



29 April 2011

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

Executive Summary

Activities in 2010 relevant to Indigenous Peoples were principally connected with the rolling out of the Asian Development Bank (ADB)'s 2009 Safeguard Policy Statement. During the course of the year, ADB regular activities in relation to ensuring compliance of projects to Indigenous Peoples safeguards requirements and conduct of safeguard review missions to ensure implementation of safeguard plans continued. Fifteen projects were approved that are expected to have beneficial impacts on indigenous people through loans and grants for a total amount of US\$737.1 million. Training manuals and sector toolkits to familiarize project designers and implementing agencies on tools and requirements for safeguarding indigenous peoples from adverse impacts of projects were drafted and pilot-tested during the year. In-country briefings for Resident Mission staff, borrower/clients and civil society, orientation programs for staff in headquarters, preparation of draft Sourcebooks on Indigenous Peoples safeguards, Question and Answer, and Impact Screening and Categorization Form were key activities during the year. For 2011, ADB plans to continue conduct of due diligence for projects it finances to ensure for indigenous peoples safeguards, conduct of orientation programs on the principles and requirements of the 2009 Safeguard Policy Statement, and, through a Regional Technical Assistance, encourage member countries to enhance their country safeguard systems to adopt international standards for environment and social safeguards, including safeguards for Indigenous Peoples..

I. ADB'S SAFEGUARD POLICY STATEMENT AND INDIGENOUS PEOPLES

1. ADB's engagement with Indigenous Peoples is primarily through the various development projects it finances. ADB's activities on indigenous peoples follow the principles as contained in the 2009 Safeguard Policy Statement which put together safeguards principles and requirements in relation to environment, involuntary resettlement, and indigenous peoples. Specific to Indigenous Peoples safeguards, the SPS promotes nine (9) key policy principles for safeguarding Indigenous Peoples communities in projects, as follows:

(1) Screen early on to determine (i) whether Indigenous Peoples are present in, or have collective attachment to, the project area; and (ii) whether project impacts on Indigenous Peoples are likely.

(2) Undertake a culturally appropriate and gender-sensitive social impact assessment or use similar methods to assess potential project impacts, both positive and adverse, on Indigenous Peoples. Give full consideration to options the affected Indigenous Peoples prefer in relation to the provision of project benefits and the design of mitigation measures. Identify social and economic benefits for affected Indigenous Peoples that are culturally appropriate and gender and inter-generationally inclusive and develop measures to avoid, minimize, and/or mitigate adverse impacts on Indigenous Peoples.

(3) Undertake meaningful consultations with affected Indigenous Peoples communities and concerned Indigenous Peoples organizations to solicit their participation (i) in designing, implementing, and monitoring measures to avoid adverse impacts or, when

avoidance is not possible, to minimize, mitigate, or compensate for such effects; and (ii) in tailoring project benefits for affected Indigenous Peoples communities in a culturally appropriate manner. To enhance Indigenous Peoples' active participation, projects affecting them will provide for culturally appropriate and gender inclusive capacity development. Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the Indigenous Peoples' concerns.

(4) Ascertain the consent of affected Indigenous Peoples communities to the following project activities: (i) commercial development of the cultural resources and knowledge of Indigenous Peoples; (ii) physical displacement from traditional or customary lands; and (iii) commercial development of natural resources within customary lands under use that would impact the livelihoods or the cultural, ceremonial, or spiritual uses that define the identity and community of Indigenous Peoples. For the purposes of policy application, the consent of 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. Broad community support may exist even if some individuals or groups object to the project activities.

(5) Avoid, to the maximum extent possible, any restricted access to and physical displacement from protected areas and natural resources. Where avoidance is not possible, ensure that the affected Indigenous Peoples communities participate in the design, implementation, and monitoring and evaluation of management arrangements for such areas and natural resources and that their benefits are equitably shared.

(6) Prepare an Indigenous Peoples plan (IPP) that is based on the social impact assessment with the assistance of qualified and experienced experts and that draw on indigenous knowledge and participation by the affected Indigenous Peoples communities. The IPP includes a framework for continued consultation with the affected Indigenous Peoples communities during project implementation; specifies measures to ensure that Indigenous Peoples receive culturally appropriate benefits; identifies measures to avoid, minimize, mitigate, or compensate for any adverse project impacts; and includes culturally appropriate grievance procedures, monitoring and evaluation arrangements, and a budget and time-bound actions for implementing the planned measures.

(7) Disclose a draft IPP, including documentation of the consultation process and the results of the social impact assessment in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected Indigenous Peoples communities and other stakeholders. The final IPP and its updates will also be disclosed to the affected Indigenous Peoples communities and other stakeholders.

(8) Prepare an action plan for legal recognition of customary rights to lands and territories or ancestral domains when the project involves (i) activities that are contingent on establishing legally recognized rights to lands and territories that Indigenous Peoples have traditionally owned or customarily used or occupied, or (ii) involuntary acquisition of such lands.

(9) Monitor implementation of the IPP using qualified and experienced experts; adopt a participatory monitoring approach, wherever possible; and assess whether the IPP's objective and desired outcome have been achieved, taking into account the baseline conditions and the results of IPP monitoring. Disclose monitoring reports.

2. The SPS also elaborates on seven (7) general Indigenous Peoples safeguard requirements corresponding to the key principles and which are applicable to all standard ADB projects affecting Indigenous Peoples. It also includes three (3) special requirements relating to (i) respect and recognition of Indigenous Peoples rights to customary lands, (ii) ascertaining consent of Indigenous Peoples communities for three types of project activities that affect them, to wit commercial development of natural resources in customary or traditional lands, commercial development of cultural resources within customary lands, and physical displacement of Indigenous Peoples communities from customary or traditional lands, and (iii) provision of capacity development for Indigenous Peoples development.

3. 2010 saw a vigorous schedule for rolling out the SPS within ADB and in its developing member countries. First off was the issuance of the section of ADB's Operations Manual to guide the staff on ensuring compliance of the new Policy. This was followed by in-country briefing sessions conducted around Asia- Cambodia, Lao PDR, Philippines, Indonesia, Nepal, Pakistan, and in the People's Republic of China. The briefing sessions targeted ADB resident mission staffs and representatives of public and private borrowers and clients from member countries.

4. A set of Questions and Answers which explained and clarified to staff and borrowing clients some elements of the SPS was developed in early part of the year. With a more clarified policy, safeguards checklists for screening projects as to their impacts (both positive and negative) on indigenous populations was revised to make it more consistent with the new policy principles and requirements. The new Checklist was effected at the same time the Operations manual section was issued.

II. 2010 PROGRAMS AND PROJECTS

A. Loan and Grants with significance to Indigenous Peoples

5. With the new policy in place, projects were assessed as to their impacts on Indigenous Peoples, Eight (8) loan projects for 3 countries (People's Republic of China, Viet Nam and Papua New Guinea) for a total amount of US\$ 669.3 million were assessed to have potential impacts (both positive and negative) on Indigenous Peoples (see Appendix 1). These projects are supported with activities that ensure that affected Indigenous Peoples share in the benefits from the project and Indigenous Peoples Plan were specifically prepared to ensure such and/or specific activities for Indigenous Peoples participation are contained in project design itself.

6. ADB also approved 7 grants and technical assistance projects with total cost amounting to US\$67.8 million. These grants were targeted for indigenous peoples in PRC, Lao PDR and Cambodia either as sole beneficiaries or as part of a larger beneficiary group of people living in poverty.

B. On-Going Projects related to Indigenous Peoples

7. The 2009-approved regional technical assistance project for mainstreaming indigenous peoples concerns in development fast tracked implementation in 2010 in Bangladesh, People's Republic of China and Philippines. The TA prepared training modules and sector toolkits which were pilot-tested in 2 or 3-day training programs in the 3 countries. The training modules in general familiarize mainly government officials at different levels, and with different kinds of awareness, on often complex concerns of safeguards for indigenous peoples and ethnic minorities in development. The sector toolkits prepared under the TA and meant for operation staff in government and in ADB focused on key sectors – education (for Bangladesh), environment and natural resources (for the Philippines), and transports (for PR China). The project also provided assistance for the conduct of IP Network forums which brought together government and non-government organizations to discuss on current indigenous peoples concerns and setting down of recommendations for ensuring beneficial projects to indigenous peoples.

8. Safeguard review missions for projects with impacts on Indigenous Peoples were also conducted during the year. Specifically, staff from ADB's Environment and Safeguards Division monitored projects in Indonesia (Renewable Energy project in West Papua) and in the People's Republic of China (Kunming-Qingshiuhai Water Supply project in Yunnan) to find out how Indigenous Peoples plans and other mitigation activities were implemented and to provide recommendations to address project related issues and concerns. The Missions were also opportunities to meet up with affected indigenous peoples and to listen to their concerns and opinions about the projects.

C. Capacity Development for staff and DMCs

9. Capacity development on the 2009 SPS for staff at Headquarters and in Resident Missions were continued to be pursued.

10. As part of the SPS provision to strengthen country safeguard systems and undertake capacity and equivalence assessments in some member countries, a regional TA for *Strengthening and Use of Country Safeguard Systems (CSS)* was approved by the ADB Board in 2010 with an initial amount of \$5 million. The TA will provide demand driven-support for (i) strengthening and effective implementation of CSS through a series of subprojects; (ii) conduct of diagnostic studies and knowledge exchange and dissemination; and (iii) mobilization of resources toward CSS capacity development activities in cooperation with other development agencies. A healthy portfolio of thirteen subprojects have been identified from operational departments and will focus on updating legislation on environment and social safeguards (involuntary resettlement and Indigenous Peoples) and capacity development of financial intermediaries in implementing environmental and social management systems.

III. RESPONSE TO UNPFII RECOMMENDATIONS

11. The ninth session specifically referred to the Asian Development Bank in its recommendation #31 which recommends for ADB to ... *formulate policies to ensure that indigenous education projects that are financed take into account the use, protection and intercultural preservation of indigenous language through supporting bilingual, intercultural and multilingual education in indigenous languages.*

12. ADB's Strategy 2020 sees investment in and access to education and vocational training as necessary for inclusive growth. ADB continues to support higher quality and more accessible basic and secondary education, particularly in poorer member countries. Since 2001, there were 8 education projects financed by ADB that had among its aims increasing participation of ethnic minorities, training and recruitment of ethnic minority teachers, and/or promoting culturally-sensitive curriculum, learning materials, school policy and management. While there is no explicit policy on use and preservation of indigenous language, ADB's focus for assistance for education project is anchored on the principle of inclusive education, ensuring education for disadvantaged and marginalized groups.

13. ADB is also processing four (4) education projects for Bangladesh (Primary Education Sector Development program and Second Teaching Quality Improvement in Secondary Education program), Viet Nam (Secondary Education Sector Development Program) and Lao PDR (Second Basic Education Sector Development Program) which are targeted at general population but nevertheless are expected to have beneficial impacts to Indigenous Peoples. Implementation of these projects in indigenous peoples areas will be based on a thorough social assessment that ensure for culturally-appropriate learning approaches.

IV. FOCAL POINT FOR INDIGENOUS PEOPLES SAFEGUARDS

14. 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. Concerns and communications on Indigenous Peoples issues may be directed to:

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More information may also be accessed from the indigenous peoples website -

<http://www.adb.org/indigenouspeoples>