

The World Bank and Indigenous Peoples Policy and Program Initiatives

Background

The World Bank's policy towards indigenous peoples dates back to 1982 and was designed initially to consider the needs of relatively isolated and unacculturated tribal groups affected by development projects. It focussed mainly on the protection of land rights and the provision of health services, particularly in relation to forest-dwelling indigenous peoples in lowland South America.

In 1991, the World Bank issued a revised policy (OD 4.20) which extends the definition of indigenous peoples to include a much wider array of peoples who maintain social and cultural identities distinct from those of the national societies where they live, who have close attachments to their ancestral lands, and who are often susceptible to being disadvantaged in the development process.

This policy is currently applicable to all Bank-financed projects identified as affecting indigenous peoples. While maintaining the protective measures of the earlier policy, OD 4.20 focusses particular attention on the rights of indigenous peoples to participate in and benefit from development projects. Special procedures are outlined in the policy for incorporating indigenous peoples concerns into Bank-financed projects through the design of Indigenous Peoples Development Plans.

Since OD 4.20 became effective, more than 150 Bank-financed projects worldwide have been identified as affecting indigenous peoples, many of which have Indigenous Peoples Development Plans or strategies for ensuring that indigenous peoples receive culturally-appropriate benefits. While in the past, many of these investments were in the infrastructure and energy sectors, today an increasing number are in the fields of education, health, community development, agriculture, natural resources management and land tenure security.

Revisions of the World Bank Policy

A. Consultations

In an attempt to ensure greater policy compliance, the World Bank initiated a process for revising OD 4.20 in 1998. As a first step in this effort, in early 1998 a Working Group, comprised of social and legal experts, was formed within the World Bank to revise the current policy.

In June 1998, the Working Group produced an Approach Paper which outlined a strategy and set of recommendations for revising OD 4.20. The World Bank's Operations Policy Committee and Senior Management agreed that as part of the policy revision process, the Working Group should

conduct broad consultations on the Approach Paper within and outside the World Bank. The main objectives of the consultations were to:

- (i) generate greater understanding of the World Bank's policy on Indigenous Peoples both among Bank staff members and within Bank Member Countries;
- (ii) clarify certain critical aspects of the current policy, especially in terms of their applicability to different regional and country contexts; and,
- (iii) obtain a wide range of perspectives on the Approach Paper and the recommended changes in the current policy.

From August until December 1998, the Working Group in close collaboration with the World Bank's regional Social Development Teams, organized a series of in-country and regional consultations on the Approach Paper. Resident Missions discussed the paper with representatives of government agencies, indigenous organizations, NGOs, and academic experts. These consultations were held in the Andean Countries, Brazil, Central America, India, the Philippines, Russia and Vietnam. More recently, consultations on the World Bank's policy and the Approach Paper have been held with indigenous peoples organizations in West and East Africa. Reports on each of the consultations have been produced and will be prepared for publication.

B. Preparation of a Draft Policy

After a thorough analysis of the findings and recommendations of the consultations, the World Bank Working Group initiated the drafting of the revised policy. Among the issues taken up in the drafting process were:

- (a) the objectives of the World Bank's policy and their relations to poverty alleviation, sustainable development and participation;
- (b) the process for identifying which social groups come under the policy in different national and local contexts;
- (c) the steps that need to be taken to ensure the meaningful consultation and informed participation of indigenous peoples in World Bank-financed projects;
- (d) the legal measures necessary to protect indigenous peoples lands, waters and other natural resources;
- (e) the recognition and protection of indigenous peoples' knowledge and culture as part of the sustainable development process;
- (f) the use of social assessment as a major instrument to ensure that indigenous peoples benefit from World Bank-financed projects and do not suffer adverse impacts;
- (g) the need for more pro-active approaches to indigenous peoples development and

welfare; and,

(h) the roles and responsibilities of the World Bank, its Borrowers and the private sector in projects affecting indigenous peoples.

The World Bank Working Group envisions a two-stage process which will include consultations on the draft policy both within and outside of the World Bank. It is expected that the World Bank's Senior Management will provide approval for such consultations in the Fall of 1999.

Activities in Relation to Indigenous Peoples

Since the release of OD 4.20, several regional initiatives have been pursued by the World Bank in order to implement its indigenous peoples policy. Some examples are:

Latin America and Caribbean Region: In November 1998, the World Bank-financed *Ecuador: Indigenous Peoples and Afro-Ecuadorean Development Project* was launched. This is the first project to be prepared in partnership among the World Bank, a government ministry responsible for ethnic affairs, and indigenous organizations. Other indigenous peoples development projects are being prepared in Peru, Bolivia, and Argentina.

Through the Global Environment Facility (GEF), special "community protected areas" are being funded which combine indigenous territorial recognition with the conservation and management of biodiversity. World Bank-financed natural resources management programs, which contain land regularization components for indigenous peoples, are also underway or in preparation in Brazil, Paraguay, Colombia, Honduras, and Guatemala. The *Indigenous Lands Project* of the *Pilot Program to Protect the Brazilian Rain Forest* is specifically designed to address issues of indigenous land demarcation and protection in the Brazilian Amazon.

East Asia and the Pacific: Through the use of social assessment Indigenous Peoples Development Plans have been designed in the following projects during FY99:

- The *Coastal Wetlands Protection and Development Project*, Vietnam. The Khmer has been identified in the project's Indigenous Peoples Development Plan as the most disadvantaged group in the project area. The project has been designed so that the Khmer will benefit from the socio-economic services under a Commune Action Plan.
- *Agricultural Diversification Project*, Vietnam. This project safeguards the interests of ethnic minorities through land allocation based on current land use and participatory land use planning; the voluntary participation of ethnic minorities in a rubber plantation program based upon applications from farmers, who have been residing in communes for a minimum of three years; the recruitment of ethnic minority extension staff; and, training of government officials in participatory planning methodologies and cultural sensitivity.
- *District Upland Development and Conservation Project*, Lao PDR. This project will benefit farmers in three pilot villages, all classified as living below the poverty level. The

project supports the development of sustainable upland livelihood programs taking specific environmental and ethnic characteristics into consideration.

- *Mindanao Rural Development Program, Philippines.* As a result of a social assessment and the planning process for this project, a community development fund and a development plan for indigenous peoples were included in the project.

Research and Sector Work

A growing amount of research and sector work is also taking place in the World Bank which applies to indigenous peoples and other ethnic and minority groups. Recent research and sector work include:

- National profiles of indigenous peoples in Bolivia, China, Guatemala, Honduras, Indonesia, Mexico, Vietnam, and Peru.
- Analyses of the legal and institutional frameworks relating to indigenous peoples and other ethnic minorities in China, Bangladesh, India, Pakistan, and the Philippines.
- Forestry sector reviews that included analyses of the situation of indigenous peoples in Mexico, Papua New Guinea, and Russia.
- Poverty Assessments that analyzed the social and economic situation of indigenous peoples in Panama and Peru.
- Studies of the education of indigenous peoples in Bolivia, Guatemala, Mexico, and Peru.

Small Grants Program (SGP) and Institutional Development Fund (IDF)

The Small Grants Program (SGP) was established in 1983 to provide a way for the Bank to promote dialogue and dissemination of information about international development in fora and activities taking place outside the World Bank. Initially, much of the SGP support went to institutions in developed or donor countries, mainly to inform citizens and policy makers and promote the World Bank's role in the aid community, especially that of the International Development Association (IDA). Over the years, however, the SGP began to shift dramatically its support to developing country institutions, many of them NGOs who could provide an alternative vision or model of the development process.

In 1992, as part of its participation in the International Year of the World's Indigenous People, the SGP committed itself to supporting small initiatives on development-related issues proposed by and of interest to indigenous organizations, especially in developing countries. It has since sponsored several activities of this type, many of them proposed and executed by indigenous organizations. The World Bank intends to continue to give priority to these types of activities during the remainder of the International Decade of the World's Indigenous People.

The Small Grants Program is administered by participating World Bank Country Offices. Not all Country Offices participate in the Small Grants Program. Guidelines and application forms are available from the participating World Bank Country Office in January. The Small Grants Program makes decisions only once a year by June. Applicant organizations should apply at least four to six months in advance of the date of the grant activity. Applicants are advised to read the

criteria and the application form carefully before submitting an application to the participating Country Office. Requests and proposals should not be sent to the World Bank office in Washington, D.C.. For Further information on the Small Grants Program please visit the website at: <http://www.worldbank.org/smallgrantsprogram>

The World Bank also maintains an Institutional Development Fund (IDF) to strengthen the capacity of governmental and non-governmental organizations to plan and manage development programs. The Latin American and Caribbean Region has used IDF resources to finance a number of grants to indigenous organizations for purposes of improving their development planning and implementation capacity. The World Bank expects in the future to use IDF resources to improve its outreach to indigenous organizations in other regions.

Further Information

Information concerning specific World Bank-financed projects is available through The World Bank InfoShop, 1818 H Street, N.W.; Room J1-060, Washington, D.C. 20433; Telephone: (202) 458-5454; Fax: (202) 522-1500; E-mail: pic@worldbank.org