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Report of the Asian Development Bank for the  
Thirteenth Session of the United Nations Permanent  
Forum on Indigenous Issues (UNPFII)

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## **Executive Summary**

This report is prepared in response to the invitation of the United Nations Department of Economic and Social Affairs to submit a summary of action undertaken and planned by the Asian Development Bank (ADB) regarding Indigenous Peoples' issues. The report focuses on the ADB's initiatives to influence projects it finances to respond to Indigenous Peoples' development issues, specifically in Asia and the Pacific. The report highlights key projects ADB supports which have potential to impact on Indigenous Peoples in Asia and the Pacific. It also responds to the recommendations of the 12<sup>th</sup> session of the United Nations Permanent Forum on Indigenous Issues addressed directly to ADB and to international financial institutions, specifically in relation to ensuring that projects ADB funds will promote the rights of Indigenous Peoples to land and resources and avoid adverse impacts on Indigenous Peoples and their watersheds and other fragile ecosystems.



## I. INTRODUCTION

1. This report is prepared in response to the invitation of the United Nations Department of Economic and Social Affairs to submit a summary of action undertaken and planned by the Asian Development Bank (ADB) regarding Indigenous Peoples' issues. The report specifically responds to (i) how ADB addressed issues relevant to Indigenous Peoples' development in Asia and the Pacific, and (ii) the recommendations of the 12<sup>th</sup> session of the United Nations Permanent Forum on indigenous issues addressed directly to ADB and international financial institutions (IFIs). The report focuses on activities in 2013.

## II. INDIGENOUS PEOPLES' DEVELOPMENT IN ASIA AND THE PACIFIC: SAFEGUARDING TRADITIONAL LANDS, LIVELIHOOD SYSTEMS AND CULTURAL UNIQUENESS

2. ADB aims for an Asia and The Pacific free from poverty. Whether it be through investment in infrastructure, education or health care services, or helping its developing member countries better manage their natural resources, ADB ensures to foster inclusiveness and equitable access to services, resources and opportunities; empower people to participate in social, economic and political life; and provide security to help individuals cope with unforeseen and sudden risks. ADB's poverty relief goal encompasses Indigenous Peoples communities and the 2009 Safeguard Policy Statement<sup>1</sup> (SPS) specifically obliges that its borrowers design and implement projects that fosters full respect for Indigenous Peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the Indigenous Peoples themselves.

3. The SPS mandates the screening of projects as to their impacts on Indigenous Peoples. Screening starts early in the project concept paper stage which subsequently ensures that projects approved will be responsive to the procedural and substantive requirements of the SPS. Of 101 loans approved in 2013, a total of 20 projects were deemed to have impacts on Indigenous Peoples. All these 20 projects went through the process of meaningful consultation<sup>2</sup> with affected communities and required to integrate specific Indigenous Peoples concerns in their respective project design and/or prepare Indigenous Peoples Plan or Frameworks (IPP/IPPF). The IPP and IPPFs provide for measures to avoid or minimize any negative impacts, and if unavoidable, provide for mitigation measures that are develop through culturally-appropriate consultations with affected Indigenous Peoples communities. Most (80%) of the projects with impact on Indigenous Peoples communities have limited potential adverse impacts mostly due to loss of strip of lands along alignments of linear projects or small plots to be used in water supply, irrigation, health and education facilities, emergency shelter, coastal resources preservation facilities which are expected to benefit Indigenous Peoples communities.

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<sup>1</sup> Approved by ADB's Board of Directors in July 2009, the Safeguard Policy Statement (SPS) brings into a consolidated policy framework safeguard requirements for environment, involuntary resettlement and Indigenous Peoples. Available at <http://www.adb.org/site/safeguards/policy-statement>

<sup>2</sup> For policy application, meaningful consultation is a process that (i) begins early in project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation and coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

## A. Ensuring safeguards for Indigenous Peoples in Asia and the Pacific

4. There were 5 projects approved in 2013 judged to have potential adverse impacts on Indigenous Peoples. The preparation of these projects entailed impact assessment and meaningful consultations with potentially impacted communities. The recently-approved projects are: (i) Indonesia's Sarulla Geothermal Power Development project, (ii) Nepal's Tanahu Hydropower project, (iii) South Asia Subregional Economic Cooperation Road Connectivity project, (iv) People's Republic of China's Inner Mongolia Road Development project, and (v) Philippines' KALAH-CIDDS<sup>3</sup> National Community-Driven Development project.

5. The preparation of the Sarulla Geothermal project was meticulously done to ensure its responsiveness to SPS. Several ADB missions were fielded to confirm the adequacy of consultations, negotiations and information dissemination conducted by the private sector client – Sarulla Operations Limited (SOL). ADB's project team ensured that no broad opposition to the project exists and that SOL had the capacity to follow ADB's safeguard requirements. ADB required the borrower to prepare an IPP<sup>4</sup> to mitigate impacts on members of the Batak ethnic group in the project area and to ensure for project benefits for affected local communities. Key information from the safeguard plans were disclosed to affected villages, and project-affected households in a culturally appropriate manner.

6. The preparation of the Tanahu Hydropower project also entailed a careful consideration of the impacts on Seti river peoples who are considered Janjatis in Nepal's NFDIN<sup>5</sup> law. As part of ADB's due diligence, a verification of the government's process for negotiating compensation for use of lands for the hydropower project was undertaken. ADB required the borrower to prepare a combined resettlement and Indigenous Peoples plan,<sup>6</sup> which integrate a community development strategy designed to increase the involvement of the local communities, with focus on children, women and "socially excluded groups." It will deliver livelihoods and improve quality of life of communities by promoting awareness, accessibility, empowerment, employability, vocational skills and microenterprise development.

7. Similarly, social impact assessment was undertaken for the South Asia Subregional Economic Cooperation Road project prior to its approval in 2013. The borrower prepared combined Indigenous Peoples and resettlement plans<sup>7</sup> for three of the project roads. Due diligence reports submitted for two others which confirmed that there are no unresolved safeguards-related impacts that would otherwise conflict with ADB's SPS, Nepal's Land Acquisition Act of 1977, and other national laws and regulations.

8. The social impact assessment conducted for the Inner Mongolia Roads project found that local communities, wherein Mongolians constitute the main population, see primarily beneficial impacts from the project. However, the impact assessment also noted concerns of local communities relating to impacts on ethnic culture and customs brought about by migration, tourism and influx of non-local businesses. Given these concerns and to ensure responsiveness

<sup>3</sup> KALAH-CIDDS or Kapit-Bisig Laban sa Kahirapan – Comprehensive Integrated Delivery of Social Service is an existing community-driven development program of the Government of the Philippines-Department of Social Welfare and Development.

<sup>4</sup> Available from <http://www.adb.org/sites/default/files/projdocs/2013/42916-014-ino-ipp-01.pdf>

<sup>5</sup> National Foundation for Development of Indigenous Nationalities a legislation enacted in 2002, which established the agency under the Government of Nepal's Ministry of Local Development. Please refer to: <http://nfdin.gov.np/secured/>

<sup>6</sup> Available from <http://www.adb.org/projects/documents/tanahu-hydropower-project-remdp>

<sup>7</sup> Available from <http://www.adb.org/projects/38350-013/documents>

to the SPS, an ethnic minority development plan<sup>8</sup> was prepared based on community consultations. The project executing agency has committed adequate financing for implementation of the plan which has been disclosed to the affected communities.

9. The Philippines KALAHI-CIDDS National Community-Driven Development project was a timely response to the impacts of Super Typhoon Haiyan. Even while the project is deemed to provide only beneficial impacts to local communities, ADB required the preparation of an IPPF<sup>9</sup> which ensure that no activity will be funded under the sector/emergency loan that have significant adverse impacts on Indigenous Peoples communities, without their free and prior informed consent as mandated by national law.<sup>10</sup>

## **B. Ensuring projects benefit Indigenous Peoples communities**

10. Three projects approved in 2013 also specifically targeted Indigenous Peoples. These projects include India's Supporting Human Capital Development in Meghalaya, Viet Nam's Productive Rural Infrastructure Sector project and Viet Nam's Second Health Care in the Central Highlands project.

11. Supporting Human Capital Development in Meghalaya is ADB's first ever loan for skill development and reform of secondary education to Meghalaya State in India which is predominantly populated (86%) by Indigenous Peoples. The project will enhance the physical and learning environment of selected schools, support school management and leadership in improving delivery of secondary education, provide information and communication technology equipment and materials for more effective teaching and learning, and support training of teachers. Nongovernment organizations (NGOs) will be engaged to develop campaign materials and mobilize communities to enhance awareness about the usefulness of education and skills training. An IPP has been prepared to ensure that the different tribal groups equitably benefit from the project. In order to understand the views and aspirations of the tribal groups about the activities proposed under the project, a series of meaningful consultations were held with representatives of the major and minor tribal groups in Meghalaya including "dorbars/nokmas" or councils of village elders, women's groups, school management committees, teachers, students, parents, NGOs, skill providers, and government officials during the design phase.

12. The Productive Rural Infrastructure Sector project in the Central Highlands will be implemented in the 5 provinces (Gia Lai, Kon Tum, Dak Lak, Lam Dong and Dak Nong) of Viet Nam Central Highlands region. The project aims to rehabilitate and upgrade existing but deteriorated critical rural infrastructure. Impacts are expected to be primarily positive through lower production costs, and improved agricultural production skills and better access to socio-economic opportunities for the targeted beneficiaries. Potential negative impacts on ethnic minorities, however, were identified which will be mitigated through a set of activities to be identified with local communities following strategies outlined in the ethnic minority development framework.<sup>11</sup>

13. The Second Health Care in the Central Highlands project will provide support activities for improving health care for the poor and near-poor, women and children with particular

<sup>8</sup> Available from <http://www.adb.org/projects/documents/inner-mongolia-road-development-project-ipp>

<sup>9</sup> Available from <http://www.adb.org/projects/documents/emergency-assistance-kalahi-cidss-ncdd-project-ippf>

<sup>10</sup> Government of the Philippines Republic Act 8371 or the 1997 Indigenous Peoples Rights Act. Available from <http://www.gov.ph/1997/10/29/republic-act-no-8371/>

<sup>11</sup> Available from <http://www.adb.org/projects/documents/productive-rural-infrastructure-development-project-central-highlands-ippf>

emphasis on ethnic minorities living in remote communities of the Central Highlands. An IPP<sup>12</sup> was developed with activities that are integrated in the various project outputs to help maximize project benefits and ensure the full participation of ethnic peoples.

### **C. Ensuring safeguard plans are implemented and monitored**

14. ADB conducts timely supervision for ongoing projects to ensure policy compliance. Of the 348 projects under implementation in 2013, 107 of these have been assessed to likely have impacts on Indigenous Peoples. Only 27 of these, however, were assessed to have potential significant impacts - 11 of these are in Viet Nam, 9 are in PRC, 3 are in Bangladesh; and 1 each in India; Indonesia; Lao PDR, and in the Philippines. In general, supervision of projects with impacts on Indigenous Peoples is integrated in the overall monitoring of project progress. Regular monitoring reports are also submitted to ADB and disclosed on the ADB website.

15. The Second Chittagong Hill Tracts (CHT) Rural Development Program in Bangladesh was very closely supervised in 2013 because of the sensitivity of the organizations involved and because it is the first ADB project where the SPS requirement for ascertaining the consent of affected Indigenous Peoples communities is being applied. While the project is aimed to specifically raise the socioeconomic wellbeing of CHT's indigenous populations, a few of the project activities will entail physical displacement of some households. For this reason, ADB saw to it that the process of consultations leading to getting the broad community support of CHT peoples for project activities is culturally responsive and respects existing village hierarchy and traditional institutions (the circle chief, *mouza* head, and village-level *karbari*). ADB dialogued with government representatives and ethnic leaders to devise solutions sensitive to statutory and customary laws, particularly in relation to lands.

16. Another project closely monitored is the Song Bung IV Hydropower project in Viet Nam. In 2013, ADB agreed to extend the implementation of a grant program to make good use of the social preparation, training and livelihood programs earlier designed and developed in consultation with affected Indigenous Peoples. Cognizant of criticism on the project, remaining activities are now being facilitated such as procurement of pumps and pipes for irrigation of water supplies in resettlement villages and other activities identified as in-kind compensation and benefits as provided for in the combined resettlement and ethnic minority development plan. ADB's latest mission to the site has noted that while there are issues at the site, the performance of the project in terms of safeguards is satisfactory and the project borrower has endeavored to comply with ADB's safeguard requirements.

17. Other projects subjected to rigorous ADB supervision in 2013 include: (i) the Indonesia West Kalimantan 275 kilovolts Transmission Line Sector Energy project which affect a total of 589 households, majority (57%) of whom are Dayak customary communities; (ii) the Lao PDR Northern Region Sustainable Livelihoods through Livestock Development project implemented in 18 poorest districts of five northern provinces of Lao PDR which assists ethnic minority communities achieve and maintain sustainable livelihood; and (iii) Viet Nam's Transport Connections in the Northern Mountainous Provinces project which supports rehabilitation of provincial and district roads in six provinces which have large ethnic minority populations. Implementation of safeguards in these projects is noted to be well executed and generally accepted by affected and beneficiary communities. Project monitoring confirms that grievance redress mechanisms are in place and implementation is generally satisfactory.

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<sup>12</sup> Available from <http://www.adb.org/projects/documents/second-health-care-central-highlands-project-ethnic-groups-plan>

## **D. Strengthening capacities and country safeguards systems in Asia and the Pacific**

18. For the past three years, ADB provided much attention in working with its member countries to strengthen country safeguard systems. The key objectives are to ensure that countries raise and adopt standards towards international good practice, develop capacity to respond to global and regional environmental and social risks, and promote social and environmentally sustainable growth. A regional technical assistance program is currently being implemented and has committed resources for capacity strengthening in 25 countries. The implementation of the program on Strengthening and Use of Country Safeguards Systems has demonstrated that demand from member countries for safeguards capacity development is strong. Initial outcomes from implementation show that projects have helped participant countries enhance their country safeguard systems through diagnostic assessments, improve legal frameworks, and/or develop implementation capacity.

19. Specific to Indigenous Peoples safeguards, ADB's operations departments held capacity building activities to strengthen internal and clients' capacities for managing Indigenous Peoples' issues in projects. Some directions for 2014 and beyond have also been discussed with partner governments and clients.

### **1. East Asia**

20. In June 2013, a training workshop specifically aimed at explaining Indigenous Peoples safeguard requirements was conducted for project implementing agencies in Xinjiang Autonomous Region by the ADB resident mission in PRC. In addition, orientation on Indigenous Peoples safeguards and discussion forums were held in line with project supervision missions conducted for 6 projects in PRC. Both the training and orientation/forum reached out 80 participants, including project implementers, consultants, representatives from external monitoring agencies, and Indigenous Peoples. Participants in the training are expected to demonstrate the knowledge and skill learned from the workshops in the preparation of a pipeline of projects to be implemented in PRC, particularly in autonomous regions/provinces/counties.

21. For 2014, a planned activity will focus on capacity building in Mongolia where the ADB resident mission has engaged a national consultant to conduct an initial ethnological study for Mongolia. The study is expected to provide the basis for facilitating policy dialogues with government partners and civil society in 2014-15.

### **2. Southeast Asia**

22. In Indonesia, a workshop on Diagnostic Analysis of the Indonesian Laws and Regulations and the ADB's Social Safeguards for Indigenous Peoples was held on 30 October and attended by 30 participants representing various agencies; government handling Indigenous Peoples affairs, state enterprises/PLN, Indigenous Peoples organizations and other non-government organizations, as well as project consultants for water resources, and consultants working on country safeguard systems. The purposes of the workshop were: (i) to finalize the gap analysis between Indonesian laws and regulations related to Indigenous Peoples and ADB safeguard principles and requirements and (ii) review the guidelines for identification of Indigenous Peoples following ADB's distinctiveness and vulnerability characteristics for projects in the water and energy sectors. While some critical issues were raised including the need to improve further the gap analysis, the workshop in general conveyed willingness among stakeholders to discuss and move towards significant reforms in dealing with Indigenous Peoples concerns in relation to development projects.

23. As part of harmonized development partner organization support, ADB is currently supporting Myanmar's Comprehensive Education Sector Review (CESR) Office, which is led by the Ministry of Education, in cooperation with other relevant agencies and other development partners. In particular, through 2 technical assistance projects<sup>13</sup> co-financed with Australian Aid, ADB acts as a lead for supporting analysis and policy dialogue related to post-primary education. The CESR represents the first rigorous analysis of Myanmar's education sector in more than 2 decades, and involves dialogue with an array of stakeholders. ADB-supported activities include a review of secondary education curriculum and formulation of curriculum reforms, which among others will ensure that new curricula, textbooks, and pedagogy incorporate Indigenous Peoples issues and other equity dimensions.

24. In Cambodia, Philippines, and Viet Nam, in tandem with the conduct of fact-finding missions for proposed projects and supervision missions of ongoing projects, briefings on Indigenous Peoples safeguards were conducted for executing and implementing agencies and project management teams.

### 3. South Asia

25. As part of project preparation for a pipeline of projects to be implemented in South Asia countries (Bangladesh, Bhutan, India, Maldives, Nepal, and Sri Lanka), ADB's South Asia Regional Department conducted a series of training for addressing social safeguard issues for borrowers including in-house safeguard staff and project implementation consultants. In 2013, much of the capacity building activities for the region were specifically targeted in the Chittagong Hill Tracts, as follows:

Sl. No.	Name of the Training	Participated By	Training Period
1	Training on Land Acquisition and Resettlement (LAR) and Indigenous Peoples Safeguards	R-NGO of CHTRDP-2 & Concerned LGED Officials	26- 27 Sept 2013 and 02-03 October 2013
2	Training on Land Acquisition and Resettlement Plan (LARP) and Indigenous Peoples Plan	R-NGO of CHTRDP-2 & Concerned LGED Officials	28-31 October 2013
3	Training on Implementation Cycle of Community Infrastructure Component including Indigenous Peoples Safeguards	SM-NGO Rangamati	25-28 November 2013
4	Training on Implementation Cycle of Community Infrastructure Component including Indigenous Peoples Safeguards	SM-NGO Bandarban	20-23 January 2014
5	Training on Implementation Cycle of Community Infrastructure Component including Indigenous People Safeguards	SM-NGO Khagrachari	03-06 February 2014

### 4. Private sector clients

26. In March 2013, ADB conducted a training seminar in Colombo, Sri Lanka which was specifically designed to build the capacity of private sector financial intermediaries to adopt and effectively implement environmental and social management systems in their operations. The seminar was an opportunity to respond to questions on key environmental and social issues, including when and how Indigenous Peoples safeguards are triggered. The seminar was

<sup>13</sup> TA8187-MYA: Support for Education Sector Planning (<http://www.adb.org/projects/46369-001/main>) and TA8385-MYA: Support for Post-Primary Education Development (<http://www.adb.org/projects/47177-001/main>).

attended by 39 representatives of private sector banks, funds, international financial institutions, and state-owned enterprises. As part of its continuing engagement with private sector partners, ADB will continue to provide briefings to its private sector clientele on ADB's safeguard requirements, including safeguards for Indigenous Peoples.

## **5. ADB-wide**

27. Capacity development activities for staff at Headquarters and in Resident Missions were also continued. Three training sessions were conducted on safeguards at Headquarters in February, June and November of 2013. The training sessions have progressed from theoretical briefing of the safeguard principles toward discussion of more practical and good practices in applying safeguards in ADB-supported projects under processing and under implementation. For 2014, three batches of training are planned to be conducted at ADB Headquarters. Safeguard briefings and seminars will also be provided in ADB resident missions throughout the year. Plans for more intensive modules focusing on specific safeguard requirements (e.g. ascertaining broad community support of affected Indigenous Peoples communities) are also in progress for implementation in 2014 - 2015.

### **III. RESPONSE TO UNFPII RECOMMENDATIONS AT THE TWELFTH SESSION OF THE PERMANENT FORUM ON INDIGENOUS ISSUES**

28. The following are ADB's response to the 12<sup>th</sup> session recommendations:

#### **A. Recommendation directly addressed to ADB**

- Paragraph 64. *The Permanent Forum urges the Asian Development Bank, in projects that it funds, to ensure that it avoids adverse impacts on indigenous peoples and their watersheds and other fragile ecosystems and to promote the rights of indigenous peoples to land and resources.*

29. The recommendation is consistent with the goal of the SPS which is to promote the sustainability of project outcomes by protecting the environment and people from projects' potential adverse impacts (SPS paragraph 42). The 2 safeguard areas of the SPS – (i) environmental safeguards and (ii) Indigenous Peoples safeguards articulate specific provisions congruent to the Forum's recommendation.

30. Safeguard policy principles and requirements for Indigenous Peoples (SPS Appendix 3) acknowledge and recognize that Indigenous Peoples are closely tied to land, forests, waters, wildlife, and other natural resources, and will apply special considerations if the project affect such ties (para 26). Inherent to this objective is the sub objective of ensuring that Indigenous Peoples "do not suffer adverse impacts as a result of the projects" (paragraph 3).

31. Safeguard requirements for biodiversity conservation and sustainable natural resource management (SPS Appendix 1, paragraphs 24 – 32) specifically provides for the assessment of project impacts and risks on biodiversity and natural resources as an integral part of the environmental assessment process. The assessment will focus on the major threats to biodiversity, which include destruction of habitat and introduction of invasive alien species, and on the use of natural resources in an unsustainable manner. ADB requires its borrowers/clients to identify measures to avoid potentially adverse impacts and risks and as a last resort, proposed compensatory measures such as biodiversity offsets, to achieve no net loss or a net gain of the affected biodiversity. The SPS is stringent on the requirement that no project activity

will be implemented in areas of critical habitat unless the activity has no measurable adverse impacts, or likelihood of such, on the critical habitat that could impair its high biodiversity value or the ability to function (paragraph 28). The SPS is also clear that a project will not significantly convert or degrade areas of natural habitat unless a comprehensive analysis demonstrates that the overall benefits from the project will substantially outweigh the project cost, including environmental cost (paragraph 27). It is also required that any mitigation measures designed to achieve no net loss of biodiversity in natural habitats will have to respect the ongoing use of such biodiversity by Indigenous Peoples or traditional communities (paragraph 27).

32. From its current portfolio of projects, various projects related to natural resources management, particularly the Philippines' Integrated Natural Resource and Environmental Management project (INREMP), Indonesia's COREMAP-CTI<sup>14</sup>, and other forest investment programs have all been designed with foremost respect for Indigenous Peoples communities rights and use of biodiversity areas and recognition of their traditional knowledge on ecosystem management and climate adaptation. Indigenous Peoples conservation knowledge related to sustainable watershed ecosystem management, watershed-based agroforestry and livelihood development, is tapped and their voluntary participation in the programs ensured. Many of the projects benefit from the different adaptive capacities of Indigenous Peoples in dealing with climate variability through their local and traditional knowledge, including in taking care of ecosystems.

33. Specific to the Philippines, particular focus on Indigenous Peoples and poor communities were seriously considered in the design of the INREMP. The project, which aims to reduce degradation of watersheds and associated environmental services caused by forest denudation and unsustainable farming practices, will involve Indigenous Peoples communities among its key stakeholders. Where indigenous communities will be involved, the process of free and prior informed consent will be adopted following national laws for engaging with indigenous cultural communities. Social marketing conducted for various stakeholders will also include many Indigenous Peoples from the selected project areas.

34. In Indonesia, COREMAP CTI<sup>15</sup> project is being designed with the active participation of local coastal communities. Indigenous Peoples will be among the key stakeholders to manage the coral reef resources, and associated ecosystems and biodiversity in a sustainable manner. As the beneficiary areas include several customary communities recognized as "*Masyarakat Adat*" spread over in the districts, the project design adopts a community driven approach where decision-making, including distribution of resources and benefits, will be controlled by the community groups thus ensuring that cultural integrity issues are resolved at community levels.

35. ADB will continue to work closely with international and bilateral partners, government, the private sector, and civil society to expand capacities and outreach in achieving their development objectives. Within such capacity, ADB will ensure that projects it finances avoid adverse impacts on indigenous peoples and their watersheds and other fragile ecosystems.

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<sup>14</sup> Government of Indonesia: Coral Reef Rehabilitation and Management Project: Coral Triangle Initiative (COREMAP-CTI). Available at <http://www.adb.org/projects/46421-001/main>

<sup>15</sup> Government of Indonesia: Coral Reef Rehabilitation and Management Project: Coral Triangle Initiative (COREMAP-CTI). Available at <http://www.adb.org/projects/46421-001/main>

## B. Recommendations addressed to international financial institutions

- Paragraph 54: *The Permanent Forum recommends that international financial institutions unequivocally acknowledge the collective right of indigenous peoples to their lands, territories and resources in their safeguard policies and in all development project contexts (not merely in exceptional circumstances). Banks should not support any projects that affect indigenous peoples without prior recognition of and effective guarantees for their collective rights to own, control and manage their lands, territories and resources.*

36. ADB's safeguard requirements for Indigenous Peoples (SPS Appendix 3) acknowledges that Indigenous Peoples are closely tied to land, forests, waters, wildlife, and other natural resources, and will apply special considerations if the project affect such ties (para 26). ADB also recognizes the rights of Indigenous Peoples to direct the course of their own development (SPS Appendix 3, paragraph 1). ADB will not finance projects that do not comply with SPS, nor will it finance projects that do not comply with the host country's social and environmental laws and regulation, including those laws implementing host country's obligations under international law (SPS paragraph 47).

- Paragraph 55. *The Permanent Forum recommends that international financial institutions adopt and incorporate the right of indigenous peoples to free, prior and informed consent, **without qualification**, into their safeguard policies and project-related instruments. International financial institutions must ensure that their clients and borrowers engage in processes with indigenous peoples affected by bank-financed projects to secure their free, prior and informed consent.*

37. The SPS applies to all ADB-supported projects. The SPS requires that the consent of affected Indigenous Peoples communities, through meaningful consultation, be ascertained for the following project activities: (i) commercial development of their cultural resources and knowledge of Indigenous Peoples; (ii) physical relocation from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. (SPS paragraph 55). For the purposes of policy application, consent of the affected Indigenous Peoples communities refers to a collective expression by the affected Indigenous Peoples communities, through individuals and/or their recognized representatives, of broad community support for such project activities. ADB requires its borrowers to demonstrate and document the process of engagement with affected communities and to provide evidence that broad community support for the project exist. ADB works with borrowers to put the policy requirement into practice. ADB will not finance the project if such broad community support does not exist (SPS paragraph 55).

- Paragraph 88. *The Permanent Forum invites all organizations of the United Nations system and other multilateral organizations, including the Bretton Woods institutions and international and regional financial institutions, to contribute to the implementation of the outcomes of the World Conference and to integrate them into their programmes of work, as appropriate and in accordance with their respective mandates, in full cooperation with indigenous peoples at the national, subregional, regional and global levels.*

38. ADB conveys its gratitude for the invitation. ADB is optimistic that the World Conference on Indigenous Peoples in September 2014 will result in action oriented consensus for promoting the rights of the world's Indigenous Peoples. Such outcome will provide many opportunities for

ADB to contribute and to forge collaborative action for the development of Indigenous Peoples in Asia and the Pacific.

#### IV. FOCUS OF ACTIVITIES IN 2014

39. ADB's internal focus will continue to be on SPS implementation, through (i) due diligence and review for project preparation; (ii) safeguard supervision and review for projects under implementation; (iii) maintaining and improving the internal management system for review, monitoring and reporting, as well as continued staff capacity development, and (iv) developing and maintaining the tools (such as guidelines and e-learning courses) to assist the implementation. ADB will also continue its external outreach and engagement through (i) training and capacity development of borrowers/clients at sector and project levels; and (ii) policy dialogue and technical assistance program on country safeguard systems strengthening in partnership with other international financial institutions and bilateral development agencies.

40. ADB will continue to engage with Indigenous Peoples organizations in policy making. Indigenous Peoples organizations' representation in activities during ADB's Annual General Meeting of the Board of Governors will continue to be encouraged.<sup>16</sup>

#### V. FOCAL POINT FOR INDIGENOUS PEOPLES SAFEGUARDS

41. The focal point for Indigenous Peoples issues is the Director General of the Regional and Sustainable Development Department with the support of the Environment and Social Safeguards Division. Communications on Indigenous Peoples issues may be directed to:

Mr. Nessim Ahmad  
 Director, Environment and Safeguard Division  
 concurrently Practice Leader (Environment)  
 Regional and Sustainable Development Department  
 Asian Development Bank  
 6 ADB Avenue, Mandaluyong City, Philippines  
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42. Any comments relevant to this report may be directly addressed to:

Ms. Indira J. Simbolon  
 Principal Social Development Specialist (Safeguards)  
 Environment and Safeguards Division  
 Regional and Sustainable Development Department  
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<sup>16</sup> In the 46<sup>th</sup> Annual General Meeting of the Board of Governors held in New Delhi, representatives of the Asian Indigenous Peoples Pact were included among civil society representatives who actively participated during the Meeting.

43. More information may also be accessed from the Asian Development website on safeguards- <http://www.adb.org/safeguards>.