peoples in the Europe and Central Asia region are primarily located in the northern and arctic regions of the Russian Federation. Although Bank projects in this region have not affected indigenous peoples directly, two oil rehabilitation projects have brought indirect benefits to the indigenous populations by rehabilitating pipelines that had caused significant environmental degradation in areas inhabited by indigenous peoples. Preparation is under way for a project funded by the Global Environmental Facility to help control forest fires in Siberia and the Far East. The Bank is also starting work on a study of options for sustainable development in indigenous areas, which may result in a lending operation.

18. *World Bank projects in the Latin America and Caribbean region:* There are currently 110 projects involving indigenous peoples in this region. The number of Bank projects annually identified as affecting indigenous peoples in this region grew from one in 1992 to 27 in 2001.

19. Examples of projects in the Latin America and Caribbean region include:

Natural resource management projects in Columbia, Peru and Mexico which contain special land components;

Land regularization projects in Brazil, Honduras and Bolivia; the Indigenous Lands Project of the Pilot Program to Protect the Brazilian Rain Forest is specially designed to address issues of indigenous land demarcation and protection in the Brazilian Amazon;

Community-based development in indigenous and Afro-Latino groups in Ecuador, Peru, Argentina and Bolivia.

20. *World Bank projects in the Middle East and North Africa region:* The Matruh Natural Resource Management Project in Egypt is the World Bank's first project in the Middle East and North Africa region designed to address indigenous needs. This project promotes land use knowledge and participation of the Bedouin people, particularly Bedouin women, in the areas of natural resource management and rural development planning. No other projects have been identified to date in the region as affecting groups defined as indigenous peoples according to the World Bank policy.

21. *World Bank projects in the South Asia region:* A large number of projects (56) in the South Asia region involve indigenous peoples (48 in India, 2 each in Pakistan, Bangladesh and Nepal and one in Sri Lanka). Currently, the health and forestry and natural resource subsectors as well as newly initiated projects such as the District Poverty Initiative and Rural Water Project have addressed the concerns of indigenous peoples.

22. *The India-Rajasthan District Poverty Initiatives Project* is based on the development of institutional capacity for participatory planning and implementation of small subprojects to fulfil the priority economic and social needs of the indigenous peoples. It involves:

Mobilizing groups of poor people, including tribal people, and enabling them to voice demand, choose, plan and execute poverty-reducing interventions;

Improving the abilities of district and subdistrict agencies, both governmental and non-governmental, to "hear", reach and serve poor clients, thereby increasing their access to social and economic infrastructure and services; and

Increasing their earnings by enhancing skills and expanding employment opportunities.

Global Environmental Facility partnership

23. The Global Environmental Facility (GEF) (of which the World Bank is one of three implementing agencies, along with UNDP and UNEP), a financial mechanism of the Convention on Biological Diversity, funds projects that deal with conservation, sustainable use and benefit-sharing. GEF projects facilitate full and effective participation of indigenous and local communities. As of fiscal year 2001, GEF provided over \$341 million to 56 projects in 39 countries in which indigenous communities are involved in the design and implementation of biodiversity conservation and sustainable use activities. With co-financing, the total mobilized is more than \$800 million, all of which helps support over 252 different ethnic and tribal populations around the developing world.

Institutional strengthening of borrower and indigenous peoples' organizations

24. *Institutional Development Fund (IDF) grants:* The World Bank is also working to strengthen the capacities of agencies responsible for providing services to indigenous peoples, as well as the capacity of indigenous communities and organizations to define and manage their own development programmes. The IDF strives to create a learning partnership among indigenous peoples, Governments and donor agencies. In the Latin America and Caribbean region alone, IDF investments add more than \$2 million to support 15 training projects in 10 different countries and to assist in development planning and learning-by-doing methodologies. A number of IDF grants are planned to provide support for institutional capacity building of lead ministries or government agencies responsible for indigenous peoples' issues.

Small Grants Programme

25. The Small Grants Programme provides grants to civil society organizations and is administered through participating World Bank Country Offices. The Programme supports activities of civil society organizations, including indigenous peoples' organizations, in promoting dialogue, disseminating information and fostering partnerships among these organizations. Specific activities supported by the Programme include:

A dialogue to promote the recovery of cultural identity of indigenous peoples of Peru;
and

An international workshop on legal anthropology for the rights of indigenous peoples of Russia.

Building a knowledge base on indigenous peoples' issues

26. *Carrying out research and sector work:* the World Bank's research and sector work is another programme area addressing the needs of indigenous peoples. The World Bank's children's initiative produced a series of country profiles which focus on children and emphasize the special needs of indigenous children. There have been several studies on education and poverty alleviation of indigenous peoples in Latin America, including indigenous peoples' profiles for several Central American countries. In collaboration with other partners, the region carried out case studies of indigenous community development. It also commissioned a number of legal studies on Central America, Guyana, Peru, Argentina and Venezuela.

27. The World Bank's Legal and Social Development Departments prepared legal and socio-economic profiles of indigenous peoples in a number of Asian countries to assist the Bank's performance in relation to indigenous peoples. The Asia region conducted research in the areas of indigenous knowledge, protection of intellectual property rights and biodiversity conservation. Related to these concerns, a study was conducted on culturally appropriate health and education services for minority nationalities in Yunnan Province, China.

28. The World Bank's Social Development Family is seeking to increase the participation of indigenous and other local communities in private sector investment projects, while the Environment Department has been involved in research and sector work concerning indigenous

peoples, particularly in relation to natural resource management and biodiversity conservation. It produced a series of technical notes, including one which pertains to "Participation and indigenous peoples."

29. *Development Gateway*: The Development Gateway is an interactive Internet portal for information on sustainable development and poverty reduction, offering a common space for dialogue and knowledge sharing. It facilitates access to information and provides a space where communities can share experiences in development efforts.

30. The main objectives of the interactive Internet portal are (i) to facilitate a dialogue among indigenous leaders about such topics as sustainable development, cultural diversity and indigenous peoples' development, (ii) to promote the participation of indigenous peoples in international policy dialogue and (iii) to foster information exchange among indigenous peoples, international organizations, Governments and civil society.

Contact us

To find out more about World Bank activities relating to indigenous peoples, please contact either your nearest World Bank office or the central World Bank office in Washington, D.C. (the Quality Assurance and Compliance Unit in the Bank's Environmentally and Socially Sustainable Development Network). Address your correspondence to:

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Notes

¹ "The World Bank" refers here to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

² Environmental Assessment, Safety of Dams, Natural Habitats, Pest Management, Forestry, Involuntary Resettlement, Projects in Disputed Areas, Projects on International Waterways, Physical Cultural Resources and Indigenous Peoples.

³ Africa, East Asia and the Pacific, Eastern Europe and Central Asia, Latin America and the Caribbean, Middle East and North Africa, South Asia.