



**IFAD**  
**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**  
**Executive Board – Seventy-Eighth Session**  
Rome, 9-10 April 2003

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED

**TECHNICAL ASSISTANCE GRANT**

TO THE

**ANDEAN DEVELOPMENT CORPORATION (CAF)**

FOR THE

**REGIONAL PROGRAMME IN SUPPORT OF INDIGENOUS PEOPLES IN THE  
AMAZON BASIN (PRAIA) – PHASE III**





## TABLE OF CONTENTS

<b>I.</b>	<b>BACKGROUND</b>	<b>1</b>
<b>II.</b>	<b>RATIONALE/RELEVANCE TO IFAD</b>	<b>2</b>
<b>III.</b>	<b>THE PROPOSED PROGRAMME</b>	<b>3</b>
<b>IV.</b>	<b>EXPECTED OUTPUTS/EXPECTED BENEFITS</b>	<b>4</b>
<b>V.</b>	<b>IMPLEMENTATION ARRANGEMENTS</b>	<b>5</b>
<b>VI.</b>	<b>INDICATIVE PROGRAMME COSTS AND FINANCING</b>	<b>5</b>
<b>VII.</b>	<b>RECOMMENDATION</b>	<b>6</b>
	<b>APPENDIX – SUCCESSFUL ECONOMIC AND CULTURAL INDIGENOUS ACTIVITIES</b>	<b>1</b>





**REPORT AND RECOMMENDATION OF THE PRESIDENT OF IFAD TO THE  
EXECUTIVE BOARD FOR FUNDING A TECHNICAL ASSISTANCE GRANT TO THE  
ANDEAN DEVELOPMENT CORPORATION (CAF)  
FOR THE  
REGIONAL PROGRAMME IN SUPPORT OF INDIGENOUS PEOPLES IN THE  
AMAZON BASIN (PRAIA) – PHASE III**

I submit the following Report and Recommendation on a proposed technical assistance (TA) grant to the Andean Development Corporation (CAF) to support the Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA) – Phase III, which is located mainly, but not exclusively, in Bolivia, Brazil, Colombia, Ecuador, Peru and Venezuela, in the amount of USD 800 000 over a three-year period.

**I. BACKGROUND**

1. IFAD designed its policy on indigenous peoples in 1987, long before any other international financial organization. The strategic criteria identified at that time focused on the need to associate the defence of ethnic and cultural minorities with territory. As a result, access to land was recognized as a basic condition for indigenous people and their development. IFAD also recognized the need to learn from the particular characteristics of indigenous people in order to identify and design appropriate mechanisms and activities to support.
2. At its Forty-Fifth Session in 1992, the Executive Board approved funding for the first phase of PRAIA, taking account of the fact that the Amazon region is home to the world's largest and foremost biodiversity reserve. The second phase, approved in 1997, is now coming to an end. The institution responsible for coordinating the programme is CAF, a regional development bank that is increasingly engaged in working with indigenous populations in sustainable development.
3. The first phase of the programme focused on territorial recognition – the main concern of indigenous peoples at the beginning of the 1990s, when indigenous organizations were struggling for territorial recognition, for their right to be considered citizens on an equal basis, and for the right to preserve a different cultural identity. During that phase, the programme supported political dialogue, legal reforms, territorial recognition, bilingual education programmes and a number of productive projects. Now, ten years later, most of the Amazonian countries have adopted constitutional reforms and legislation that recognize the rights of indigenous peoples located on approximately 100 million ha of land.
4. In Phase II, the programme concentrated efforts on mobilizing technical and financial resources from other sources, on consolidating successful experiences and pursuing income-generating initiatives, especially those linked to the management of wildlife, ecotourism, etc. At the same time, the programme continued to support bilingual education and handicraft activities, the dissemination of knowledge and know-how as an investment for strengthening indigenous identities, and opening up possibilities for greater inter-cultural understanding and dialogue with other sectors of society.



5. During both phases of the programme, support was provided to more than 130 small-scale projects (see Appendix). However, far more technical support and cofinancing was obtained from international agencies and bilateral donors during the second phase. This was because, having worked almost exclusively with indigenous organizations at the grass-roots level, by the end of the 1990s the programme was widely recognized among the international community as a reliable mechanism for cofinancing and/or co-administrating funds.

## II. RATIONALE/RELEVANCE TO IFAD

6. In the Latin America and the Caribbean region, most of IFAD's target groups are indigenous populations and ethnic minorities. This calls for specific poverty reduction strategies and methodologies tailored to meet different needs. The programme under reference involves more than 400 different indigenous groups in the Amazon Basin for a total of more than one million people, who have been traditionally considered as the poorest of the poor. This would be true if examined from a traditional point of view, whereby consideration was given only to basic needs indicators and family income levels. From another perspective, however, the indigenous peoples of the Amazon Basin possess a wealth of knowledge on the management of rainforests and have access to the resources of the world's largest water reserve. However, this wealth is lost when it is not valued or used, or is replaced by the values of the majority, whose paradigm for development and progress is the domination of nature.

7. Private and public institutions of the region are now showing signs of appreciating the knowledge of indigenous peoples and to consider them as allies in the economic and cultural development of their societies. However, the necessary 'bridges' between them have not yet been built and there is little evidence of successful practices that are both known and understood by the dominant society. There is a lack of public awareness of the important advances and achievements in territorial rights and management, or about the use of wildlife, bilingual education programmes and community-based ecotourism enterprises/initiatives, partly due to the lack of specific norms, rules and policies that could give legal status to such advances and achievements, and also because indigenous peoples continue to face significant cultural barriers and obstacles restricting the value that society attaches to their culture.

8. IFAD recognizes the need to learn from the particular characteristics of indigenous peoples in order to identify and design appropriate mechanisms and activities for it to support. It has also played a pioneering role in working with indigenous peoples of the Amazon Basin and in developing a regional perspective within a highly specialized programme, the value of which has been recognized by governments, donors and indigenous populations alike.

9. IFAD will, however, need to make a much greater effort to enhance the indigenous knowledge, know-how and culture and the social, environmental and economic contribution that it makes to other sectors of society. To this end, it will be necessary to complement, strengthen and replicate successful experiences, and to identify ways and means for other indigenous groups to benefit from them. This would involve sharing and disseminating information on indigenous practices, and encouraging policy dialogue aimed at formalizing and broadening the scope of indigenous people's economic and cultural initiatives in the region.

10. The proposed third phase of the programme will consolidate the previous phases' successful experiences and best practices, and validate them through workshops, competitions, internships, diffusion of knowledge and other means. Special attention will be paid to enacting appropriate legal and regulatory reforms to facilitate the participation of indigenous enterprises in national and regional markets.



11. This will be the last phase of the programme to be financed by IFAD. Its purpose will be to consolidate achievements to date; establish effective networking and close interrelationships for exchanges of information and experience among indigenous peoples; continue to offer high-level technical and financial services; and promote access to markets for indigenous products.

### III. THE PROPOSED PROGRAMME

12. The programme's overall objective will be to support the creation of conditions and opportunities for indigenous people's cultural survival and defence. Specific objectives will be to: (i) consolidate achievements in territorial recognition and management; (ii) reinforce bilingual education programmes; (iii) help to consolidate and replicate successful income-generating activities engaged in by indigenous people in the Amazon Basin; (iv) disseminate information on achievements and lessons learned among other indigenous peoples of the region, national institutions and international agencies, and promote policy dialogue and inter-cultural understanding; (v) generate networks for exchanges of information and knowledge among indigenous peoples and their organizations; (vi) support indigenous income-generating activities, especially those relating to the management of territories, ecotourism, high-value-added handicrafts and the sustainable use and management of wildlife; (vii) create market outlets for indigenous products; (viii) mobilize additional resources and TA; and (ix) institutionalize the programme on a long-term basis.

**Table 1: Areas of Inter-relationship between the Programme and IFAD's Strategic Objectives**

<b>The Programme : Management of Knowledge and Other Resources of Indigenous Peoples of the Amazon</b>	<b>IFAD's Strategic Objectives 2002-2006</b>		
	Strengthening the capacity of the rural poor and their organizations	Improving equitable access to productive natural resources and technology	Increasing access to financial assets and markets
<b>Strengthen cultural identity</b>	Contribute to enhancing indigenous knowledge and know-how by some sectors of the national economy and society	Significantly increase the management capacity of indigenous territories and their natural resources	Contribute to enhancing cultural identity and to disseminating info on such culture as a source of income
<b>Assist in productive initiatives based on sustainable management of natural resources</b>	Strengthen and cofinance the best indigenous economic initiatives	Propose new methods, instruments and perspectives to facilitate the combined use of indigenous and non-indigenous technologies	Assistance to economic initiatives based on environmental services and on the sustainable management and transformation of products from indigenous territories. Promote the organization of markets for indigenous goods and services
<b>Strengthen and broaden the dissemination of knowledge and know-how</b>	Disseminate successful experiences and best practices, develop facilities for the diffusion of knowledge and help generate dialogue with government authorities, firms, academics and indigenous institutions by specialization or connecting themes	Increase access to new technologies, use of the media, information systems and networking or web links	Improve the means to consolidate economic or cultural income-generating initiatives, including legal or administrative innovations and incentives to allow for more equity in the market context
<b>Contribute to increasing organizational and management capabilities</b>	Assist in the establishment of indigenous enterprises and in the adoption of suitable legal and administrative measures and incentives for participating in the economy	Support the improvement of policies and measures to facilitate the establishment of indigenous economic enterprises for both sexes	Establishment of suitable financial instruments for indigenous people, including selective joint ventures. Strengthen the implementation of indigenous projects and programmes in the Amazon region through cofinancing arrangements

13. From a programmatic standpoint, the programme will respond both to IFAD's strategic objectives for 2002-2006 and to thematic knowledge management in the Latin America and the Caribbean region, whereby high priority is attached to working with indigenous peoples – one of IFAD's main target groups in the region.



14. To achieve its objectives, the programme will: (i) continue to support indigenous people's income-generating activities that have so far proved viable and replicable, as well as sources of learning for other communities; (ii) promote training programmes and the diffusion of knowledge on issues such as bilingual education, eco-ethno tourism, food processing, forest management, sustainable use and management of wildlife, including animal breeding in semi-captivity, and the production of high value handicrafts; (iii) develop a communications strategy through the audio-visual media and press to increase awareness of indigenous people's experience and knowledge; (iv) support small-scale projects, and create market outlets for indigenous products; (v) support indigenous peoples in policy dialogue at the local, national and international levels in order to facilitate their economic initiatives; (vi) create partnerships with non-governmental organizations and other entities that promote cultural respect through exchanges among urban and rural populations, especially children; (vii) organize workshops and meetings on successful/promising economic activities engaged in by indigenous peoples; (viii) strengthen links and relationships through networking between indigenous peoples and institutions; (ix) provide free access to information requested by indigenous peoples; and (x) support the activities of indigenous exchange networks.

#### **IV. EXPECTED OUTPUTS/EXPECTED BENEFITS**

15. The activities of the programme over the three-year period of Phase III will include:

- Consolidating operations initiated during Phase II (see Appendix) focused on natural resources management; territorial rights; bilingual education; productive activities, including the processing of medicinal plants; ecotourism; handicrafts; and management of wildlife. It is estimated that 600 families will benefit directly from these activities.
- Creating new income-generating activities based on natural resources management, i.e. wildlife, lumber and other forest resources, sales of environmental services, and establishing market outlets for indigenous peoples through exchanges among urban and rural populations. Some 600 indigenous families are expected to benefit directly from these activities.
- Strengthening indigenous people's capacity through: (i) ten training programmes, that would benefit 20 indigenous groups and 600 indigenous families, in ecotourism, transformation of forest resources, bilingual education, arts and culture, and the management and administration of small enterprises; (ii) three training workshops on territorial management, ecotourism and quality handicrafts, with the participation of at least 60 leaders and operators linked to these fields of activity.
- Mobilizing additional funds from other sources for a total of at least USD 500 000. These funds could be used to develop income-generating activities and opportunities that would benefit approximately 600 indigenous families.
- Validating indigenous culture and disseminating good practices by means of: an interregional workshop on experience in sustainable management and use of lumber and other natural resources in indigenous territories<sup>1</sup>; three international workshops to discuss policies for ecotourism, microenterprises, handicrafts and territorial management; six audio-visual programmes for broad dissemination; three regional

---

<sup>1</sup> Co-organized by PRAIA and the Center for International Forestry Research (CIFOR), with the participation of selected IFAD, CAF and CIFOR sustainable development projects in Latin America and other regions (i.e. Asia).





contests on successful indigenous initiatives; and a web page and search service, providing access to and delivering of information requested by indigenous peoples.

## V. IMPLEMENTATION ARRANGEMENTS

16. The programme will be implemented by the current team located in Bolivia under the supervision of the technical department of CAF, which will also be a cofinancier. The team is presently made up of three persons, but a fourth person, specialized in information and communication systems, is expected to join the team during Phase III.

17. The programme will maintain its current steering committee (SC), which comprises representatives from the Coordinating Organisation of Indigenous Peoples of the Amazon Basin; the Amazon Cooperation Treaty; the Latin American and Caribbean Development Fund for Indigenous Peoples, CAF, IFAD and specialists to be invited as and when required. Other members of the SC will be representatives of new cofinanciers, such as the Canadian University Services Overseas (CUSO) and the Department for International Development (DFID) of the United Kingdom.

18. The programme will provide IFAD with annual progress reports and annual financial reports, the latter audited by an accredited external auditor. An interim evaluation of the programme will be undertaken with IFAD participation approximately six months before completion.

## VI. INDICATIVE PROGRAMME COSTS AND FINANCING

19. The estimated cost of Phase III of the programme is USD 1.7 million. Some USD 800 000 will be provided by IFAD; USD 200 000 by the beneficiaries; and USD 700 000 by cofinanciers.

**Table 2: Summary of Costs (USD '000)**

Cost Category	IFAD	CAF	DFID	CUSO	Beneficiaries	Other donors	TOTAL
Funds to support small scale projects	120		100		100	50	<b>370</b>
Training programmes, exchanges and workshops	150	100		70	50	80	<b>450</b>
Information services, communications and networking	80			60	50	90	<b>280</b>
Staff	200						<b>200</b>
Operational costs	150	50					<b>200</b>
Equipment	30						<b>30</b>
Monitoring, evaluation and auditing	50	50				20	<b>120</b>
Institutionalization efforts and fund-raising	20					30	<b>50</b>
<b>TOTAL</b>	<b>800</b>	<b>200</b>	<b>100</b>	<b>130</b>	<b>200</b>	<b>270</b>	<b>1 700</b>



## VII. RECOMMENDATION

20. I recommend that the Executive Board approve the proposed TA grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance, in part, the Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA) – Phase III, for three years commencing in May 2003, shall make a grant not exceeding eight hundred thousand United States dollars (USD 800 000) to the Andean Development Corporation (CAF) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this Report and Recommendation of the President.

Lennart Båge  
President

**EXAMPLES OF SUCCESSFUL INDIGENOUS ACTIVITIES**

1. **Sustainable management of wild fauna as a commercial undertaking.** PRAIA assisted in preparing Bolivia's Programme for Crocodile Management; in formulating draft regulations on the commercial use of crocodiles in accordance with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), ratified by Bolivia in 1979; and in preparing a draft law on trade in crocodile hides. PRAIA's valuable contribution went a long way towards ensuring the participation of representatives of indigenous territories where much of the crocodile population is located. In 2001, Bolivia exported crocodile hides for a value of almost USD 5 million, and indigenous peoples earned an income of approximately USD 300 000 by capturing crocodiles in their territories and selling them to authorized tanning firms.
2. **Management and use of flora.** In association with Terrapetra Foundation (Colombia) the community of Peña Roja received support from PRAIA for the commercial production of spices and herbs for culinary and medicinal uses. As a result of PRAIA support, the quality of *tabuta* products and their processing improved considerably and now sell quite well at the Bogota Fair (Colombia) and other outlets. This exposure to wider markets necessitates strict adherence to sanitary and quality standards. About 30 people belonging to the Nomuya, Muinane and Yukuna indigenous groups participate directly in the project; half are women, who are well acquainted with the cultivation and use of medicinal plants.
3. **Promotion of indigenous art and handicrafts.** PRAIA has been engaged in strengthening the marketing capability of Artecampo, an organization of more than 1 000 indigenous women artisans in eastern Bolivia. Artecampo is a unique organization in that it has enabled a diverse group of women to join forces for the purpose of marketing their products. About 94% of the artisans affiliated to Artecampo are women from the Ayoreode, Moxeño, Chiquitano, Guarayo, Guaraní and Weenhayek groups (about 20% of the women are not indigenous and identify themselves as *campesinas* from various localities in Santa Cruz). Thanks to the high quality of their products these women have been able to establish themselves as a regional cultural force. At the present time (2001 and 2002), Artecampo sales amount to more than USD 300 000 per year. It has shops in Santa Cruz and La Paz, and frequently participates in national and international indigenous art fairs. As a result of PRAIA support, Artecampo recently established an autonomous, legally registered marketing unit for the sale of its products.
4. **Indigenous ecotourism – the Mapajo Indigenous Eco-tourist Project (Beni, Bolivia).** This constitutes an indigenous initiative aimed at creating and diversifying employment, increasing income-generating opportunities for indigenous communities, preserving biodiversity and promoting inter-cultural understanding. The project involves six communities of Chiman and Mosenen indigenous people and is located on the Quiquibey River in the Pilon Lajas Indigenous Territory and Biosphere Reserve near the Madidi National Park.
5. Relations with both public and private institutions have improved dramatically. An article on the project appeared in the World Tourist Organization's publication commemorating the International Year of Eco-Tourism (2002), and national and international tourist agencies are promoting increased tourism to Mapajo. In the public sector, the Mapajo Eco-Tourism Project has been recognized by, among others, the Municipality of Rurrenabaque, which recently bestowed a merit award on the project in view of its importance for all local development projects in the municipality. The project also won a prize in the 'Man and the Biosphere' Contest organized by the United Nations Educational, Scientific and Cultural Organization (Unesco). The prize money was used to purchase an engine for the boat that carries tourists.



6. At the present time, some 23 people (half of which are women) receive a regular monthly income under the project, depending on the number of tourists involved and the tasks required. So far, part of the profits have been reinvested rather than distributed more widely. Some 280 people of all ages, (151 men and 129 women) benefit directly from the project. All indigenous communities involved in the project benefit indirectly since it helps to preserve their habitat and livelihoods.

7. **Strengthening of cultural identity and indigenous education.** The Ticuna Project is supporting the training of 220 indigenous bilingual teachers at 88 schools involving some 7 500 children. The project has published a book – *Livro das arvores* – which has sold 45 000 copies and has been distributed to indigenous and non-indigenous schools throughout Brazil. The project has won a variety of awards and established itself as an exemplary model for promoting the education of indigenous peoples in Brazil. Although the number of women teachers is still limited, indigenous women assist the project and more and more indigenous girl children are attending school.

8. **Agricultural project.** The project in support of the Shuar Aja orchards is of great cultural importance inasmuch as it actively supports agricultural production systems managed by Ecuadorian indigenous women in a manner that is closely linked to the marriage and bride selection system. Financial support to this project was based on the group's participation in a 'Live Experience' workshop, where it won the first prize. The project promotes the recovery of Shuar women's knowledge and skills, and supports income-generating opportunities based on cultural practices and values.

9. **Anaconda Prize.** The Anaconda Prize constitutes a successful PRAIA initiative for the production of indigenous videos from the Amazon Basin, the Chaco lowland area and tropical forests of Latin America and the Caribbean. In the first contest (2000), 53 videos were submitted from seven Amazonian countries. The second contest (2002) was expanded to include participants from other countries with tropical forests and from the Chaco, and 78 videos were received from 11 countries. Significantly, about two thirds of the videos for both events were produced by indigenous people. This activity is quite impressive in terms of its capacity to motivate people; its emphasis on modern, high-quality indigenous cultural production; and its potential for acquainting a wider audience with the indigenous peoples of the Amazon Basin and similar areas, the problems they encounter, their future prospects, their view of the world and their habitat.

10. When disseminating the videos among indigenous communities in six countries, where the best videos were selected, it became evident that the competition provided an opportunity for indigenous peoples to acquaint themselves with other cultures and other ways of being or doing, thus enhancing their sense of belonging and self-esteem. This experience led to greater inter-cultural understanding, especially in the large cities. International video festivals and cultural/commercial television channels from Canada, Colombia, France, Germany and Spain have also expressed interest in the videos, but the possibility for wider dissemination is limited due to the questions of intellectual property rights and copyrights. PRAIA will attempt to help clarify these issues during the third phase, with the assistance of Unesco, the World Intellectual Property Organization and other specialized agencies.

11. The '**Live Experience**' contest and workshop brought together 60 indigenous experts and specialists and involved 17 indigenous initiatives from 11 countries. The workshop, which was held in Zungarococha (Iquitos, Peru), provided a forum where the participants selected the most successful projects based on their own criteria. This exemplifies the dynamic exchanges of information and experiences that are being promoted by PRAIA and other IFAD programmes. One of the results has been the recent publication of a highly motivating and didactic book.

