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Enabling poor rural people
to overcome poverty

IFAD Policy on Engagement with Indigenous Peoples

Executive Board — Ninety-seventh Session
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For: **Approval**

Note to Executive Board Directors

This document is submitted for approval by the Executive Board.

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Abbreviations and acronyms

| | |
|--------|---|
| CGIAR | Consultative Group on International Agricultural Research |
| COSOP | country strategic opportunities programme |
| CPMT | country programme management team |
| FAO | Food and Agriculture Organization of the United Nations |
| FO | farmers' organization |
| IASG | Inter-Agency Support Group on Indigenous Issues |
| ILO | International Labour Organization |
| IPAF | Indigenous Peoples Assistance Facility |
| PRAIA | Regional Programme in Support of Indigenous Peoples in the Amazon Basin |
| UNDG | United Nations Development Group |
| UNPFII | United Nations Permanent Forum on Indigenous Issues |
| WSSD | World Summit on Sustainable Development |

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The preparation of this policy benefited from a consultation with indigenous peoples' leaders and other experts on a discussion paper on IFAD's engagement with indigenous peoples, held on 18 March 2008 at IFAD's headquarters.

The cross-departmental Policy Reference Group on Indigenous Peoples' Issues (PRG/IPs) in charge of preparing this policy was supervised by Jean-Philippe Audinet, Acting Director, and coordinated by Antonella Cordone, Coordinator for Indigenous and Tribal Issues, Policy Division. Members of the PRG/IPs include Maria Hartl, Technical Adviser, Gender and Social Equity, Technical Advisory Division; Roberto Haudry de Soucy, Country Programme Manager, Latin America and the Caribbean Division; James Heer, Manager, Video, Radio and Visual Media, Communications Division; Mohamed Manssouri, Country Programme Manager, Western and Central Africa Division; Alessandro Meschinelli, Research Analyst, Technical Advisory Division; Francisco Pichon, Country Programme Manager, Latin America and the Caribbean Division; Rasha Omar, Country Programme Manager, Near East and North Africa Division; Michael Taylor, Programme Manager, secretariat of the International Land Coalition; and Ganesh Thapa, Regional Economist, Asia and the Pacific Division. Comments were also received from Rosemary Vargas-Lundius and Philippe Remy, Policy Coordinators, Policy Division. Anne Deruyttere, international consultant on indigenous and socio-cultural development issues, provided the technical support and Brett Shapiro provided editorial support.

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Recommendation for approval

The Executive Board is invited to approve the IFAD Policy on Engagement with Indigenous Peoples as contained in sections IV and V of the present document.

Executive summary

1. This Policy on Engagement with Indigenous Peoples aims to enhance IFAD's development effectiveness in its engagement with indigenous peoples' communities in rural areas. It sets out the principles of engagement IFAD will adhere to in its work with indigenous peoples, and the instruments, procedures and resources IFAD will deploy to implement them. The Policy is consistent with international standards, in particular the United Nations Development Group Guidelines on Indigenous Peoples' Issues, and with IFAD's mandate and Strategic Framework 2007-2010. It draws on IFAD's thirty years of experience in working with indigenous peoples in rural areas of developing countries, and on the overall experience of indigenous peoples and other partners.
2. There are over 370 million indigenous people in some 70 countries worldwide. Most of them live in developing countries and are disproportionately represented among the poor. They account for an estimated 5 per cent of the world's population, but 15 per cent of those people living in poverty. In many countries, particularly in Latin America and Asia, rural poverty is increasingly concentrated in indigenous and tribal communities.
3. IFAD's Strategic Framework identifies indigenous peoples as an important target group because they face economic, social, political and cultural marginalization in the societies in which they live, resulting in extreme poverty and vulnerability for a disproportionate number of them. To reach them requires tailored approaches that respect their values and build upon their strengths. IFAD's targeted and participatory approach to grass-roots rural development and its experience in empowering poor people and communities, give the Fund a comparative advantage in working with indigenous peoples, even in the most remote rural areas.
4. In its engagement with indigenous peoples, IFAD will be guided by nine fundamental principles: (a) cultural heritage and identity as assets; (b) free, prior and informed consent; (c) community-driven development; (d) land, territories and resources; (e) indigenous peoples' knowledge; (f) environmental issues and climate change; (g) access to markets; (h) empowerment; and (i) gender equality.
5. IFAD will implement these principles in the formulation of country strategies, in policy dialogue and throughout the project cycle, and will update its operational guidelines accordingly. In addition, IFAD will strengthen the Indigenous Peoples Assistance Facility, will establish new learning and knowledge sharing instruments, and will further develop dialogue with indigenous peoples through the creation of an indigenous peoples' forum.

IFAD Policy on Engagement with Indigenous Peoples

I. Introduction

1. This Policy on Engagement with Indigenous Peoples aims to enhance IFAD's development effectiveness in its engagement with indigenous peoples' communities in rural areas, and especially to empower them to overcome poverty by building upon their identity and culture.
2. Since IFAD started operations in 1978, indigenous peoples living in rural areas of developing countries have been among the explicit target groups of the projects and programmes that the Fund supports, particularly in Asia and in Latin America. However, for many years, no specific guidance was developed to take account of the special forms of subjugation, marginalization or dispossession that indigenous peoples and ethnic minorities experienced in their countries. Demands by indigenous peoples' leaders and rapidly evolving national and international normative frameworks on the rights of indigenous peoples, including the adoption of specific policies by the World Bank (1991, 2005), the Asian Development Bank (1998, 2009), the Inter-American Development Bank (2006) and the European Bank for Reconstruction and Development (2008),¹ have led IFAD to develop its own approach and principles of engagement. These efforts also reflected IFAD's own experience and lessons learned, which demonstrated that if indigenous peoples are to overcome poverty and marginalization, the development strategy pursued must be shaped by their own identity, values and culture.²
3. This Policy on Engagement with Indigenous Peoples stems from consultations with indigenous peoples' leaders, the United Nations Permanent Forum on Indigenous Issues (UNPFII) and the Inter-Agency Support Group on Indigenous Issues (IASG). It is fully consistent with IFAD's Strategic Framework 2007-2010 and other policies, and it is also consistent with the United Nations Development Group (UNDG) Guidelines on Indigenous Peoples' Issues, which entered into force in February 2008.
4. Across countries and continents, many terms and definitions are used to refer to indigenous peoples.³ The 2007 United Nations Declaration on the Rights of Indigenous Peoples⁴ has not adopted a universal definition. While the prevailing view today is that no formal universal definition is necessary for the recognition of indigenous peoples' rights, there is in practice a large degree of convergence among international agencies. Consistent with international practice⁵ and for the purposes of this policy, IFAD will use a working definition of indigenous peoples based on the following criteria:⁶

¹ Annex III provides a list of policies adopted by international financial institutions.

² Development with identity and culture is part of the assertion of indigenous peoples' right to remain as diverse and distinct cultures and communities and to pursue their own development within this context. For more information, see *Indigenous Peoples Development with Identity and Culture or Self-Determined Development*, Victoria Tauli-Corpuz, Chair of UNPFII, 2008.

³ Natives, First Nations, tribes, ethnic minorities, indigenous nationalities, aboriginals, indigenous communities, *pueblos originarios* (Bolivia), *adat* communities (Indonesia), scheduled tribes (India), hill peoples, highland peoples (Cambodia), etc.

⁴ United Nations Declaration on the Rights of Indigenous Peoples:
<http://www.un.org/esa/socdev/unpfii/en/declaration.html>

⁵ International Labour Organization Convention 169 on Indigenous and Tribal Peoples (1989), United Nations Declaration on the Rights of Indigenous Peoples (2007), UNDG Guidelines on Indigenous Peoples' Issues (2008); United Nations Permanent Forum on Indigenous Issues (under the Economic and Social Affairs Department), Inter-Agency Support Group on Indigenous Issues, and United Nations Second International Decade of the World's Indigenous Peoples plan of action (see annex I).

⁶ Working paper on the concept of "indigenous people" of the Working Group on Indigenous Populations (Commission on Human Rights) (E/CN.4/Sub.2/AC.4/1996/2).

- Priority in time, with respect to occupation and use of a specific territory;
 - The voluntary perpetuation of cultural distinctiveness, which may include the aspects of language, social organization, religion and spiritual values, modes of production, laws and institutions;
 - Self-identification, as well as recognition by other groups, or by state authorities, as a distinct collectivity; and
 - An experience of subjugation, marginalization, dispossession, exclusion or discrimination.
5. The international legal framework⁷ on indigenous peoples has been evolving rapidly since the adoption in 1989 of the International Labour Organization (ILO) Convention 169 on Indigenous and Tribal Peoples, which in turn has influenced international as well as national law, in particular the wave of new constitutions adopted by Latin American countries during the last three decades. With the emergence of strong indigenous peoples' movements, other countries, such as Nepal and the Philippines, have also changed their legislations and now recognize and promote the rights of indigenous peoples within the framework of national unity and development. In Africa in recent years, progress has been made by the African Union in acknowledging and addressing the particular forms of discrimination facing ethnic minorities and other marginalized groups who identify themselves as indigenous peoples.⁸ To implement the provisions of the 1992 Convention on Biological Diversity (CBD) with regard to indigenous peoples, working groups were established to promote international standards for the application of articles 8(j) and 15 regarding the rights of indigenous peoples over their traditional knowledge on biodiversity and on access and benefit sharing.⁹ Other instruments and mechanisms to protect and promote the rights of indigenous peoples over genetic resources, traditional knowledge and intellectual property rights have been adopted by the Food and Agriculture Organization of the

⁷ Annex I provides information on international normative framework on indigenous peoples.

⁸The African Commission on Human and Peoples' Rights, at its 28th ordinary session held in Cotonou, Benin, in October 2000, adopted the Resolution on the Rights of Indigenous Populations/Communities in Africa and commissioned a study on the situation of indigenous populations on the continent. At its 34th Ordinary Session held in Banjul, The Gambia, in November 2003, the African Commission adopted by resolution, the Conceptual Framework Paper as a Report of the African Commission's Working Group on Indigenous Populations/Communities. The report underlines the fact that "... certain peoples on the African continent have, due to historical circumstances, become marginalized while others dominate development policies and processes. ... Many groups of primarily pastoralists and hunter/gatherers – some of whom have come to identify themselves as indigenous peoples - are today finding it very hard to survive as peoples on their own terms ... Those African peoples who are facing particular human rights violations, and who are applying the term "indigenous" in their efforts to address their situation, cut across various economic systems and embrace primarily hunter-gatherers and pastoralists. They practice different cultures, social institutions and observe different religious systems. ... Among others, one misconception is that the term indigenous is not applicable in Africa as "all Africans are indigenous." The report emphasizes that "there is no question that all Africans are indigenous to Africa in the sense that they were there before the European colonialists arrived and that they have been subject to subordination during colonialism. When some particular marginalized groups use the term indigenous to describe their situation, they use the modern analytical form of the concept (which do not merely focus on aboriginality) in an attempt to draw attention to and alleviate the particular form of discrimination, which they suffer from. They do not use the term in order to deny all other Africans their legitimate claim to belong to Africa and their African identity." Source: Presentation by the African Commission on Human and Peoples' Rights at the UNPFII, May 2006. The full Report of the African Commission's Working Group of Experts on Indigenous Populations/Communities is available at: <http://pro169.org/res/materials/en/identification/ACHPR%20Report%20on%20indigenous%20populations-communities.pdf>.

⁹ CBD Working Group on Article 8 (j) (1998) and CBD Working Group on Access and Benefit Sharing (2002) are negotiating an international regime on access and benefit sharing of genetic resources and associated traditional knowledge.

United Nations (FAO) and the World Intellectual Property Organization (WIPO).¹⁰ The United Nations Educational, Scientific and Cultural Organization (UNESCO) recently adopted two important conventions on indigenous peoples' education and culture.¹¹

6. A historic milestone for indigenous peoples worldwide was the United Nations General Assembly's adoption of the United Nations Declaration on the Rights of Indigenous Peoples on 13 September 2007. The Declaration establishes a universal framework of minimum standards for the survival, dignity, well-being and rights of the world's indigenous peoples. The Declaration addresses both individual and collective rights. It outlaws discrimination against indigenous peoples and promotes their full and effective participation in all matters that concern them. It also ensures their right to remain distinct and to pursue their own priorities in economic, social and cultural development. Articles 41 and 42 of the Declaration call upon the specialized agencies of the United Nations system to "...contribute to the full realization of the provisions of this Declaration through the mobilization, inter alia, of financial cooperation and technical assistance...", and to "...promote respect for and full application of the provisions of this Declaration and follow up the effectiveness of this Declaration."¹²
7. IFAD's comparative advantage in working with indigenous peoples lies in its core mission to empower poor rural people, of whom indigenous peoples are often among the poorest. It also lies in its targeting and people-centred approach, which takes into account the differentiated and context-specific conditions of poor rural people, as well as the Fund's particular ability to reach marginalized and vulnerable groups.¹³

II. Indigenous peoples: Issues and challenges

8. **Poverty and well-being.** Self-identified indigenous peoples are estimated to number over 370 million, or about five per cent of the world's overall population.¹⁴ An estimated 70 per cent live in Asia and the Pacific. In Latin America alone there are more than 400 different indigenous peoples, each with a distinct language and culture. As measured by conventional poverty indicators, indigenous peoples are significantly overrepresented among the poor, comprising about 15 per cent of those living below the poverty line. Moreover, their socio-economic and human development conditions are significantly worse compared to other population groups. Based on a close relationship with the environment, indigenous peoples' values often entail a holistic and spiritually based approach to well-being that emphasizes harmony with nature, self-governance within their communities, priority of community interests over individual ones, security of land and resource rights, cultural identity and dignity. Hence, they relate poverty to insecurity over territories and natural resources, environmental degradation, cultural disintegration and lack of social harmony. Yet material poverty is rampant and of great concern.
9. In those countries where comparisons have been made between poverty levels of indigenous peoples versus other population groups, poverty indicators point to large gaps. For example, in four countries in Latin America, during a decade in which overall poverty decreased, indigenous peoples suffered not only higher poverty rates but also

¹⁰ FAO International Treaty on Plant Genetic Resources (2001) and WIPO Intergovernmental Committee on Intellectual Property, Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions (2001).

¹¹ These include the Convention on the Promotion and Protection of the Diversity of Cultural Expressions (20 October 2005) and the Convention for the Safeguarding of Intangible Cultural Heritage (October 2003).

¹² United Nations Declaration on the Rights of Indigenous Peoples:
<http://www.un.org/esa/socdev/unpfii/en/declaration.html>.

¹³ IFAD Targeting Policy: Reaching the Rural Poor, November 2006.

¹⁴ United Nations Permanent Forum on Indigenous Issues.

a widening gap with non-indigenous peoples.¹⁵ Poverty maps in Argentina, Panama and other countries indicate that areas with the highest levels of unsatisfied basic needs coincide with indigenous peoples' territories. In Viet Nam, poverty is increasingly associated with ethnic minorities. In India, the Human Development Index is very low in tribal areas. In the State of Orissa, for instance, already high levels of poverty have risen to 92 per cent for Scheduled Tribes, and the incidence of poverty actually increased between 1993-94 and 1999-2000.¹⁶ In Africa, many rural communities, including nomadic pastoralists and hunter-gatherers, suffer from discrimination and have been excluded from national policies and programmes, in part because it is difficult to obtain accurate data on their numbers and living conditions.¹⁷

10. **Territories and resources.** While complex livelihood systems have enabled indigenous peoples to adapt to changing circumstances for centuries, the pressures on traditional economies have intensified over the last decades, resulting in increasing erosion of territories and resources. Long-standing pressures from logging, mining and advancing agricultural frontiers have intensified with the exploration of new energy sources, construction of roads and other infrastructure and growing populations. Outmigration, loss of traditional knowledge and cultural disintegration are further eroding traditional livelihoods and socio-cultural values. The dramatic impact of climate change, to which indigenous peoples are especially vulnerable, such as melting glaciers, advancing desertification, and floods and hurricanes in coastal areas, is threatening their very survival.
11. **Discrimination and exclusion.** Poverty and the loss of territories and resources by indigenous peoples due to policies or regulations adverse to traditional land use practices are compounded by frequent discrimination in labour markets, where segmentation, poor regulatory frameworks and cultural and linguistic obstacles allow very few indigenous people to access quality jobs. The lack of access to social and financial services is another obstacle. In rural areas, credit is often denied because banking regulations stipulate that collectively held lands cannot be mortgaged and other forms of collateral are not recognized. Moreover, there is the issue of marginalization from the political process.¹⁸
12. **Poverty reduction strategies and the Millennium Development Goals.** While indigenous peoples have gained visibility in the human rights agenda, this has not been the case in international and national development and poverty reduction agendas. An ILO study on the extent to which indigenous peoples' issues were covered in national poverty reduction strategy papers (PRSPs) showed that for the 14 countries analysed, most PRSPs acknowledged a disproportionate representation of indigenous peoples among the poor, but virtually no recommendations were made to address this disparity.¹⁹ Indigenous peoples were also invisible in the formulation of the Millennium Development Goals (MDGs) at the international and national levels, as reported in a study prepared by IASG. The MDGs do not focus on certain issues of particular importance to indigenous peoples, such as land tenure or cultural rights, nor do the

¹⁵ Hall, G. and Patrinos, H., *Indigenous Peoples, Poverty and Human Development in Latin America: 1994-2004*. World Bank. This study also documents that, despite the widening gap, indigenous peoples are less vulnerable to crisis.

¹⁶ Sandip Sarkar, Sunil Mishra, Harishwar Dayal and Dev Nathan, *Scheduled Tribes of India – Development and Deprivation*. Institute for Human Development, New Delhi, 2006.

¹⁷ African Commission on Human and Peoples' Rights, *Indigenous peoples in Africa: the forgotten peoples?*, International Work Group for Indigenous Affairs (IWGIA), Copenhagen, 2006.

¹⁸ Even though in some countries such as Bolivia, Ecuador, Mexico and the Philippines, indigenous peoples have made significant progress in the political arena.

¹⁹ Tomei M., *Indigenous and Tribal Peoples: An Ethnic Audit of Selected Poverty Reduction Strategy Papers*, ILO, Geneva, 2005.

specific goals refer to indigenous peoples. There is an increasing concern that in the pursuit of aggregated country targets for poverty reduction and other MDGs, indigenous peoples are being left behind or, worse, impacted negatively.²⁰

III. IFAD's experience and lessons learned

13. Since its creation in 1978, IFAD has supported many rural development programmes with indigenous peoples as major stakeholders and partners. Over the past six years, an average of 22 per cent of the annual lending programme has been supporting development initiatives with indigenous peoples, mainly in Asia and Latin America. IFAD's experience during the first decades showed that in many cases positive impact on indigenous peoples has been limited because the project design and implementation did not consider the socio-cultural dimension of the livelihood strategies of indigenous peoples and placed them under a broader and undifferentiated category of poor rural people.
14. **International coordination and leadership.** IFAD's engagement with indigenous peoples' organizations at the international level is relatively recent. The 2002 Bali preparatory conference for the 2002 World Summit on Sustainable Development in Johannesburg marked the beginning of a partnership with a coalition of indigenous peoples around the world. In that same year, the first meeting of UNPFII took place, and since then IFAD has played an active role in its yearly sessions IFAD has also supported the secretariat of the Forum, and was instrumental in the creation of IASG. On several occasions the Fund consulted with indigenous peoples' leaders on policy issues and project reviews (see annex IV). These partnerships have enhanced IFAD's understanding of indigenous peoples and the need for a differentiated approach to address their needs.
15. Lessons learned and good practices from IFAD's experience on the ground can be summarized as follows:
 - **Cultural distinctiveness.** In working with indigenous peoples, IFAD learned the importance of recognizing the diversity and distinctiveness of peoples and rural communities and of valuing and building on their diversity as an asset and economic potential. Some of these assets are tangible, others are intangible, but they are all important resources for the development of rural livelihoods. Whenever development projects have failed to recognize and build upon the distinctiveness of indigenous peoples' communities, development effectiveness has been limited.
 - **Using participatory approaches.** A key factor to better address complexity and diversity is a strongly participatory approach to designing and implementing programmes so that they are responsive to local problems and to the goals and visions of indigenous peoples.
 - **Increasing incomes by diversifying livelihoods and opportunities.** Many indigenous peoples live in areas with a challenging climate, poor soils and high vulnerability to natural disasters. Livelihood diversification is important to enhance the economic opportunities of both groups and individuals. This entails crop diversification and intensification, research and adaptation of productivity-enhancing technologies, microfinance, support to microenterprises, and developing alternative income-generation opportunities from natural resources, such as ecotourism and processing of medicinal and food products.

²⁰ Statement of the Inter-Agency Support Group on Indigenous Issues Regarding Indigenous Peoples and the Millennium Development Goals, 30 September and 1 October 2004.

- **Strengthening natural resource entitlements.** Weak resource entitlements are often a major factor of rural poverty and vulnerability. Loss of land limits livelihood opportunities and often leads to social and cultural disintegration and marginalization. Some programmes have greatly enhanced the capabilities of local communities by ensuring protection of indigenous peoples' entitlements over natural resources. In the State of Orissa in India, for instance, programmes have effectively included the titling of tribal hill lands, thus facilitating women's access to land rights.
- **Strengthening local governance institutions.** IFAD has learned that strengthening and reforming traditional governance institutions, particularly in relation to natural resource and conflict management, reinforces the role of communities in the decision-making process and in negotiating with other parties, be they local or national authorities, or the private sector. For instance, the Cuchumatanes Highlands Rural Development Project in Guatemala supported existing community organizations and provided them with needs-based training. The project also supported community organizations in developing and updating their by-laws and provided training in technical and administrative issues. The organizations were then able to participate in project planning, implementation and monitoring. They subsequently identified the need for second-level organizations to represent them in their relations with local and national authorities, the private sector and development agencies. The Association of Cuchumatanes Organizations was created and included 17 organizations. After the project closed, the Association took over the functions of extension, marketing and social organization.²¹
- **Blending indigenous knowledge and modern technology.** Strengthening indigenous peoples' knowledge systems and blending them with appropriate modern technology can enhance livelihood options, revitalize agriculture, increase food security and improve health. Indigenous peoples' knowledge about medicinal plants or underutilized plant species has been used and capitalized on with very powerful effects both in local programmes and by promoting fair national and international value chains, always with the participation of local communities, governments, donors, and other partners such as the private sector and NGOs. In India's State of Andhra Pradesh, modern techniques and tribal knowledge have been brought together to develop innovative non-timber forest products such as *gum karaya*,²² clearing nut,²³ *neem* and others. Within a short period, the quality of the *gum karaya* improved and prices rose by up to 250 per cent, while four value-added by-products were developed: powder, granules, cream and gel. The *gum karaya* initiative was a major source of income for about 12,000 tribal people and an important source of employment for tribal women.²⁴ Indigenous peoples' knowledge, especially that of indigenous women, may hold the key to increased food security, adaptation

²¹ Guatemala, Cuchumatanes Highlands Rural Development Project, project completion report, evaluation report (2001).

²² *Gum karaya* is an extract of *sterculia* trees. It is used in dental adhesive products, as an adhesive for ostomy rings and as a stabilizer for dairy products and frozen desserts.

²³ *Strychnos potatorum*. Through research and development, new products were developed from the clearing nut, including a derivative that can substitute the water-purifying agents alum and natfloc-2200. The bioflocculant extracted from this nut is also used to clean nuclear waste.

²⁴ Andhra Pradesh Tribal Development Project, project completion report; Ministry of Tribal Welfare, Andhra Pradesh, and United Nations Office for Project Services supervision reports (1996–2002).

capability, protection of natural resources, disaster prevention and other challenges related to climate change.

IV. Principles of engagement

16. IFAD's Strategic Framework identifies indigenous peoples as an important target group because they face economic, social, political and cultural marginalization in the societies in which they live, resulting in extreme poverty and vulnerability for a disproportionate number of them. The Strategic Framework also recognizes indigenous peoples' special role in the conservation of biodiversity and in the mitigation of climate change.²⁵
17. In line with its overall mandate and strategic objectives, and consistent with the evolving international framework, IFAD aims to ensure that indigenous peoples' communities in rural areas are empowered to improve their well-being, income and food security through self-driven development that builds on their identity and culture. In order to do so, IFAD will be guided by the following principles:
18. **Cultural heritage and identity as assets.** In enabling poor rural people, in particular indigenous peoples and ethnic minorities, to overcome poverty, IFAD will acknowledge and build upon the asset of their cultural distinctiveness. It will assist communities in taking full advantage of their traditional knowledge, culture, governance systems and natural resources, all of which form part of their tangible and intangible heritage.
19. **Free, prior and informed consent.**²⁶ In working with Member States on projects targeting or affecting indigenous peoples, IFAD shall support the participation of indigenous peoples' communities in determining priorities and strategies for their own development. When appraising such projects proposed by Member States, in particular those that may affect the land and resources of indigenous peoples, the Fund shall examine whether the borrower or grant recipient consulted with the indigenous peoples to obtain their free, prior and informed consent. The Fund shall consider this consultation and consent as a criterion for project approval. In appraising such projects the Fund shall verify whether they include measures to: (a) avoid potentially adverse effects on the indigenous peoples' communities; or (b) when avoidance is not feasible, minimize, mitigate or compensate for such effects.
20. **Community-driven development.** Community-driven development ensures ownership, commitment and sustainability of investments, and increases self-reliance and community empowerment. In working with indigenous peoples, IFAD will follow and enhance community-driven development approaches that are particularly well suited to the holistic perspectives of indigenous peoples, where ecosystems and social and economic systems are intertwined.
21. **Land, territories and resources.** Central to the identity of indigenous peoples is their relationship to ancestral territories and resources, which form the basis of their livelihoods. Access to and management of these resources are often regulated by complex customary laws and systems, of which IFAD must have an adequate understanding. Within the legal frameworks and policies of its borrowing countries, and in a manner consistent with its Policy on Improving Access to Land and Tenure Security,²⁷ IFAD will promote equitable access to land and territories by indigenous

²⁵ IFAD Strategic Framework 2007-2010, p. 27. For further reference, see also IFAD policy papers on targeting, rural finance, crisis prevention and recovery, and the policy on land tenure, as well as its knowledge management strategy.

²⁶ Annex II provides an excerpt from the UNDG Guidelines on elements of free, prior and informed consent.

²⁷ IFAD Policy on Improving Access to Land and Tenure Security: <http://www.ifad.org/pub/policy/land/e.pdf>.

peoples and enhance their tenure security. It will do so by strengthening their own capacity to manage their territories and resources in a sustainable way.

22. **Indigenous peoples' knowledge.** Indigenous peoples are often bearers of unique knowledge and custodians of biodiversity in many parts of the world.²⁸ IFAD will value indigenous peoples' knowledge and practices in investment projects. It will also build on these assets by supporting pro-poor research that blends traditional knowledge and practices with modern scientific approaches. Indigenous peoples' knowledge may also advance scientific understanding. Blending new ways with traditional ones may be the key for indigenous peoples to improve their livelihoods. In this regard, IFAD will promote partnerships between indigenous peoples' communities and national agricultural research centres and the Consultative Group on International Agricultural Research (CGIAR).
23. **Environmental issues and climate change.** Indigenous peoples are among those most affected by the impact of climate change. Environmental degradation, erosion of natural resources and biodiversity loss are challenging their ability to cope with and adapt to climate change. IFAD will support indigenous peoples in enhancing the resilience of the ecosystems in which they live and in developing innovative adaptation measures. The Fund will also support the emerging opportunities for indigenous peoples in carbon sequestration and other environmental services, but will not finance climate change mitigation measures that could have a significant negative impact on their livelihoods. It will raise these critical issues in its dialogue with governments, and support the participation of indigenous peoples in defining and implementing policies related to climate change issues.
24. **Access to markets.** While indigenous peoples' traditional livelihoods continue to fulfill an important role in many rural areas, indigenous societies have also joined the market economy, which brings both opportunities and challenges. IFAD will explore these opportunities and enable indigenous peoples' communities to value their products and engage in markets on more profitable terms.
25. **Empowerment.** Empowerment is a sine qua non for all poor and marginalized populations to improve their livelihoods in a sustainable way. IFAD will support the empowerment of indigenous peoples by providing resources for training, capacity-building and developing management skills, to enable them to effectively interact and negotiate with local and national governments, private companies and other interested parties to secure and manage their resources and lead their own development processes.
26. **Gender equality.** Indigenous women often experience triple discrimination: as women in their countries, as members of an indigenous peoples' community, and as women within indigenous peoples' community.²⁹ For IFAD, gender equality and women's empowerment are objectives of, and instruments for, poverty reduction. IFAD will continue to incorporating a gender focus in its programmes, with a special commitment to improve the well-being of indigenous women by: (a) expanding their access to and control over fundamental resources such as land, capital, traditional knowledge and technologies; (b) strengthening their agency, decision-making role in community affairs, and representation in local institutions; and (c) building on their untapped potential for sustainable development, by recognizing their role as stewards of natural

²⁸ According to the World Resources Institute, indigenous peoples maintain within their lands and territories 80 per cent of the world's agro-biodiversity. See: Sobrevila, C. (2008), *The Role of Indigenous Peoples in Biodiversity Conservation: The Natural but Often Forgotten Partners*. World Bank, Washington, D.C.

²⁹ Lucky Sherpa, Member of Parliament, Nepal, in Govind Kelkar, *Adivasi Women: Engaging in Climate Change*, New Delhi, 2009.

resources and biodiversity, and as bearers of rich varied traditional knowledge systems.

V. Instruments, procedures and resources

27. IFAD staff will comply with the above principles in the formulation of country strategies, in policy dialogue, and throughout the project cycle.
28. **Country strategies.** In those countries³⁰ where issues involving indigenous peoples or ethnic minorities are significant and relevant in terms of rural poverty, the result-based country strategic opportunities programme (COSOP) will take this into account to the extent possible. In the COSOP preparatory studies, analysis will draw on disaggregated data by ethnic groups and geographic location whenever such data is available, in line with the guidelines on the preparation and implementation of result-based COSOPs.³¹ In these countries, IFAD will proactively engage with indigenous peoples' representatives. In particular, it will:
 - Invite one or more indigenous peoples' representatives³² to be part of the in-country component of the country programme management team (CPMT);
 - Propose that its government counterpart invite indigenous peoples' representatives to the COSOP design workshop.
29. To ensure ready access to this information for use in the COSOPs, country technical notes on indigenous peoples will be prepared and updated periodically. The notes will also serve to disseminate knowledge and support in-house learning. Their preparation will involve consultation with indigenous peoples and their organizations.
30. **Project cycle.** Indigenous peoples' communities that are targeted or affected by an IFAD-supported project shall be present at all stages of the project cycle. In this regard, IFAD will normally invite representatives of these communities to participate in the CPMT or in project preparation. Direct participation by community representatives will help define the most appropriate channels and methods for consultation and participation at the community level. It will also facilitate access to information by members of the community who do not speak the mainstream language.
31. Project design, implementation and evaluation will take into account the socio-economic and cultural specificities of the indigenous peoples' communities targeted or affected by the project.
32. Project implementation arrangements should facilitate a direct role by indigenous communities in managing resources. Where needed, projects should include capacity-building measures to enable indigenous peoples' organizations to assume effective control over the resources to be invested in their communities. Projects should contribute to the consolidation of indigenous peoples' organizations at local and

³⁰ The countries for which the 2007 and 2008 COSOPs have addressed indigenous peoples' issues are: Afghanistan, Belize, Bolivia, Brazil, Cambodia, Guatemala, Honduras, Indonesia, Mexico, Panama and Viet Nam.

³¹ IFAD Guidelines for the preparation and implementation of a results-based country strategic opportunities programme. <http://www.ifad.org/operations/policy/cosop/guidelines/index.htm>.

³² The UNDG Guidelines state: "... Indigenous peoples should be involved as such (not just civil society actors) from the first step of the process. This means among other things: ...providing in a culturally sensitive manner, comprehensive briefings on the process to those participating. Choosing the appropriate partners among indigenous peoples can sometimes be difficult. While traditional leaders are recognized as the higher authorities in their communities, representatives of indigenous organizations may have the skills and knowledge to interact with the dominant system and are able to articulate the views of traditional leaders... Avoiding bias in choosing partners, as it can result in breaching indigenous peoples' right to freely determine their own representatives or representational processes..." Plan of engagement, UNDG Guidelines.

territorial levels. Over time the priorities and demands of indigenous communities are bound to change, and project design should not only anticipate the adaptation of project operations to new circumstances, but actively support learning processes to ensure that such adaptations are well-grounded.

33. **Funding instruments.** Although IFAD has financed many projects targeting indigenous peoples through its regular loan programme, grant financing is especially important to increase national capacity to address indigenous issues at the legal, policy and programme levels, to fund pilot programmes, and to directly support indigenous peoples' organizations with institutional strengthening and capacity-building. IFAD will continue funding research and knowledge creation on indigenous issues, including through its funding to the network of agricultural research centers. In addition, country-specific grants are very useful to directly support indigenous peoples' organizations or as an incentive to governments to invest in indigenous peoples' initiatives.
34. **Indigenous Peoples Assistance Facility (IPAF)³³.** IFAD will continue to manage and will strengthen IPAF, which finances microprojects designed and implemented by indigenous peoples' communities and organizations. The Facility's uniqueness resides in its governance system, which includes a board composed in majority by indigenous and tribal peoples' leaders, and in a built-in learning and knowledge sharing function. IFAD will continue to capture and disseminate the lessons learned from the Facility with a view towards scaling up and mainstreaming successful projects and approaches into its lending programme.
35. **Appropriate monitoring and evaluation (M&E) systems.** Many current projects lack appropriate indicators to measure success in the livelihoods of targeted indigenous peoples. In future projects, M&E systems will include such indicators wherever they are appropriate. Indicators on how to measure well-being, poverty and sustainability in a way that is relevant to indigenous peoples can be identified based on ongoing work in other organizations to complement conventional project outcome and impact indicators.³⁴ M&E mechanisms should be participatory and adapted to capture indigenous peoples' perceptions and perspectives. This can be achieved through independent M&E studies among indigenous peoples on their opinions and perceptions on the progress of plans and programmes. Participatory M&E should be part of normal project operations and should serve as a steering mechanism to identify problems and appropriate adaptive measures. Special care must be taken to facilitate easy and timely access to M&E results by communities themselves. Successes will be documented, applying rigorous and appropriate evaluation methods, including participatory methods, and will be disseminated in-country and to IFAD's partners.
36. **Policy dialogue with governments.** IFAD will proactively use its existing channels of communication (including COSOPs, seminars and conferences) with national governments and other partners at the country level for advocacy on indigenous peoples' issues, with regard to its own portfolio of operations and on broader issues of importance to indigenous peoples. In its policy dialogue efforts, IFAD will aim at

³³ IPAF was transferred by the International Bank for Reconstruction and Development (IBRD) to IFAD in 2006 and its transfer and governance approved by IFAD's Executive Board in September 2006. It is a demand-driven small grants facility that provides direct support to indigenous communities and their organizations (see annex VI).

³⁴ Indicators of well-being, poverty and sustainability relevant to indigenous peoples. Summary Report to the UNPFII, seventh session, May 2008. The Millennium Development Goals and the Convention on Biological Diversity, with their proposed indicators and monitoring frameworks, are the two global processes of immediate relevance for proposing indicators that address the well-being and sustainability of indigenous peoples. See also *Indicators Relevant for Indigenous Peoples: A Resource Book*, Tebtebba Foundation.

increasing local and national consultative processes involving the diverse stakeholders and relevant national institutions working with and for indigenous peoples.

37. **Partnerships with indigenous peoples' organizations.** IFAD will pursue its efforts to systematically engage indigenous peoples at the local, national and international levels. To this end, IFAD will promote systematic dialogue with representatives of national and subnational indigenous peoples' organizations to share information, consult with them on COSOPs, and promote their participation in institutional outreach and learning events. An indigenous peoples' forum at IFAD will be established and will be held every other year, in conjunction with the IFAD Governing Council (alternating with the Farmers' Forum global meeting). The forum will be a process of dialogue and consultation between representatives of indigenous peoples, IFAD staff and Member States. It will bring together between 20 and 30 indigenous peoples' representatives, including members of the IPAF board, UNPFII and selected representatives of indigenous peoples' communities involved in IFAD-supported programmes. The forum will also promote accountability in providing feedback on IFAD's operations.³⁵
38. **Partnerships with other stakeholders.** IFAD will broaden its efforts to combine its resources with those of other institutions³⁶ in order to expand coverage, create synergies, reduce duplication and achieve economies of scale. In addition to leveraging resources, these partnerships provide an opportunity for IFAD to disseminate its knowledge and best practices, to learn from others, and to further its advocacy role on indigenous peoples' issues. In partnership with UNPFII and IASG, IFAD will contribute to the implementation of the UNDG Guidelines designed to assist United Nations country teams to mainstream and integrate indigenous peoples' issues. IFAD will cooperate with ILO on issues related to Conventions 107 and 169 and training on indigenous peoples' rights. Given IFAD's close relationship with the CGIAR system, it will promote research on indigenous peoples' agricultural and resource management practices, appropriate agricultural and financial services, and other areas where indigenous and non-indigenous knowledge and practice may be mutually supportive. As a member of the International Land Coalition (ILC), the Fund will take full advantage of the expertise of the other ILC members and consult with them at local level for engagement in policy dialogue related to indigenous peoples' land and territories. IFAD will also reinforce its long standing cooperation with FAO on land access and natural resources management, including on biological diversity.
39. **Information and knowledge management.** A necessary aspect of the implementation of this policy is strengthening the internal process of information dissemination, knowledge building and peer support. In this regard, existing information-sharing mechanisms such as learning notes, thematic groups, portfolio reviews, and regional workshops will be used as vehicles for sharing information and knowledge with a broader network of staff, other organizations and interested parties. IFAD will ensure that the institution's commitment to indigenous peoples are highly visible in its overall public communication and outreach activities.
40. **Operational guidelines.** Existing IFAD operational guidelines³⁷ will be updated to comply with this policy, and will be made available to IFAD staff and borrowers. In order to ensure staff understanding of and commitment to the policy, in-house seminars will be conducted once it is approved.

³⁵ See annex VII.

³⁶ United Nations agencies, international financial institutions, bilateral cooperation agencies, NGOs, civil society organizations, and private-sector companies and foundations.

³⁷ Guidelines for COSOPs and project preparation and implementation; supervision guidelines; M&E; guidelines for incorporating a gender approach; environmental assessment guidelines.

41. **Human resources and financial implications.** Compliance with the principles of engagement and instruments, procedures and corporate issues relating to this policy will require building capacity among IFAD's staff. Additional costs to implement the policy will amount to around US\$200,000 per year and US\$50,000 as a one-time cost; additional costs to conduct analysis and consultations with indigenous peoples at the COSOP stage will be an estimated US\$20,000 to US\$25,000 per COSOP for three to four COSOPs per year, for a total of about US\$100,000 yearly; a one-time cost of US\$50,000 is estimated for the preparation of country technical notes on indigenous peoples in support of COSOP preparation and other project-related activities; and additional costs for the indigenous peoples' forum to be held in conjunction with the IFAD Governing Council will be an estimated US\$100,000 per year.
42. The cross-departmental Policy Reference Group on Indigenous Peoples' Issues mobilized to develop and discuss this policy document will be maintained to monitor the policy's implementation and to mainstream engagement with indigenous peoples throughout IFAD's work. IFAD's Coordinator for Indigenous and Tribal Issues will chair this group and lead IFAD's engagement with indigenous peoples at the international level, including the relationship with UNPFII and management of IPAF. IFAD will continue to contribute to IPAF, including through grant resources, and will continue to mobilize additional funding from other sources.
43. **Dissemination of the policy.** The policy and related operational guidelines and decision tools will be posted on the Internet for wide distribution. UNPFII, IASG, ILC, CPMTs and indigenous peoples' networks and organizations partners of IFAD will be used to share the policy widely. International, regional and country events, including project start-up and implementation workshops, will also provide opportunities for sharing the policy.

International framework on indigenous peoples

- 1957 ILO Convention 107 on Indigenous and Tribal Populations called for the protection and integration of tribal and indigenous populations into mainstream society. It has been ratified by 27 countries, and is still in force in 18 countries.
- 1982 Establishment of the Working Group on Indigenous Populations of the Sub-Commission on Prevention of Discrimination and Protection of Minorities (a working group of experts), to promote international standards on indigenous peoples' rights.
- 1989 ILO Convention 169 on Indigenous and Tribal Peoples, recognizing indigenous rights over land, identity, internal affairs and development, replacing the earlier Convention 107 (1957). It has been ratified and is in force in 20 countries.
- 1990 Entry into force of the Convention on the Rights of the Child, which includes an article on indigenous children (the first specific reference to indigenous peoples in international human rights law).
- 1992 United Nations Conference on Environment and Development (Earth Summit) results in the Rio Declaration (principle 22), Agenda 21 (chapter 26) and the Convention on Biological Diversity (Article 8(j) and related provisions), which recognize the role of indigenous peoples in environmental conservation and call for the protection of traditional knowledge, practice and innovation, as well as benefit sharing.
- 1993 The United Nations General Assembly proclaims the first International Year of the World's Indigenous People.
- 1993 The World Conference on Human Rights (Vienna Declaration and Programme of Action) explicitly addresses indigenous peoples' rights and calls for the International Decade of the World's Indigenous People (1994-2004), adoption of the declaration on the rights of indigenous peoples and the possible establishment of a permanent forum on indigenous issues.
- 1994 The United Nations General Assembly proclaims the first International Decade of the World's Indigenous People.
- 1994 The United Nations Convention to Combat Desertification, in its articles 16(g) and 17(c), calls for the protection of indigenous traditional knowledge, technologies and practices.
- 1995 Establishment of an inter-sessional working group of the Commission on Human Rights on the draft declaration on the rights of indigenous peoples.
- 2000 The African Commission on Human and Peoples' Rights adopts a resolution on the rights of indigenous populations/communities in Africa. The resolution provided for the establishment of a working group of experts on indigenous populations/communities.
- 2001 Designation by the United Nations Commission on Human Rights of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people.
- May 2001 First annual meeting of the United Nations Permanent Forum on Indigenous Issues.
- 2005 The United Nations General Assembly launches the second International Decade of the World's Indigenous People.

- Jun 2006 Adoption of the United Nations Declaration on the Rights of Indigenous Peoples at the inaugural session of the Human Rights Council.
- Sep 2007 Adoption by the United Nations General Assembly of the United Nations Declaration on the Rights of Indigenous Peoples, after a 20-year preparation and negotiation process.
- Dec 2007 First session of the Expert Mechanism on the Rights of Indigenous Peoples. Created by the Human Rights Council, the Expert Mechanism is composed of five experts and provides thematic expertise on the rights of indigenous peoples to the Human Rights Council, the main human rights body of the United Nations.
- Jan 2008 Approval of the United Nations Development Group Guidelines on Indigenous Peoples' Issues (entered into force in February 2008) to assist United Nations agencies in the application of the Declaration on the Rights of Indigenous Peoples at the international and country levels.

Excerpt from the United Nations Development Group Guidelines: Elements of free, prior and informed consent

What?

- **Free** should imply no coercion, intimidation or manipulation;
- **Prior** should imply consent has been sought sufficiently in advance of any authorization or commencement of activities and respect time requirements of indigenous consultation/consensus processes;
- **Informed** should imply that information is provided that covers (at least) the following aspects:
 - a. The nature, size, pace, reversibility and scope of any proposed project or activity;
 - b. The reason/s or purpose of the project and/or activity;
 - c. The duration of the above;
 - d. The locality of areas that will be affected;
 - e. A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle;
 - f. Personnel likely to be involved in the execution of the proposed project (including indigenous peoples, private sector staff, research institutions, government employees and others);
 - g. Procedures that the project may entail.
- **Consent**
 Consultation and participation are crucial components of a consent process. Consultation should be undertaken in good faith. The parties should establish a dialogue allowing them to find appropriate solutions in an atmosphere of mutual respect in good faith, and full and equitable participation. Consultation requires time and an effective system for communicating among interest holders. Indigenous peoples should be able to participate through their own freely chosen representatives and customary or other institutions. The inclusion of a gender perspective and the participation of indigenous women are essential, as well as participation of children and youth as appropriate. This process may include the option of withholding consent. Consent to any agreement should be interpreted as indigenous peoples have reasonably understood it.

When?

Free, prior and informed consent should be sought sufficiently in advance of commencement or authorization of activities, taking into account indigenous peoples' own decision-making processes, in phases of assessment, planning, implementation, monitoring, evaluation and closure of a project.

Who?

Indigenous peoples should specify which representative institutions are entitled to express consent on behalf of the affected peoples or communities. In free, prior and informed consent processes, indigenous peoples, United Nations agencies and governments should ensure a gender balance and take into account the views of children and youth as relevant.

How?

Information should be accurate and provided in a form that is accessible and understandable, including in a language that the indigenous peoples will fully understand. The format in which information is distributed should take into account the oral traditions of indigenous peoples and their languages.

Source: UNDG Guidelines (excerpt from the Report of the International Workshop on Methodologies Regarding Free, Prior and Informed Consent E/C.19/2005/3, endorsed by UNPFII at its fourth session in 2005).

International financial institutions' policies on indigenous peoples

| <i>International financial institution</i> | <i>Year^a</i> | <i>Policy instrument</i> | <i>Mandatory</i> | <i>Promote</i> | <i>Safeguard</i> | <i>Free, prior and informed consent (FPIC)</i> |
|--|-----------------------------|---|------------------|----------------|------------------|---|
| AsDB | 2009 | Policy Paper Safeguard Policy Statement: – Safeguard requirements 3: Indigenous peoples | yes | | yes | The newly approved safeguard policy requires that the Consent of Affected Indigenous Peoples' Communities be obtained through meaningful consultation for the following project activities: (i) commercial development of the cultural resources or knowledge of indigenous peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial or spiritual uses that define the identity and community of indigenous peoples. |
| EBRD | 2008 | Environment and Social Policy – Performance Requirement 7 on indigenous peoples | yes | no | yes | Free, prior and informed consent. |
| EIB | 2008 | Environmental and Social Statement (Draft II) | no | no | yes | The draft II statement would require free, prior and informed consent. |
| | 2007 | 2007 Environmental and Social Practices Handbook – Guidance note 2 on minority rights including indigenous people | | | | 2007 Guidance note encourages direct consultation and development of appropriate consultation and participation mechanisms. |
| IDB^b | 2006 | Operational Policy on Indigenous Peoples and Strategy for Indigenous Peoples | yes | yes | yes | FPIC in indigenous peoples targeted projects. Agreement in projects with particularly significant adverse impacts on indigenous peoples. Good faith negotiations and socio-cultural viability in all other projects affecting indigenous peoples. |
| IFC^c | 2006 | Policy on Social and Environmental Sustainability – Performance standard 7 on indigenous peoples | | no | yes | Ensure free, prior and informed consultation and facilitate informed participation. |
| World Bank | 2005 1991 1983 | Operational Policy on Indigenous Peoples (OP 4.10) | Yes | yes | yes | Free, prior and informed consultation resulting in broad community support. Informed participation during project cycle. Prior agreement with indigenous peoples for commercial development of cultural resources. |

Note: AsDB: Asian Development Bank; EBRD: European Bank for Reconstruction and Development; EIB: European Investment Bank; IDB: Inter-American Development Bank; IFC: International Finance Corporation.

^a Bold numbers refer to approval year of policy currently in force; other years refer to previous policies or policies under preparation.

^b This policy and the strategy that accompanied it, not only elaborated on the concept of “development with identity” in operational terms but also introduced the concept of the inter-cultural economy as an opportunity for indigenous peoples to use their unique but undervalued natural and cultural resources for self-determined development, in a virtuous spiral of sustainable productive activities and strengthening cultural and natural resources.

^c IFC safeguard principles have been adopted by 67 international private-sector financial institutions that have subscribed to the Equator Principles.

IFAD milestones related to indigenous peoples

| | |
|----------|--|
| 1978 | IFAD begins operations |
| 1979 | First loan for indigenous peoples: Omasuyos-Los Andes Rural Development Project in Bolivia |
| 1984 | First loan exclusively focused on indigenous peoples: Rural Development Programme for the Guaymi Communities in Panama |
| 1992 | Establishment of the Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA) to support demand-driven small-scale indigenous peoples' initiatives in the Amazon (operating until 2007) |
| Jun 2002 | Bali preparatory conference for the 2002 World Summit on Sustainable Development; marks the beginning of IFAD's partnership with a coalition of indigenous peoples worldwide |
| Feb 2003 | Round-table discussion on indigenous peoples and sustainable development on the occasion of the twenty-fifth Anniversary Session of IFAD's Governing Council |
| 2004 | First IFAD grant to UNPFII secretariat |
| Sep 2005 | IFAD's Assistant President, External Affairs Department, placed on special assignment for indigenous issues |
| Nov 2005 | Brainstorming workshop with indigenous experts from Asia and Latin America to review five case studies |
| May 2006 | In-house Policy Forum (with participation of UNPFII chair and indigenous experts from Africa) agreed to develop specific principles of engagement with indigenous peoples (stressing inclusiveness, specificity, flexibility and a demand-driven approach) |
| Sep 2006 | IFAD hosts the 2006 IASG meeting on Development with Identity in Rome/Tivoli |
| Sep 2006 | Agreement between the International Bank for Reconstruction and Development (IBRD) and IFAD on the transfer of the Grants Facility for Indigenous Peoples (Indigenous Peoples Assistance Facility) |
| Dec 2006 | Recruitment of a Coordinator for Indigenous and Tribal Issues |
| Mar 2008 | Consultation with indigenous experts on the Dialogue Paper for IFAD's Engagement with Indigenous Peoples. This paper and the comments received during the meeting form the basis for IFAD's draft policy on indigenous peoples |
| May 2009 | IFAD in-depth dialogue with the United Nations Permanent Forum on Indigenous Issues |

Best practices and lessons learned

1. While IFAD has gradually been adopting or improving its objectives, approaches and methodologies to support indigenous peoples in many of its projects, it is the evolving design and implementation of first-phase projects into second- or third-phase projects that provide particularly useful insights into the way in which IFAD has considered lessons learned from earlier projects. For this reason, the examples below refer to multi-stage projects in which later stages have been built on the experience of earlier ones.
2. **India. The Andhra Pradesh Tribal Development Project (phases I and II)**, concluded in 2003, involved IFAD financing of US\$97 million over a 12-year period. While the first project was a pioneer as an externally funded development project for tribal peoples in India, it was also innovative in making community participation the cornerstone of its strategy. The project's objectives were to foster self-reliance, food security and environmental conservation among more than 100,000 Chenchu households by adapting traditional, but no longer sustainable, shifting (*podu*) cultivation to irrigation-based rice production. While the first phase succeeded in improving livelihoods through employment, income generation and other more conventional interventions, the lessons learned prompted a more culturally sensitive and holistic approach during the second phase, which included multi-stakeholder analysis, a better understanding of traditional community organizations and gender roles, focus on land rights, rehabilitation of landless households, recognition of traditional knowledge, institutional development of community organizations, and even education and health initiatives. This approach was instrumental in significantly increasing household incomes and well-being; promoting self-reliance through self-help groups; strengthening village associations and tribal leadership capacity, ownership and empowerment; and reducing dependency on outside assistance. Indirect benefits included greater awareness of government agencies, local conflict resolution and peace making in an area of guerrilla activity, the innovative use of alternative fuel extracted from *karani* seeds, and the trading of carbon dioxide emissions facilitated through a German NGO. [Source: *Andhra Pradesh Tribal Development Project. Project completion report, Ministry of Tribal Welfare, Andhra Pradesh, and United Nations Office for Project Services (UNOPS) supervision reports (1996–2002).*]
3. **Morocco. Livestock and Rangelands Development Project in the Eastern Region (phases I and II)**. Following years of rangeland degradation resulting from technology-led but inappropriate policies that ignored the existing socio-cultural and institutional tribal management systems, in 1991 IFAD approved a first loan of US\$6.4 million to support community-based rangeland management. Despite initial concerns and distrust on the part of livestock producers, the project empowered them to take responsibility for land use through newly created users' cooperatives, organized along tribal affiliations and respectful of local traditions, knowledge and practice. During the first phase, 44 cooperatives involving 9,000 households increased productivity on average from 150 to 800 kilograms per hectare on 400,000 hectares over a two-year period, introducing environmental protection measures in the process. While half of the cooperatives became self-sustaining, some needed further support; hence IFAD's decision to continue its involvement. In addition to consolidating the results from the first phase, the second phase (approved in 2004) focuses on creating the legal framework to recognize and define the roles of the tribal institutions and cooperatives, securing common and individual property and use rights over grazing lands, and developing appropriate incentive mechanisms to ensure that the "win-win" approach to livelihood improvement and conservation is fully supported by all stakeholders. An additional objective is to influence government agencies to consolidate the gains of community-based approaches in its institutional

and policy frameworks. [*Primary source: Community-based natural resource management: How knowledge is managed, disseminated and used, IFAD, 2006*]

4. **Latin America. Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA).** PRAIA was cofinanced by IFAD and the Andean Development Corporation and operated between 1992 and 2007 in three phases. IFAD supported the programme with three grants totaling US\$3.6 million, leveraging an additional US\$15.8 million from other sources. Some 140 microprojects were financed in the areas of natural resource management, land tenure support, production and marketing of traditional forest products, ecotourism, bilingual intercultural education, cultural activities, among others. The projects benefited some 90 different indigenous peoples in the region. The programme pioneered a demand-driven approach and emphasized institution-building and direct management of resources and funds by the indigenous peoples' organizations themselves, relying on existing social control mechanisms as a powerful tool for accountability. This approach proved effective in creating strong ownership and supporting self-determined development processes, in many cases with results beyond the local level. Other important programme results include the production of excellent publications and documentaries for dissemination to a wider audience, increasing indigenous peoples' pride in their knowledge and heritage, and raising the public's awareness and understanding of the unique contributions and challenges of the Amazonian indigenous peoples. Two of its most visible and internationally acclaimed initiatives include the *Ticuna* indigenous peoples' teacher education and certification programme in Brazil and the biennial Anaconda Indigenous Peoples' Film Festival. Despite the positive results of PRAIA, similar initiatives, including IPAF, which was recently transferred from the International Bank for Reconstruction and Development (IBRD) to IFAD, should find more cost-effective ways of administering a large portfolio of small grants and should pursue a strategy to ensure that project impact transcends the local level through replication or by leveraging other resources in order to influence policy makers.¹

¹ For more information on the programme, see the publications *We only want what belong to us* and *Listening, learning and working with them*.

The Indigenous Peoples Assistance Facility

1. In June 2006, the International Bank for Reconstruction and Development (IBRD) (World Bank Group) and IFAD signed a letter of agreement on the transfer of the Grants Facility for Indigenous Peoples (GFIP), renaming it the Indigenous Peoples Assistance Facility (IPAF). The World Bank transferred resources remaining in the previous programme in the amount of US\$415,000, and a contribution of US\$625,000 earmarked for the Facility by Norway.
2. In September 2006, IFAD's Executive Board approved the transfer of the Facility and its governance structure, as described below. In cooperation with the World Bank and UNPFII, IFAD has since set up arrangements for the workings of the IPAF board, formed in majority by indigenous peoples' leaders who provide strategic guidance and select their best proposals for funding.
3. The added value for having established the Facility at IFAD lies in the following strategic innovative elements:
 - IPAF is a new financial instrument for IFAD whereby the Fund can build a direct partnership with indigenous peoples' communities and grass-roots organizations, who design and implement small development projects based on their own values and priorities;
 - IPAF is a listening and learning instrument on indigenous peoples' needs, proposed solutions and innovations. It can scout for innovations and pilot projects that would open the way for larger projects to be funded through IFAD's loans and grants.
4. **Implementation modalities.** The Facility supports the aspirations of indigenous and tribal peoples through small grants ranging from US\$20,000 to US\$30,000. The projects supported under IPAF build on indigenous culture, identity and knowledge in the following priority areas: (a) strengthened capacity for self-development and engagement in policy processes; (b) innovative pilot projects that build on indigenous knowledge, agricultural technologies, agro-biodiversity, natural resource management, market access, gender mainstreaming and women's empowerment; (c) planning and preparation of development projects implemented by indigenous peoples' communities and organizations; (d) development of partnerships and alliances with other stakeholders, such as governments and international organizations, or between indigenous peoples' organizations, communities and networks.
5. **Governance.** The Facility is currently managed by the Coordinator for Indigenous and Tribal Issues, in IFAD's Policy Division, and governed by a board responsible for operations and directions. The board, formed by a majority of indigenous and tribal peoples' leaders, reviews and makes final recommendations on grant awards.
6. The IPAF board comprises:
 - Four indigenous peoples' leaders respectively from Africa, Latin America and the Caribbean, East Asia and the Pacific and South Asia;
 - A representative of the United Nations Permanent Forum on Indigenous Issues;
 - The Director of the Policy Division, IFAD.
7. Funds are allocated following a call for proposals. All eligible applications are reviewed and rated according to project relevance, feasibility, institutional capacity and institutional credibility. In its final decision, the IPAF board ensures a balance of allocation in terms of geographic distribution and gender.

8. **IPAF's resources for the first and second call for proposals.** In 2007 and 2008, IPAF and related activities¹ were financed by IFAD, the World Bank, Norway, Canada, Finland and Italy, in the total amount of US\$2,120,000.²
9. Following IFAD's first call for proposals in March 2007, more than 1,000 proposals were received from about 86 countries all over the world. The IPAF board approved 30 proposals in 24 countries totalling US\$603,700.
10. The 30 projects were implemented in 2008 with about 500 communities of 50 different indigenous peoples worldwide, reaching more than 20,000 beneficiaries. With support from the Italian supplementary funds, 60 per cent of the approved microprojects were supervised. Cost-effective approaches for supervising the microprojects were piloted (19 of 30 projects were monitored, at an average cost of US\$2,000 each) with the cooperation of the indigenous peoples' networks and committed experts.
11. A preliminary assessment made on the basis of supervision, mid-term and completion reports for the 30 projects implemented in 2008, as well as two regional workshops in Asia and Latin America held with representatives of the grantees, showed the following results:
 - The microprojects financed under the IPAF contributed to an increased awareness of indigenous peoples' rights and cultural identity, strengthened indigenous peoples' institutions and created income-generating activities building on their assets.
 - Increased capacity of communities to manage their natural resources: One example is the organization RITA in Mexico, formed by 20 different indigenous peoples who implemented a project on ethno-ecotourism as an alternative way to manage their natural resources based on their cultures and values.
 - Empowerment of indigenous women through training on their rights and strengthening of their identity and entrepreneurial capacity; improved household incomes: One example is the project approved in El Salvador and implemented by the Salvadoran Institute for Recovery of the Indigenous Ancestral Heritage.
 - Increased capacity of indigenous peoples' organizations to manage and mobilize funds following the approval of their projects by IFAD. This was the case of the Nisarga organization located in South India, which implemented a project on sensitization of indigenous peoples on their rights and assets, and to rebuild their indigenous cultural identity and forest life. Following approval of the project, the organization managed to mobilize additional resources from the local government. The same applies to the project approved to increase community resilience to natural disasters in the Solomon Islands.
12. The supervision missions undertaken with 19 of the 30 approved projects confirmed that the beneficiary communities were very poor and that the microprojects were in fact making a difference at grass-roots level. The approved projects were deemed relevant to the needs and solutions proposed by the applicant organization and to the Facility. The missions also confirmed the institutional capacity of the grantees, while recommending technical assistance during project implementation. A strong

¹ Related activities of the Facility have included two regional workshops, one in Asia and one in Latin America, and a research study on *Custodians of Culture and Biodiversity – Indigenous Peoples Take Charge of Their Challenges and Opportunities* that captured the knowledge and information in the grant proposals as submitted by 1,095 indigenous communities and organizations in 2007.

² IFAD (US\$823,000); World Bank (US\$415,000); Norway (US\$625,000); Canada (US\$150,000); Finland (US\$77,000); Italy (US\$30,000).

sense of commitment and ownership emerged among the implementing organizations and communities. Major recommendations made by the supervision missions and the communities related to extending the grant implementation period to two years from the current one year. Also, it was suggested that specific indicators be defined to measure results and to better link the microprojects to large IFAD-funded projects in the country.

13. To this extent, two regional workshops were organized in Asia (Chiang Mai) and Peru (Arequipa), in August 2008 and January 2009 respectively, with the grant recipients, members of UNPFII, regional indigenous peoples' organizations and United Nations organizations. The workshops were intended to increase participation by indigenous peoples and their grass-roots organizations in consultations concerning policies and development initiatives in a participatory learning process that would include self-assessment of project implementation, networking and awareness on national and international policies, standards and conventions on indigenous peoples. Participants of the workshop questioned the prevailing notions of poverty and development. They stated that poverty reduction cannot be a technocratic exercise, and that for indigenous peoples, a holistic and integrated approach to well-being is needed, in harmony with nature, self-governance, land security, cultural identity and dignity. The participants also discussed emerging issues such as climate change, and concluded that capacity-building for collective action is needed at local, national and international levels.
14. **IPAF 2008 call for proposals.** Following the second call for proposal in 2008, the IPAF board recommended for approval 43 projects in 33 countries worldwide, for a total amount of about US\$900,000, representing a 50 per cent increase in resources compared to the previous year.
15. While financing microprojects is IPAF's main objective, learning about needs and solutions as assessed by indigenous organizations and communities, and scouting for innovations, is another important pillar of the Facility.
16. Accordingly, a research study was conducted on the 1,097 project proposals received by IPAF in 2007. The study focused on solutions to rural poverty and sectors of intervention as proposed by indigenous peoples' communities and their organizations.
17. The research study confirmed IPAF's value as a learning instrument providing first-hand information on the organizations, and on the situation and initiatives of indigenous peoples in rural areas, that can be fed into IFAD country programmes. Microprojects funded by IPAF could pioneer and open the way for larger IFAD-supported projects. The IPAF-funded microproject on the Atlantic coast of Nicaragua represents an advance in this direction. This community will be considered for inclusion in the large project now being designed in Nicaragua. Another example is the project approved in 2008 in the United Republic of Tanzania. From the outset, IFAD's CPMT and the implementing organization have cooperated on implementation of the microproject and issues related to pastoralism.
18. **The way forward.** Based on lessons learned during the assessment of the first year of implementation of the Facility, and suggestions from implementing organizations, the IPAF board decided to increase the ceiling of the microgrants to US\$50,000 (currently US\$30,000) and extend the implementation period to two years from the current one year. This would promote greater sustainability among microprojects, which would be better rooted in the communities.
19. As IPAF evolves, increasing emphasis will be put on capturing innovations and knowledge in order to scale up best practices through mainstreaming in IFAD's country programmes.

Towards an indigenous peoples' forum at IFAD

I. Background

1. Indigenous peoples have repeatedly asked for a more systematic dialogue with United Nations agencies. In response to this request, IFAD has taken a series of initiatives in the past seven years and accumulated valuable experience in establishing constructive dialogue with indigenous peoples.
2. In February 2003, the first official event was organized in cooperation with the secretariat of UNPFII in conjunction with IFAD's Governing Council with a round-table discussion on indigenous peoples and sustainable development. Since then, IFAD has held consultations with indigenous peoples on a yearly basis.
3. In its efforts to strengthen its dialogue with indigenous peoples, in 2005 IFAD enabled an assessment of five selected IFAD-funded projects by a group of indigenous peoples. The results of this assessment were presented at a workshop on indigenous and tribal peoples' perspectives on selected IFAD-funded projects. In September 2006, the Chair of UNPFII, Ms Victoria Tauli-Corpuz, for the first time addressed IFAD's Executive Board on the United Nations Declaration on the Rights of Indigenous Peoples. With the establishment of IPAF in 2006, IFAD intensified its dialogues with indigenous peoples' leaders and consulted with them on several occasions, including on the IFAD's policy on engagement with indigenous peoples. This approach has been very much appreciated, and IFAD is increasingly perceived at international level as a model organization for its readiness to establish a genuine dialogue with indigenous peoples' organizations. Although substantive progress has been made at the international level, dialogue with indigenous peoples at regional and country level is still weak.
4. The proposal to establish an indigenous peoples' forum is a concrete attempt to institutionalize a process of consultation and dialogue with indigenous peoples at the national, regional and international level, with the aim of improving IFAD's accountability to its target groups and its development effectiveness, and to exercise a leadership role among international development institutions.
5. IFAD is not new to such a consultation process. In establishing an indigenous peoples' forum, it would *build* on the lessons and experience deriving from the existing Farmers' Forum, which was created following consultations with farmers' organizations (FOs) in October 2004 and February 2005.

II. The Farmers' Forum

6. The Farmers' Forum was established at IFAD as an ongoing bottom-up process of consultation and dialogue between small farmers and rural producers' organizations, IFAD and governments, focusing on rural development and poverty reduction. The process is based on a two-year cycle with a global meeting in conjunction with the Governing Council every other year. Following country and regional level consultations, the first global meeting of the Farmers' Forum was held in Rome in conjunction with IFAD's Governing Council in February 2006. The meeting brought together 50 representatives of FOs from all regions of the world. In concluding the meeting, the steering committee agreed upon a list of requests and recommendations to IFAD that were presented to the plenary session of the Governing Council.
7. The main recommendations of the Forum to IFAD related to the involvement of FOs in IFAD operations; direct financial support to FOs; support to FOs to engage in policy dialogue at regional and global levels; and inclusion of the role of FOs in IFAD's corporate policies.

8. On 11 and 12 February 2008, the Farmers' Forum held its second global meeting in conjunction with the Governing Council, where the encouraging progress made by the Farmers' Forum *partnership* during the period 2006-2008 was presented in the report to the global meeting of the Farmers' Forum in conjunction with the thirty-first session of the Governing Council of IFAD, "Partnerships in Progress".
9. The report states that the Farmers' Forum is already much more than a dialogue process and has a tangible effect on the way IFAD and FOs work together at all levels.¹ While further progress is still needed and demanded by FOs in several areas, IFAD's overall assessment of the partnerships with FOs is a positive one. In their deliberations at the global meeting in 2008, the FOs acknowledged the progress made by IFAD in changing the way it works at country level to allow for a stronger engagement of farmers' and rural producers' organizations in the development of country strategies and projects with IFAD's member states.
10. The FOs also acknowledged the efforts the Fund is making to strengthen their capacity through direct *and* demand-driven financial support and through support to policy dialogue platforms at regional levels.²

III. The indigenous peoples' forum

11. Like the Farmers' Forum, the indigenous peoples' forum would be a process of consultation and dialogue among representatives of indigenous peoples, IFAD staff and Member States to share assessments of IFAD's engagement with indigenous peoples, consult on rural development and poverty reduction, and promote the participation of indigenous peoples' organizations in IFAD's activities at the country, regional and international levels. Its activities would focus on indigenous peoples' consultations and involvement in the development of IFAD's country strategies, project design, implementation and monitoring processes, and in policy dialogue and advocacy. In so doing, the forum would also support IFAD in implementing its Policy on Engagement with Indigenous Peoples, once approved, and promote accountability by providing feedback on IFAD's operations.
12. The global meeting of the forum would bring together, every other year, between 20 and 30 indigenous peoples' representatives, including the members of the IPAF board, selected members of UNPFII, representatives of indigenous peoples' communities involved in IFAD-supported programmes, and representatives of national and regional organizations of those countries where IFAD-funded projects are benefiting or are planning to benefit indigenous peoples.
13. Initially, the members of the IPAF board could function as a core group and provide support in starting the *process*, drawing on their experience in setting up the UNFPII and regional and national consultation processes.
14. Beyond the confines of IFAD's direct consultation and partnership with indigenous peoples, the forum would also *have* a role to play in promoting partnerships and networking by actively linking indigenous peoples' grass-roots, national and regional organizations to their international representatives and to UNPFII. As underscored at the workshop on the Assessment of the First International Decade of Indigenous Peoples in Asia,³ there is an increasing gap between the achievements of the global indigenous peoples' movement within the international arena and its actual capacity to effectively reach communities. The forum would also attempt to bridge this gap.

¹ "Partnerships in Progress" – Report to the global meeting of the Farmers' Forum in conjunction with the thirty-first session of the Governing Council of IFAD, 11-12 February 2008.

² Report to the global meeting of the Farmers' Forum in conjunction with the thirty-first session of the Governing Council of IFAD, 11-12 February 2008.

³ Victoria Tauli-Corpuz, Chair of UNPFII-IFAD Workshop on the Assessment of the First International Decade of Indigenous Peoples in Asia, 4 May 2007.

15. Based on the experience of the Farmers' Forum, additional costs for the global meetings of the indigenous peoples' forum, to be held every other year in conjunction with the IFAD Governing Council with 25-30 participants, will be an estimated US\$100,000 per year.