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Report of the International Fund for Agricultural Development

Summary

Since its inception in 1978, IFAD has been supporting indigenous peoples living in remote rural areas through its loans and grants, as part of its mandate to reduce poverty. During the first decades, however, indigenous peoples were not targeted as such, but considered as part of the rural poor. Time and experience on the ground provided IFAD with the knowledge and deeper understanding of indigenous peoples' issues. Overall, in its experience on the ground, IFAD has learnt that development strategies with indigenous peoples need to be guided by a holistic vision that includes

¹ E/C.19/2009/1

economic growth, empowerment, sustainable management of natural resources, and recognition and protection of social, economic, and cultural rights.

Experience, however has also shown that development effectiveness and sustainability have been limited where the design and implementation of programs and projects have not considered the specific identities and cultures of indigenous peoples.

IFAD's strengthened engagement with indigenous peoples in recent years has been rooted on three main pillars: 1) advocacy role at international level; b) development of IFAD's Policy on Engagement with Indigenous Peoples, based on the Fund's best practices in its loans and grants programmes; c) micro grants in support of self-determined development of indigenous peoples' communities at grassroots level.

The main challenges for the Fund reside in applying a more systematic culturally-based approach to all its projects and programmes, in order to enable indigenous peoples to pursue their own development, wherever IFAD works with them.

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I. IFAD's engagement with indigenous peoples

1. Since its inception in 1978, IFAD has been supporting indigenous peoples living in remote rural areas through its loans and grants, as part of its mandate to reduce poverty. During the first decades, however, indigenous peoples were not targeted as such, but considered as part of the rural poor. Time and experience on the ground provided IFAD with the knowledge and deeper understanding of indigenous peoples' issues, and made the institution recognize that while indigenous peoples are disproportionately represented among rural poor people, they have undervalued natural and cultural assets upon which they can build to improve their livelihoods and contribute to environmentally sustainable development.

2. IFAD's rural poverty reduction mandate and its long standing commitment to indigenous peoples were reaffirmed in the IFAD Strategic Framework 2007–2010 (SF), which singles out indigenous peoples as one of IFAD's principal target groups deserving focused attention to reduce their poverty, marginalization and vulnerability. The SF highlights that indigenous peoples are often those who lose the most in view of a breakdown of traditional natural resources governance systems and the emergence of commercially driven ones. It also acknowledges the role of indigenous peoples as custodians of the world's biodiversity and providers of environmental services. Furthermore, the Strategic Framework stresses the need for enabling indigenous peoples *to build organizations to manage their resources effectively and generate income stream that will provide for sustainable resource use.*²

² IFAD Strategic Framework 2007 – 2010 pag. 19 (available at: http://www.ifad.org/sf/strategic_e.pdf).

3. Based on its experience and best practices, within the evolving international normative framework, and under a committed leadership of its President and Senior Management, IFAD's strengthened engagement with indigenous peoples in recent years, has been rooted on three main pillars: 1) advocacy role and policy dialogue at international level; b) development of IFAD's policy on engagement with indigenous peoples, as an institutional instrument to systematize the Fund's best practices in its loans and grants programmes and projects and enhance IFAD's ability to empower indigenous peoples to engage in development processes at regional and country levels; c) micro grants in support of self-determined development of indigenous peoples' communities at grassroots level.

II. Advocacy role at international level

4. Following IFAD's participation in the 2002 World Summit on Sustainable Development in Johannesburg, the Fund started working proactively on advocacy with indigenous peoples, beyond the confines of its projects and within the wider framework of the international arena, establishing a strong partnership with the UN Permanent Forum on Indigenous Peoples' Issues (UNPFII) and the UN Inter-Agency Group (IASG) supporting the Forum.

5. Since then, IFAD has been supporting the work of the Forum and has so far provided three grants to the Forum's Secretariat for a total amount of around US\$ 500,000. The first grant in 2004 allowed indigenous experts to review some of IFAD's projects in support of indigenous peoples in order to identify best practices.

The results of the assessments were presented in a workshop in 2005 that concluded that the IFAD-funded projects had empowered indigenous peoples to implement and frame their own development policies. The workshop also reaffirmed the view long held by indigenous peoples that sustainable solutions to their development must be based on respect for their history, rights, identity, dignity and security. The workshop encouraged IFAD to develop its own principles of engagement with indigenous peoples, based on the Fund's best practices.

6. The second grant was provided to the Secretariat of the Forum in 2006 to define, on the basis on regional consultations, a set of indigenous peoples-sensitive indicators of poverty and well-being. This project on indicators of well-being, sustainability and poverty of indigenous peoples emerged out of the recommendations of UNPFII during its 2004 International Expert Workshop on Data Collection and Disaggregation and the Forum's sessions with the special theme Millennium Development Goals. The results of the project were presented in a global report during the Forum's seventh session in May 2008. In its completion report, the Secretariat of the Forum stated that *the impact of this project went beyond the goals of the project itself. The mobilization into constructive engagement of indigenous organizations, agencies, experts in the field of indicators and government experts and the links created among them on the issue of indicators was productive and forward-looking and the result of these links will hopefully last for some time. The reports of the regional workshops as well as the Global Report speak for themselves. The Global Report includes a list of core and sub-core themes and proposed indicators of indigenous peoples' well-being,*

*sustainability and poverty as well as proposed indicators for the Convention on Biological Diversity and for the Millennium Development Goals.*³

7. A third grant in support of the Secretariat of the Forum was approved in 2008 and will support the dissemination and implementation of the UN Declaration on the Rights of Indigenous Peoples and the UNDG Guidelines on Indigenous Peoples' Issues at country level.

8. IFAD also took on a more proactive role in the Inter-Agency Support Group (IASG) on Indigenous Peoples' Issues. In 2006, the Fund chaired the IASG and hosted a successful annual meeting in Rome. The Fund has been an active participant to the IASG Annual Meetings providing continues input and information.

9. Strategic partnerships with indigenous peoples' organizations and their supporting institutions have been established and strengthened. By February 2008, the Fund provided institutional grants for a total amount of US\$ 1 million to support advocacy and policy work and in response to the Forum's recommendations on issues related to indigenous women; the assessment of the first international decade of the world's indigenous peoples in Asia; mobile indigenous peoples; Indigenous peoples' communication for development; identity, power and rights; spatial and cultural mapping; and climate change.

10. The Fund has also prepared and sponsored various publications on best practices relating to indigenous men and women. It contributed one half of the case studies reported in the 2007 SPFII publication entitled *Indigenous Women and the United*

³ Secretariat of the Permanent Forum on Indigenous Issues, report submitted to IFAD upon completion of Project on Indicators of Well-being, Sustainability and Poverty of Indigenous Peoples.

*Nations System: Good Practices and Lessons Learned.*⁴ It supported a study on the Human Development Index in India that concluded that for various tribal belts in India, Human Development Index is as low as that of some of the poorest countries of sub-Saharan Africa. Recently IFAD has sponsored a study on *Indigenous Women and Climate Change*, carried out by UNIFEM, South Asia Office. The study points out the vulnerability of indigenous women to climate change impacts, as they constitute the most vulnerable section of indigenous peoples, who in turn form a majority of the vulnerable worldwide. While the autonomous adaptive actions of indigenous women have been evidenced, prevailing social and economic systems that manifest gender inequalities can disproportionately affect indigenous women's capacity to adapt and mitigate climate change impacts. The study concludes that indigenous women's knowledge and experience of effective local mitigation and adaptation measures can highly contribute to more sustainable and gender-responsive climate change policies and indicates as priority areas of intervention: a) research and action in traditional knowledge systems; b) advocacy for increasing gender sensitivity on the differential impacts of climate change on women and men; c) capacity building for alternative livelihoods; and d) strengthening women's participation in climate change planning and governance processes.

III. Loans and grants programmes and projects at regional and country levels

11. IFAD has so far provided around US\$ 1,350 millions equivalent in loans and around US\$ 28 millions equivalent in grants, mainly in Latin American and Asian

⁴ Available at: <http://www.un.org/esa/socdev/publications/Indigenous/indwomen07.htm>. In addition to SPFII 2007, see also: International Fund for Agricultural Development, *Valuing Diversity in Sustainable Development* (Rome/Johannesburg: IFAD, 2002) and *Enhancing the Role of Indigenous Women in Sustainable Development* (Rome/New York: IFAD, 2004).

countries. Regarding Africa, although the Fund provided several loans in support of pastoralists and other marginalized groups in the late 1980s and early 1990s, by the end of the 1990s this support had dwindled. Recently, the Fund has shown renewed interest in supporting pastoralists in northern and western Africa, and some of its ongoing projects are also helping hunters and gatherers in central and southern Africa regain their livelihoods.

12. IFAD-funded projects over the years have addressed the following issues of crucial importance to indigenous peoples:

- Securing access to ancestral lands and territories;
- Promoting, in a culturally sensitive way, indigenous women's capacity for autonomous action in community affairs;
- Enhancing indigenous peoples' livelihoods through sustainable natural resource management, according to their perspectives and visions;
- Valuing and revitalizing indigenous knowledge systems and blending them with modern technology;
- Strengthening indigenous peoples' institutions and their judicial systems;
- Supporting bilingual and cross-cultural education and promoting intercultural awareness;
- Enhancing indigenous identity and self-esteem; and
- Fostering culturally based microenterprises.

13. There are many good examples of successful approaches to effective development and lessons learnt that can be drawn from IFAD's experience of working with indigenous peoples, their organizations, and governments.

A. Increased incomes by diversifying sources of food and income

14. IFAD has learnt that indigenous peoples can increase their incomes by diversifying their sources of food and income. This can involve crop diversification, agricultural productivity enhancement, microfinance, support to micro-enterprises, and alternative income generation opportunities like ecotourism and processing of medicinal products. For instance, crop diversification into tea, coffee, cash-crop trees, organic farming, and horticultural production has served to increase household incomes by up to 43% among minorities in mountain areas in China. Research and development for the production and marketing of high-value non-timber forest products has led to similar results in Laos.

B. Access to markets

15. Support to indigenous women micro-entrepreneurs has proved a very effective way not only to support women's economic empowerment but also to increase household incomes in many countries in Latin America and Asia. Improved access to financial services is an important ingredient of livelihood diversification efforts, as well as support for access to markets, which can pay impressive dividends. This is for instance the experience of tea producers in the Yunnan-Simao in China and of gatherers of non-traditional forest products in Nepal. In Quinhai-Hainan, China, for instance, ethnic minorities doubled their incomes in five years when they had access

to financial services to help them get better access to markets for their animal products. Some 45,000 households have benefited, of which about 60% are Tibetan and Hui ethnic minorities. On average, household income increased by 25% when compared with similar households that did not participate in the project.

C. Access rights of indigenous peoples to natural resources

16. Programmes in which rural communities, governments, and IFAD have joined forces have facilitated the recognition or protection of these rights - both collective and individual - through demarcation of ancestral lands, forests, and water sources, support to more gender-equal entitlements, and advocacy. In India, programmes have included the titling of tribal hill lands and facilitating access to land rights by women in the State of Orissa, and support to the government definition and protection of tribal land rights in Andhra Pradesh. Some 17,175 land titles, registered in the names of both husband and wife, were distributed to 6 837 tribal peoples in 236 villages. The provision of land rights opened up new opportunities for income-generation (e.g. horticulture and small livestock raising). It also promoted sounder environmental management practices since the new landowners generally ended previous shifting cultivation practices.

17. Another example can be found in the Cordillera highlands in the Philippines, where participatory mapping of resources by indigenous communities has been supported through traditional and modern methods. In Nepal, indigenous communities, particularly women, have successfully engaged in forest rehabilitation and biodiversity management thanks to a programme involving 40-year-long leasehold arrangements combined with training. The achievements of this kind of

initiative include better management of natural resources and protection of biodiversity, reforestation, more secure women's access to resources, and reduced conflicts between ethnic minorities.

D. Building on local knowledge

18. 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*, clearing-nuts,⁵ *neem*, and others. Within a short period, the quality of the gum *karaya* improved and prices rose by up to 250 percent while four value-added by-products were developed including powder, granules, cream and gel. The gum *karaya* initiative was a major source of income for almost 12,000 tribal peoples and an important source of employment for tribal women.

19. Indigenous knowledge about medicinal plants or underutilized plant species has also been utilized and capitalized on with very powerful effects both in local programs and by cultivating fair national and international value chains, always with the joint participation of local communities, governments, donors, and other partners such as the private sector and NGOs.

E. Socio-cultural and political empowerment

20. Many IFAD-supported programmes promote the socio-cultural and political empowerment of indigenous peoples. This has taken different forms, from promoting intercultural education in the Mindanao project in the Philippines, to encouraging the

⁵ *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.

use of indigenous languages and dress in competitions for project services in Peru. In the Amazon Basin, IFAD's work with the Regional Programme in Support of Indigenous Peoples in the Amazon Basin (PRAIA) has empowered indigenous communities to design 140 small programmes combining economic activities and cultural valorization. Initiated in 1992, this highly innovative programme provided direct support to indigenous communities so that they themselves could develop and implement projects reflecting their own perspectives and aspirations. The programme's financial support was released against proposals from indigenous communities or organizations and is generally small (US\$5,000 to US\$50,000).

F. Desk Review of IFAD's portfolio in Latin America and Caribbean Region

21. To take stock of its experience on the ground, in 2007, IFAD's Latin America and the Caribbean Division undertook a desk review of its portfolio related to indigenous peoples. The analysis aimed at providing a characterization of interventions related to indigenous peoples with special emphasis on assessing the different approaches and instruments adopted by the Division in projects and programmes concerning indigenous peoples. The study assessed that as of 2007, indigenous-related loans concern 38% of projects and about 22% of the lending portfolio, a good indicator of the significance of indigenous peoples to the interventions in the Region. The analysis highlighted the emphasis of the overall portfolio on natural resources management and support to access to markets. The review also identified margin for improvement in areas related to: a) secure access to land and territories; b) inclusion of decentralised institutions in natural resources management activities; c) integration of traditional knowledge systems and their governance into sustainable management of resources; and d) enhanced partnerships with indigenous peoples' organisations,

through deeper involvement and more systematic consultations. The review also indicated opportunities for increasing the volume of regional and sub-regional programmes related to indigenous peoples. Furthermore, the study highlighted the opportunities for IFAD to play a greater role in policy dialogue and advocacy work, in order to make Country Strategic Opportunity Programmes (COSOPs) and other strategic tools more relevant to indigenous peoples' perspectives.

22. The opportunities for improvement highlighted by the desk review and the strategic suggestions to meet them included the following:

-Increasing external threats to indigenous lands and territories for extraction of sub-soil resources or land grabbing for establishing plantations (bio-fuel production, forest concessions, expansion of the agricultural frontier, etc.) could be mitigated by providing support for legal recognition and titling of ancestral territories, coupled with investments for implementing integrated participatory management plans, and by establishing legal defense funds. Other measures could include support to negotiate equitable benefit-sharing arrangements and/or further the emergence of indigenous enterprises.

-To cope with, adapt to and mitigate the adverse effects of climate change, the desk review recommended systematically accompanying indigenous peoples, in strategic partnership with other agencies, through documentation of best practices, participatory research and design, and, whenever feasible, promoting integrated ecosystem management and rewarding mechanisms for ecosystem services provided by them.

-To counteract the adverse effects of globalization and the coming into force

of new trade agreements the review suggested the requirement of concerted efforts to promote niche products and to step up current initiatives undertaken to protect indigenous products, obtain trademarks and identify more products to be protected with designation of origin. In addition, it was recommended that to support local seeds conservation efforts, encourages exchange visits of *in situ* seeds conservation and adaptation approaches, provides grant funding for the establishment of local gene banks and for existing seed banks to open their collection to indigenous peoples.

-Another recommendation was to seize the opportunity of operationalizing the United Nations Declaration on the Rights of Indigenous Peoples to translate the main principles of the Declaration into concrete operational guidelines at regional and sub-regional levels.

23. The countries in LAC for which the 2007 and 2008 COSOPs have specifically addressed indigenous peoples' issues include Honduras, Panama, Belize, Mexico, Bolivia, Brazil and Guatemala.

24. The *Orinoco Delta Warao Support Programme* in Venezuela, approved by IFAD's Executive Board in December 2008, took full advantage of the experience emerging from and the recommendations deriving from the 2007 Desk Review in LAC. The project has been designed based on Venezuela's national policy, institutional and legal framework, as well as the UNDRIP and international norms that recognize the rights of indigenous peoples. This project can be considered as a model for designing projects with indigenous peoples in IFAD. Based on a holistic approach, this project has been tailored on the identity and culture of the *Warao*

people living in poverty in the Orinoco Delta. Demand-driven initiatives will focus on integrated public health projects, including reproductive health and traditional medicine; food security and ecologically and culturally appropriate economic activities; social infrastructure and communications; natural resource and land management; strengthening of community-based organizations, including women's organizations and cooperatives; technical, managerial and administrative capacity-building; bilingual education and basic literacy training for adults; and promotion of culture and folklore. The project will support the revitalization of Warao traditions, music, dances, crafts, written and oral local stories and other cultural expressions. It will also support the education of non-indigenous peoples to respect Warao culture. Young men and women will have priority access to project services and resources, as will the elders, as they will be the transmitters of the Warao traditions and culture. Four types of activities will be supported: (i) promotion of Warao cultural expressions; (ii) cultural festivals and traditional rituals; (iii) encounters and exchanges between indigenous peoples undergoing similar issues such as integrated health care, ethno-cartography, and others; and (iv) promoting respect for Warao culture among non-indigenous communities and on a regional and national level.

G. Study on Indigenous Peoples' Development in Asia

25. Recently IFAD undertook the study *Indigenous Peoples' Development in Asia Lessons from IFAD Projects*, based on projects among indigenous peoples in Asian developing countries. The main countries analyzed included India, China, the Philippines, Indonesia, Lao PDR and Vietnam.

26. Though this study is centred on an analysis of IFAD funded projects, it is not confined to those projects only. The results and lessons from these projects are used to look at broader issues of indigenous peoples' development, with the objective of drawing lessons that would be relevant to project design and implementation.

27. Preliminary findings of the study show that indigenous peoples' economies are undergoing a transformation from subsistence-based production to accumulation, from production for need to labour for maximizing income and from extensive to intensive development. The manner in which this change from subsistence to accumulation is occurring among indigenous peoples, according to the study, is basically of a *market-driven laissez faire* type, with the community losing control over the transition processes, and even losing its identity with the growth of individualization of access to resources. The study argues that these tendencies, however, are not a given. There are many forms of access to resources (individual, collective, cooperative, etc.) that can be compatible with the requirements of efficiency in market-directed production. Thus, there is scope for choice even within market systems. And even though indigenous peoples are acting in a politico-economic environment of globalization, there is no *a priori* reason why globalization through the market must lead to full privatization and forms of non-market access to productive resources can be maintained.

28. The projects studied have generally been beneficial in a number of ways – by improving infrastructure the indigenous peoples have greater opportunities to utilize larger-scale production for non-local markets, and transform what was formerly domestic production for use in income generation. These changes also bring pressures

on utilization of natural resources, requiring changes in natural resource management regimes to incorporate private with community access regulations. At direct production level, the projects have carried out small-scale water resource developments, leading to an increase in wet rice cultivation as against hill rice.

29. The projects have also promoted the introduction of high value crops into *swidden* or other hill cultivation. But such commercialization needs to be accompanied by caution – in maintaining diversity both in commercial production and in resources. It is seen that the combination of commercial with subsistence production increases resilience – commercial production can compensate for environmental fluctuations affecting subsistence production, while subsistence production can compensate for the inevitable market-fluctuations of commercial production.

30. These project interventions have generally brought benefits in terms of economic well-being – better nutrition, improved ability to access education, improved housing, and so on. They have induced changes in land and forest management systems. Some projects have sought to deliberately increase access to productive resources of the poor and women among indigenous peoples, modifying traditional access norms.

31. The study points out that indigenous peoples, however, are not only concerned with getting a share of the benefits of development, but they are also concerned with development that enables them to retain or develop their own cultures or identities. And the core of indigenous peoples' identity can be identified in their values. This would then imply inquiring into new ways of realizing core indigenous peoples' values in the current economic and political context. Within indigenous communities

this would also open up space for the critical enquiry into certain practices that might contradict or restrict the realization of these core values. The exclusion of women from political processes or the unequal rights of youth, could both be challenges for critical review as practices that restrict the core indigenous peoples' value of participatory democracy.

32. The study concludes that if participatory democracy, collectivism and egalitarianism are accepted as some of the core values of indigenous peoples, then it is possible to fashion paths of development that allow these values to be redefined and developed in ways that meet the requirements of accumulation and efficiency in the market and to eliminate the exclusions of women and youth, in order to make them dynamic.

33. The findings of the study will be shared and validated with indigenous peoples' leaders, organizations, project staff, government representatives and academics in a workshop on indigenous and tribal peoples' development in Asia, scheduled to take place in India in June 2009.

H. Towards a Policy on Engagement with Indigenous Peoples

34. Experience, has shown that development effectiveness and sustainability have been limited where the design and implementation of programs and projects have not considered the specific identities and cultures of indigenous peoples.

35. Overall, in its experience on the ground, IFAD has learnt that development strategies with indigenous peoples need to be guided by a holistic vision that includes

economic growth, empowerment, sustainable management of natural resources, and recognition and protection of social, economic, and cultural rights.

36. To implement this vision, it is therefore necessary to recognize that enabling indigenous peoples to escape poverty requires respect for their rights, respect for their cultures and traditions, and respect for their aspirations to control their own destiny.

37. It is within this perspective and the framework of the UN Declaration on the Rights of Indigenous Peoples and the UNDG Guidelines on Indigenous Peoples' Issues that IFAD's *Policy on Engagement with Indigenous Peoples* is being developed.

38. Under IFAD's overall mission to enable rural poor women and men to overcome poverty, the policy on engagement with indigenous peoples will aim at enhancing IFAD's ability to empower indigenous peoples to engage in self-development processes.

39. As a step towards the development of the policy, a discussion paper on IFAD's engagement with indigenous peoples was prepared. The paper was discussed in a consultation meeting with about 15 indigenous leaders, including the Chair of the UNPFII, and IFAD Staff in March 2008. A draft policy document is being finalized and will be shared with indigenous leaders, UNPFII and IASG for feedback.

40. The policy is expected to be submitted for approval to IFAD's Executive Board in September 2009.

41. It is worth noting that in September 2008, the Fund's Executive Board approved IFAD's *Policy on Improving Access to Land and Tenure Security*.⁶ Among its guiding principles this policy includes adherence to the principle of free, prior and informed consent. *This, the policy states, is of particular importance for most indigenous peoples, tribal people and ethnic minorities, who have cultural distinctive land tenure regimes based on collective rights to land and territories. Recognition of these regimes and rights is often incomplete, leading to social and political marginalization and land grabbing by powerful. Mechanisms for securing indigenous peoples' rights to their lands are important for their cultural survival and better livelihoods prospects.*⁷ The policy includes reference to Article 10 of the UN Declaration on the Rights of Indigenous Peoples.

IV. The Indigenous Peoples Assistance Facility: contributing to self-determined development of indigenous peoples' communities at grassroots level

42. In addition to projects approved through loans and grants, IFAD has established a specific Facility, the Indigenous Peoples Assistance Facility (IPAF) in support of self-determined development of indigenous peoples' communities and their organizations. The IPAF, which was transferred in 2006 from the World Bank, is demand-driven and provides small grants that range from US\$10,000 to US\$30,000 to projects designed and implemented by indigenous peoples' communities and organizations. A board with a majority of indigenous leaders, including the Chair of the UNPFII, manages the facility, providing strategic guidance and making final decisions on grant awards.

⁶ Available at: <http://www.ifad.org/pub/policy/land/e.pdf>

⁷ IFAD, *Policy on Improving Access to Land and Tenure Security*, pages 16-17. Available at: <http://www.ifad.org/pub/policy/land/e.pdf>

43. The Facility is managed through a bidding process. Following a call for proposals, all eligible applications received by the set deadline are reviewed and rated according to project relevance, feasibility, institutional capacity and institutional credibility. In 2008, the technical review process was conducted with the support of indigenous experts in grant-making and development projects.

44. During the past two years of implementation of the IPAF, 73 micro projects were approved in 47 countries worldwide for a total amount of about US\$ 1.5 million.

45. In its thirty years of experience, IFAD has learnt that demand driven programs ensure appropriation, commitment and sustainability of the investments, and increase self-reliance and community empowerment. The Indigenous Peoples Assistance Facility represents an innovative opportunity for IFAD to work with indigenous peoples and continue expanding and improving its community based demand driven approach which is particularly suited to the holistic and territorially based worldview of indigenous peoples. The added value for having established the Facility at IFAD lies in the following strategic innovative elements:

- (a) The IPAF is a new and innovative financial instrument for IFAD, through which the Fund builds a direct partnership with indigenous peoples' communities and their grassroots organizations, who design and implement grassroots development projects based on their own perspective, values and priorities;

(b) The Facility is a listening and learning instrument on indigenous peoples' needs, proposed solutions and innovations;

(c) The Facility, as a community fund, can scout for innovations and pilot projects that would open the way for larger projects to be funded through IFAD's loans and grants;

(d) The IPAF has the potential of a partnership instrument to strengthening indigenous peoples' movements and policy dialogue at a national, regional and global level.

46. In 2007 and 2008 the IPAF and its related activities⁸ were financed by IFAD, World Bank, Norway, Canada, Finland and Italy, for a total amount of USD 2,120,000.⁹

47. Following IFAD's first call for proposals in March 2007, more than 1000 proposals were received from about 86 countries all over the world. The Indigenous Peoples Assistance Facility Board approved 30 which were implemented in 2008, with about 500 communities of 50 different indigenous peoples worldwide, reaching more than 20,000 direct beneficiaries, and over 30,000 indirect beneficiaries.

48. The following results emerged from a preliminary assessment made on the basis of the monitoring, mid-term and completion reports of the 30 projects implemented in 2008, as well as 2 regional workshops in Asia and Latin America, held with the

⁸ The related activities of the Facility have been 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 1095 indigenous communities and organizations in 2007.

⁹ IFAD (USD 823,000); World Bank (USD 415,000); Norway (USD 625,000); Canada (USD 150,000); Finland (77,000); Italy (USD 30,000).

representatives of implementing organizations. The micro projects financed under the IPAF emerged as powerful instruments at community level which contributed to:

- Increased awareness of indigenous peoples' rights and cultural identity, strengthened indigenous peoples' institutions and creating income generating activities building on their assets.

- Increased capacity of communities to manage their natural resources. This is the example of the organization *RITA* in Mexico, formed by 20 different indigenous peoples, that implemented a project on ethno-eco tourism as an alternative way to manage their natural resources and based on their cultures and values.

- Empowerment of IPs 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 *El Instituto par el Rescate Ancestral Indígena Salvadoreño* that supported indigenous women to recover their identity as indigenous and women through traditional weaving while trained on their rights.

- Increased capacity of IPs organizations to mobilize funds following the approval of their projects by IFAD. This was the case of NISARGA organization in South India which implemented a project on sensitization of indigenous peoples and their problems and needs to critically rebuild their indigenous cultural identity and forest life. Following the approval of the project under the IPAF, the organization managed to mobilize additional resources from the local government.

49. Following the second call for proposals in 2008, the IPAF Board prioritized for funding 43 projects in 33 countries worldwide, for a total amount of about US\$ 900,000 with a 50% increase of resources compared to the previous year.

50. While financing micro projects is the main objective of the Indigenous Peoples Assistance Facility, learning from the needs and solutions as assessed by indigenous organizations and communities and scouting for innovations is another important pillar of the Facility.

51. To this extent, a research study was conducted on the 1095 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. The study's main findings showed that most proposals have a holistic perspective with a strong focus on sustainability. Cultural identity and rights-based approaches were built into livelihoods, natural resource and land management as well as into environmental regeneration approaches. Many of the activities proposed by indigenous peoples and their organisations included integrated approaches. The holistic model forms a well-integrated package, tying various sectors with identity and rights. In the context of global warming and erosion of biodiversity, pollution of rivers and overexploitation of land, this model is very timely and appropriate. It is in line with a long-term perspective and sustainability that was endorsed in Johannesburg Summit on Sustainable Development in 2002, but which is still not fully implemented. Living in fragile environments, indigenous peoples have time-

tested experience and valuable knowledge that could also be used for adaptation and mitigation of global warming.

52. Proposals also revealed that indigenous cultures are in different stages of development and change, facing internal and external challenges. Youth was a special focus of some project proposals, and gender concerns were mainstreamed into most of projects. Many projects also specifically targeted women, promoting their livelihoods, tapping their knowledge, strengthening their organisations, and building their advocacy and participation in society.

53. Organisation building and participation were also tackled by many projects. Projects addressed lack of representation and participation of indigenous peoples in various governance structures. Indigenous peoples were educated on their rights, development situation and outside challenges. This is important as their problems are political. Many projects also addressed marginalisation, exclusion and loss of autonomy of indigenous peoples, by strengthening their institutions and organisations and building their power to participate in decision making bodies and in policy development.

54. The research study confirmed that as a knowledge instrument that provides first hand information on the organizations and the situation of indigenous peoples in rural areas, the Facility is extremely valuable for IFAD's funded country programmes through loans and large grants. Micro projects approved under the IPAF could pioneer and open the way for larger projects to be funded through loans and grants.

55. The Facility is also an instrument that can play an important multiplier role in promoting partnerships and networking by actively linking indigenous peoples' grassroots organizations and communities to their national and regional organizations, and their international representatives. Through targeted advocacy, the IPAF has the potential to build solid bridges for national policy dialogue within the UN Permanent Forum on Indigenous Issues (UNPFII).

56. Based on the first year of implementation, a vision strategy for the future of the IPAF aims at strengthening its potential and gradually decentralizing the Facility at regional levels with the support of its Board Members, the UN Permanent Forum on Indigenous Issues and identification of suitable indigenous peoples' organizations at regional level. This will help build capacity, unity, and autonomy of indigenous peoples, facilitating national and global dialogues on IPs issues, hence implementing the Declaration on the Rights of Indigenous Peoples.

57. In order to make full use of the potential, knowledge and innovations of the Facility, its future lies in its ability to become a long-term solid financial instrument for small grassroots development initiatives. In addition to its own resources, IFAD is making efforts to mobilize resources with donor countries and interested international organizations.

V. Response to UNPFII recommendations

58. Over the years, IFAD has been effectively responding to recommendations exclusively addressed to the Fund by the UNPFII. IFAD has received and responded to them also as an incentive to acquire better understanding and knowledge and mainstream indigenous people's issues within the organization. Following is a comprehensive review of the recommendations addressed to IFAD and the responses to them. They have been grouped thematically.

A. Issues related to IFAD's mandate

59. These recommendations relate to mainstreaming indigenous peoples' issues within IFAD, the development of principles of engagements with indigenous peoples, the establishment of a grant Facility exclusively dedicated to indigenous peoples' development projects, and mobilization of resources for projects in support of indigenous peoples.

60. As mentioned above, IFAD's engagement with indigenous peoples has been increasing in the past decade. Following the retirement in 2006 of the Assistant President with a Special Mandate on Indigenous and Tribal issues and based on the gains made under his leadership, the work related to indigenous peoples was institutionalized in a functional unit incorporated in the Policy Division. A Coordinator for Indigenous and Tribal Issues was recruited to work as focal point on indigenous issues and an inter-departmental Policy Reference Group on Indigenous Peoples was established.

61. A Policy on Engagement with Indigenous Peoples is being finalized in consultation with indigenous leaders, the UNPFII and IASG, and it is expected to be presented for approval at the September 2009 IFAD's Executive Board.

62. The Indigenous Peoples Assistance Facility has been established and is successfully running under the guidance of a Board formed in majority by indigenous leaders.

63. In its annual reports to the UNPFII, IFAD has regularly submitted comprehensive lists of loans and grants programmes in support of indigenous peoples. In the past six years, IFAD has provided on a yearly basis, an average of US\$ 110.5 million in loans, about 22% of its annual lending programme over this period, and US\$ 3.3 millions in grants in support of indigenous peoples mainly in Asia and Latin America. Project and grant design and implementation have improved to better reflect the needs and worldviews of indigenous peoples. In order to take stock of the work done with indigenous peoples in the field, desk reviews, studies and assessments were conducted by the Fund, in order to identify best practices and gaps for future strategies.

B. Land and territories

64. These recommendations referred to the implementation of the principle of free, prior and informed consent and mechanisms regarding projects on indigenous lands and territories.

65. In addition to IFAD-funded projects that have facilitated access to land rights of indigenous and tribal peoples, as described above, IFAD's recent *Policy on Improving Access to Land and Tenure Security* includes free, prior and informed consent among its guiding principles, with a specific focus on indigenous peoples' communities.

C. United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and UNDG Guidelines on Indigenous Peoples' Issues

66. IFAD responded to the Forum's recommendations to the United Nations system on the dissemination of the UNDRIP and undertook several initiatives to disseminate the Declaration even before its approval in September 2007, as mentioned in its report to the UNPFII in 2007.¹⁰ The design of the *Policy on Engagement with Indigenous Peoples* has been inspired by the Declaration, and reference to the UNDRIP has been included in the newly approved policy on land. In addition, IFAD is financially supporting the Secretariat of the Forum in disseminating the Declaration and the UNDG Guidelines on Indigenous Peoples' Issues at country level. The Fund was part of the UNDG Task Team that designed the Guidelines and since its release in February 2008, it has been disseminating the Guidelines within the institution and during meetings and workshops.

D. Indicators

67. In response to the UNFPPII recommendations for developing specific indicators of well-being of indigenous peoples, IFAD provided financial support to the Secretariat of the Forum. The Fund is piloting the specific indicators of well-being of indigenous peoples through the micro projects approved under the Indigenous Peoples Assistance

¹⁰ E/C.19/2007/3/Add.4

Facility and disseminating them to all organizations implementing projects. In the forthcoming *Policy on Engagement with Indigenous Peoples* provisions are being made to use appropriate indicators for monitoring and evaluating projects that reflect indigenous peoples' perspectives and realities, with reference to the work undertaken by the Forum and other organizations.

E. Climate Change

68. Recommendations on climate change addressed to the United Nations Agencies refer to technical and financial support to protect natural resource management of indigenous peoples; to conduct studies on the impacts of climate change and responses by indigenous peoples; and to strengthen participations of indigenous peoples in dialogue on climate change.

69. IFAD is accompanying indigenous peoples in Asia, Africa and Latin America in their processes leading the way on climate change dialogue and negotiations during the UNFCCC. Two grants, provided in 2008 and early 2009, respectively to *Tebtebba Foundation* and *Mainyoito Pastoralists Integrated Development Organisation (MPIDO)* will contribute to enable indigenous peoples to share their experiences, lessons, aspirations and strategies in dealing with climate change, based on their cultural and traditional understandings, as well as the current conditions they face. The grants will enable indigenous peoples to unite and strengthen their voices and become equipped with the knowledge and understanding of the national, regional and international decision-making processes on climate change issues.

70. A micro grant approved under the Indigenous Peoples Assistance Facility in 2007 in favor of *Solomon Island Development Trust (SIDT)*, supported *Babanakira* and *Kolina* people in enhancing traditional coping strategies to build their resilience to cope with disasters, merging these practices, where necessary, with modern scientific and technical knowledge. Another small grant was provided to *the Asian Forum of Parliamentarians on Population and Development*, whose main objective is to promote innovative approaches and solutions to the impact of climate change on indigenous peoples in the Asia and Pacific region. A study on Indigenous *Women Engaging with Climate Change* whose findings have been summarized above, was sponsored by the Fund and will be presented and disseminated in international meetings and conferences. Representatives of indigenous peoples' organizations who participated to the two regional workshops on *IFAD's Indigenous Peoples Assistance Facility: Supporting self-determined development of indigenous communities in Asia and Latin America* discussed climate change and indigenous peoples during focused working groups. They concluded that the analysis of climate change impacts and solutions have so far been superficial, technocratic and only centering on the economic dimension. They highlighted the need to include the ethical dimension when combating climate change. They indicated that indigenous multidimensional cosmovision needs to replace the present one-dimensional male paradigm. It would be a solution to ecological crisis and it would be in line with sustainable development. Indigenous peoples and their organizations should take a leadership role and promote their holistic worldview and livelihoods. They identified participation of indigenous peoples in processes that are shaping up new policies and strategies on climate change as the key issue. In order to be effective, capacity building of indigenous peoples leaders is needed.

VI. Limitations of IFAD's work with indigenous peoples and future opportunities

71. IFAD has made substantive progress in its engagement with indigenous peoples both on the ground and in its advocacy role at international level. While the majority of IFAD supported projects are designed in close consultation with local communities, the challenge for the Fund resides in applying a more systematic approach to all its projects and programmes in order to enable indigenous peoples to pursue their own development, wherever IFAD works with them. The instrument through which IFAD will be able to fill in this gap will be its forthcoming *Policy on Engagement with Indigenous Peoples*. Once approved by the Fund's Executive Board, the policy, which is mandatory for IFAD, will apply to all projects and programmes with indigenous peoples.

72. In the future, IFAD will also need to increase its ability to document and share more proactively the lessons learnt from its own experiences with Governments, the United Nations System and other organizations and strengthen its advocacy and policy role at national, regional and international level. IFAD will also need to enhance cooperation with UN Organizations at country level, particularly in view of its increased field presence. The implementation of the UNDG Guidelines on Indigenous Peoples' Issues at country level, represent a good opportunity in this direction.

Annex I

Summary of projects and grants approved in 2008

To complete the present report and ensure continuity of previous reports submitted by IFAD to the UNPFII in recent years, a summary of approved projects and grants in 2008 is provided below:

During 2008, through its loan facility, IFAD's Executive Board approved 13 projects supporting indigenous peoples and ethnic minorities. The approved projects are either formulated specifically for indigenous peoples, or they include indigenous peoples as part of a larger beneficiary group of rural people living in poverty. The approved projects cover five countries in Asia (China, India, Indonesia Philippines and Viet Nam), five in Latin America (Belize, Costa Rica, Guatemala, Panama and Venezuela) and three in Africa (Niger and Tanzania). Total cost of projects benefiting indigenous peoples amount to about US\$ 94 million.

Under the IFAD grant portfolio, seven large Technical Assistance Grants were approved in support of indigenous peoples for a total amount of about US\$ 11.5 million. The majority of these grants were additional components to the above mentioned approved projects. Four grants will be implemented in Asia (India, Indonesia, Laos, and Philippines), one in Latin America (Guatemala) and two in Africa (D. R. Congo and Niger). Other small grants were approved in 2008 which will directly benefit indigenous peoples. One grant was in support of *the Asian Forum of Parliamentarians on Population and Development*, whose main objective is to promote innovative approaches and solutions to the impact of climate change on

indigenous peoples in the Asia and Pacific region; a grant to PRAIA Foundation on Learning and sharing knowledge on climate change and mitigation in the Amazon basin; a grant to the Indigenous Peoples' International Centre for Policy Research and Education (Tebtebba Foundation) was provided for the preparation of an Asian regional summit on climate change and indigenous peoples. A grant was approved in favor of the Secretariat of the UNPFII to support dissemination of the UNDRIP and the UNDG Guidelines on Indigenous Peoples' Issues at country level.

In addition, three small grants approved during the course of 2008, include indigenous peoples as part of larger beneficiary groups. One grant was provided to the *Centro Internazioanle Corcevia* to organize a civil society forum during the FAO high-level conference on world food security and address issues related to climate change and bio-energy. Another grant was provided to the organization FUNCAFÉ on Model of management for the competitiveness of small producer of coffee and cocoa in Las Verapaces, Venezuela; and a third grant was in favor of the SAMBANDH Programme on sustainable livelihoods through organic agricultural development which included scheduled tribes of Orissa, India among its beneficiaries.