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Report of the Asian Development Bank for the
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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 the potential to impact positively on Indigenous Peoples in Asia and the Pacific. It also updates ADB's responses to recommendations of previous sessions of the United Nations Permanent Forum on Indigenous Issues addressed directly to ADB, specifically in relation to: (i) exchange of information on the implementation of policies on indigenous peoples by international finance institutions; (ii) review of ADB policy on Indigenous Peoples; and promoting Indigenous Peoples inclusive education.

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) recommendations of previous sessions of the United Nations Permanent Forum on indigenous issues addressed directly to ADB and international financial institutions (IFIs). The report focuses on activities in 2014.

II. INDIGENOUS PEOPLES' DEVELOPMENT IN ASIA AND THE PACIFIC

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 Statement¹ (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 106 loans approved in 2014, a total of 13 projects were deemed to have impacts on Indigenous Peoples. All these 13 projects went through the process of meaningful consultation² 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 developed through culturally-appropriate consultations with affected Indigenous Peoples communities. Most (85%) of the projects with impact on Indigenous Peoples communities have limited potential adverse impacts and are mostly beneficial in nature, that is the projects will support educational outcomes for targeted communities (5 projects), support for tourism development (1 project), livelihood enhancement (1 project), and provision of small-scale community infrastructure such as water, sanitation and electricity services (3 projects).

¹ 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>

² 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 projects for Asia and the Pacific

4. Following more rigorous impact assessment and meaningful consultations with potentially impacted communities, 2014 saw lesser number of approved projects with potential adverse impacts on Indigenous Peoples communities compared to previous years. Nevertheless, two projects were assessed to have significant impacts on Indigenous Peoples communities: (i) Nam Ngiep 1 Hydropower project in Lao People's Democratic Republic, and (ii) Yunnan-Pu'er Regional Integrated Road Network Development project in the People's Republic of China.

5. The preparation of the Nam Ngiep 1 Hydropower project entailed a careful consideration of the impacts on ethnic Hmong communities who are considered Indigenous Peoples under ADB SPS. Overall, the project potentially impacts on 46 communities within the identified project impact zone, with nine villages and one hamlet expected to experience significant impact: three villages in the upper reservoir areas which will lose a considerable part of their low lying agricultural land; four villages in the lower reservoir area that will be completely inundated and will require resettlement; one hamlet in the construction area that will be completely inundated by the re-regulation reservoir and has to resettle; and two host communities which have to share common resources and lose some privately held agriculture land in the designated resettlement sites. Five villages in the construction site and impoundment areas are ethnic Hmong villages. Given the type of activities and potential impacts, ADB required the borrower to obtain the consent of the five affected Hmong villages and confirm their broad community support for the project. Following a long and iterative process of meaningful consultation - free from coercion and intimidation, good faith negotiation, and feedback mechanism with potentially affected villages-, the borrower was able to demonstrate the consent of the affected communities and agreed with them on a list of options and culturally-responsive measures in relation to compensation packages, relocation, livelihood restoration, community infrastructures, and social and agricultural services. The process of consultation, the form and scope of communities' consent and the broad range of options for compensation, beneficial and mitigation measures are fully discussed in the Resettlement and Ethnic Development Plan³.

6. The social impact assessment conducted for the Yunnan- Pu'er integrated road project found that the project, which principally entails rural roads upgrading, will benefit about 405,000 people, of whom 71% are ethnic nationalities. At the same time the assessment found that ethnic minorities will also be adversely affected due to land acquisition and house demolition, disturbance during construction, road safety issues, and potential social and health risk issues, such as human and drug trafficking and HIV/AIDS. In relation to land acquisition and house demolition impact, around 61.5% (8,538 persons) of project affected persons are Hani (4,528 persons), Yi (3,324 persons), Lahu (3,012 persons), Dai (169 persons), Hui (38 persons), Wa (17 persons), and Yao (4 persons). The impact assessment noted that as project impacts are linear, there are no whole villages that will be affected and the need to provide alternative relocation site will not be necessary. Instead, affected persons will be allowed to resettle in their site of choice. Following consultation conducted with villages, the project will avoid any impact on sacred trees and relics lands with spiritual importance to ethnic minorities in the project impact zone. Given these concerns and to ensure responsiveness to the SPS, an ethnic minority development plan⁴ (EMDP) was required 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. The EMDP will ensure that ethnic

³ Available from <http://www.adb.org/projects/documents/nam-ngiep-1-hydropower-project-remdp>

⁴ Available from <http://www.adb.org/sites/default/files/project-document/81790/46040-003-ipp-01.pdf>

minorities are consulted in matters related to each project output, and provided with opportunities to participate in decision making and/or implementation activities.

B. Ensuring projects benefit Indigenous Peoples communities

7. In 2014, two projects were approved which were designed in such a way that key components will benefit Indigenous Peoples - Greater Mekong Subregion Tourism Infrastructure for Inclusive Growth projects to be implemented in Lao PDR and Viet Nam. The projects will directly benefit diverse ethnic groups living near the selected tourist sites and along access roads targeted under the project. The subproject in Oudomxay Lao PDR, will benefit a cluster of Khmu villages living near the Chom Ong Cave as well as Khmu and Hmong villagers who live along the rural road to be upgraded. In Khammouane, a Makong village will benefit from an upgraded road that will provide better access to markets and social services and facilitate tourist visits. The Tham Ting-Xang Hai access improvements subproject in Pak Ou District Luangprabang will benefit mixed ethnic villages by upgrading road access and providing more tourism-related business opportunities. In Kieng Giang the project will benefit ethnic Khmer women who sell products as mobile vendors. In the northern provinces of Lao Cai and Dien Bien, the project will benefit Dao, Hmong, and Thai women who are producing and selling handicrafts to tourists, presently with relatively low returns but with high potential to increase incomes. In Oudomxay, the improved Chom Ong Cave site shall remain under the management of the local Khmu village. The project will ensure that local ethnic people continue to maintain and gain more access to tourism-related enterprise opportunities and participate in tourism planning. The sites in both Lao PDR and Viet Nam have been open to tourism for a number of years and are in areas where members of ethnic groups are already engaged in existing tourism activities. All ethnic groups were consulted and expressed support to the project. EMDPs⁵ were prepared for to guide implementation in the two project countries. The EMDPs include actions to ensure that ethnic minority groups in project areas benefit from tourism activities and actions that promote responsible tourism. Measures to ensure benefits include (i) strengthening management of community-based tourism activities in ethnic villages; (ii) supporting ethnic groups, in particular women, for business planning and microenterprise development; and (iii) encouraging ethnic minorities to form Community Tourism Groups. The design of information and awareness campaigns will focus on promoting responsible tourism that is cultural-sensitive and relevant. Learning materials will incorporate ethnically sensitive design and local languages, when appropriate.

C. Strengthening capacities and country safeguards systems in Asia and the Pacific

8. ADB promoted its efforts to increase awareness among various member countries' stakeholders 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 more than \$31 million for capacity strengthening in 29 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.

⁵ Available at: <http://www.adb.org/projects/documents/gms-tourism-infrastructure-inclusive-growth-lao-pdr-ipp> and <http://www.adb.org/projects/documents/gms-tourism-infrastructure-inclusive-growth-project-ipdp>

D. Strengthening internal capacity for Indigenous Peoples safeguards

9. Capacity development activities for staff at Headquarters and in Resident Missions were also continued. Two training sessions were conducted on safeguards at the ADB Headquarters. The training sessions are interactive discussion on safeguard principles and practical application of the SPS in ADB-financed projects. ADB's Social Safeguard Network also conducted 10 brown bag seminars in 2014. The brown bags serve as the main avenue for social development specialists within ADB to discuss evolving and current thinking and practices on involuntary resettlement and Indigenous Peoples safeguards.

10. For 2015, two 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. identification of Indigenous Peoples, determining culturally-appropriate mitigation and enhancement measures, ascertaining broad community support of affected Indigenous Peoples communities) are also in progress for implementation in 2015 to 2016.

III. RESPONSE TO RECOMMENDATIONS OF PREVIOUS UNPFII SESSIONS

11. The following are updates on actions to previous UNPFII sessions' recommendations addressed to ADB. The following also focus on recommendations which were not highlighted in previous ADB reports.

- Session 2 paragraph 33: Facilitate and support the exchange of information on the implementation of policies on indigenous peoples by international financial institutions, such as the World Bank, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank and the International Monetary Fund.

12. Information on the implementation of the Safeguard Policy Statement is made available on the ADB website. These include information on projects that have triggered Indigenous Peoples safeguards, safeguard documents describing meaningful consultations with Indigenous Peoples, impact assessment of impacts on Indigenous Peoples communities, and mitigation measures to address impacts on Indigenous Peoples, as well as initiatives to strengthen country safeguards systems (CSS).

13. The establishment of the Joint Safeguards Community of Practitioners (CoP) involving the ADB, the Australian Department of Foreign Affairs and Trade, the Japan International Cooperation Agency, and the World Bank was rooted on the need to institutionalize an information sharing platform on implementation of IFI's and bilateral donors' safeguard policies. The Joint CoP partners have agreed on the conduct of joint training, studies and publications, and in establishing centers of excellence in the Philippines and Viet Nam. Currently, a paper on Country Safeguards Partnership which proposes an inclusive medium-term framework for collaboration among international financial institutions on supporting CSS, including Indigenous Peoples safeguards, is being finalized. In June 2014, a Safeguards Community of Practice and Knowledge Sharing Forum was also conducted in Yichang, People's Republic of China and attended by ADB and partners staff. Parallel modules on Indigenous Peoples safeguards during the Forum were well attended.

- Session 6 paragraph 99: The Permanent Forum call on ... the Asian Development Bank, ...to review, strengthen and implement their policies with regard to indigenous peoples in Asia in particular, and to use the UNDRIP as a framework for reference.

14. Currently, the policy in force in relation to Indigenous Peoples safeguards is covered in the 2009 Safeguard Policy Statement. The SPS provisions on Indigenous Peoples safeguards continue to be considered as the international standard amongst international financial institutions. A full review of the policy statement is yet to be done in 2016, after five years it has become effective. Nevertheless, in 2014, as provided for in the SPS, the ADB Independent Evaluation Department released the findings of its mid-term operational review on the SPS. The evaluation put forward five main recommendations focusing on (i) improve quality control of safeguard documents for projects assessed with non-significant impacts; (ii) enhance safeguard supervision; (iii) promote the use of country safeguard systems; (iv) improve the reporting of safeguard outcomes; and (v) develop more guidance notes.

- Session 9, paragraph 31: The Permanent Forum recommends that ... the Asian Development Bank ... formulate policies to ensure that indigenous education projects that are financed take into account the use, protection and intercultural preservation of indigenous languages through supporting bilingual, intercultural, and multilingual education in indigenous languages.

15. Education is one of the five core operation areas of Strategy 2020, ADB's long-term strategic framework. It reaffirms ADB's commitment to step up education sector operations and contribute to the further development of human capital and a skilled labor force in the region. Strategy 2020 provides a mandate to explore opportunities for new approaches. Approved in 2010, Education by 2020: A Sector Operations Plan reflects ADB's commitment to increase and align its support in the education sector to meet the changing needs and priorities of its developing countries. The plan identifies key educational challenges in Asia and the Pacific in the coming years, and proposes ways for ADB to meet those challenges and stresses the importance of utilizing new and innovative models of education service delivery and financing. The plan promotes equity in education and recognizes that member countries need to give attention to equity and inclusiveness issues. Children and youth belonging to ethnic and linguistic minorities are among the targets of ADB supported education programs providing education scholarships and stipends linked with conditional cash transfer program. ADB is also supporting postsecondary education, including vocational and higher education, as well as social protection measures that help indigenous girls and disadvantaged students to attend school.

16. Five education projects approved in 2014 were designed to potentially benefit Indigenous Peoples. These are: Skills for Employment Investment program⁶ in Bangladesh, Technical and Vocational Education and Training Sector Development program⁷ in Cambodia, Second Lower Secondary Education for the Most Disadvantaged Areas project⁸ in Viet Nam, Guangxi Baise Vocational Education Development project⁹ in PRC, and Senior High School Support program¹⁰ in the Philippines. These programs have well integrated specific actions, including use of indigenous language, capacity building for culturally-relevant teaching and curricula development, and performance indicators to ensure that Indigenous Peoples are among those that will benefit from the projects.

⁶ Available at: http://adb.org/projects/details?proj_id=42466-015&page=overview

⁷ Available at: http://adb.org/projects/details?proj_id=46064-002&page=overview

⁸ Available at: http://adb.org/projects/details?proj_id=46066-002&page=overview

⁹ Available at: http://adb.org/projects/details?proj_id=47009-001&page=overview

¹⁰ Available at: http://adb.org/projects/details?proj_id=45089-002&page=overview

IV. FOCUS OF ACTIVITIES IN 2015

17. 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.

18. 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.¹¹

V. FOCAL POINT FOR INDIGENOUS PEOPLES SAFEGUARDS

19. The focal point for Indigenous Peoples issues is the Chief Compliance Officer with the support of the Environment and Safeguards Division. Communications on Indigenous Peoples issues may be directed to:

Mr. Nessim Ahmad
Deputy Director General, Regional and Sustainable Development Department
concurrently Chief Compliance Officer
Asian Development Bank
6 ADB Avenue, Mandaluyong City, Philippines
Telephone: (632) 6325728
Facsimile: (632) 6362381
Email: njahmad@adb.org

20. 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
Asian Development Bank
6 ADB Avenue, Mandaluyong City, Philippines
Telephone: (632) 6325918
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21. More information may also be accessed from the Asian Development website on safeguards- <http://www.adb.org/safeguards>.

¹¹ In the 46th 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.