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World Bank Approach to Working with Indigenous Peoples

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Summary of the Presentation

- Who are Indigenous Peoples?
- How World Bank works with Indigenous Peoples?
- What are the mandatory requirements of World Bank Indigenous Peoples Policy?
- How World Bank enhances development benefits to Indigenous Peoples affected by hydropower projects?



Identification of Indigenous Peoples



Indigenous Peoples as Distinct People

- Dispossession from the land or restriction of access to natural resources brings about loss of Indigenous Peoples' identity and threatens their cultural survival
- Indigenous Peoples hold distinctly different world view
- Indigenous Peoples govern themselves by a distinctly different system
- Indigenous Peoples follow a distinctly different decision-making process



Indigenous Peoples as Distinct People

- Indigenous Peoples:
 - Are Rightsholders - Rights to land and natural resources
 - Suffered historical injustices
 - Are exposed to different types of risks and severity of development impacts, in particular the natural resource based livelihoods

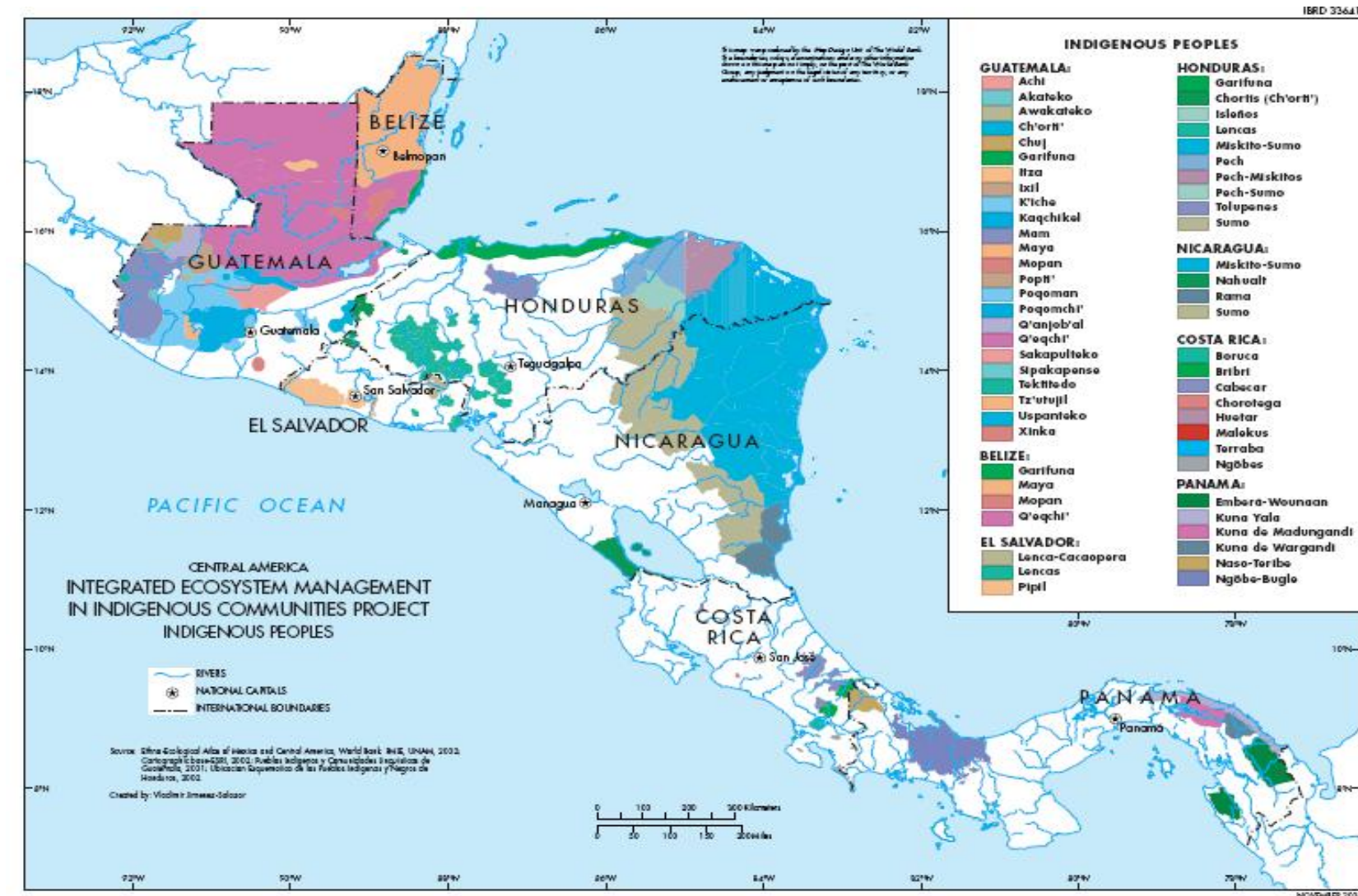


Indigenous Peoples as Custodian of Natural Resources

- Indigenous Peoples, who number approximately 300 million people are custodians of world's remaining natural resources
 - Customarily own, occupy or use 22% of the World's land surface
 - Presently manage 11% of World's forest lands
 - Maintain within their lands and territories 80% of planet's biodiversity
 - Are located in or adjacent to 85% of the World's Protected Areas



Indigenous Peoples Management of Natural Resources in Central America



Poverty Incidence among Indigenous Peoples

- Indigenous Peoples are among the poorest populations in the world
- Of 250 million indigenous peoples in Asia/Pacific, majority are poor
 - China: 9% of population, 40% of poor in 2000
 - Vietnam: share of ethnic minorities in total poor increased from 20% in 1993 to over 30% in 2002
 - India: 11% of rural population, 48% of the poor in 2000
 - Philippines: poverty among indigenous peoples ranged from 63 to 92% compared to 27.5% nationally in 2000



World Bank Approach to Working with Indigenous Peoples



World Bank as an Institution

- Founded in 1944
- Owned by countries -- 183 countries
- Policy and Project Decisions taken by Executive Directors representing the Governments
- 10,500 staff
- The Bank operates as a Bank
 - money is borrowed and then loaned out to countries
 - Money is loaned only through Governments, either for specific investments or for programs, reforms, or budget support



Indigenous Peoples – Key Demands

- Strong say in decision-making
- Recognition of customary land rights
- Direct involvement in management of natural resources, including Parks and Protected Areas
- Access to culturally appropriate social services
- Alleviation of persistent poverty
- Adaptation to Climate Change -- a major emerging issue



World Bank Approach to Working with Indigenous Peoples

- Supporting Culturally Appropriate Development for Indigenous Peoples
- Supporting Borrower Government Initiatives
- Supporting Direct Engagement of Indigenous Peoples



Supporting Borrower Government Initiatives

- In countries with a series of operations affecting Indigenous Peoples, the Bank
 - Enters dialogue with the Government to seek greater inclusion of Indigenous Peoples in work at the policy, strategy and project levels
 - Shares global experiences learned from Indigenous Peoples development initiatives



Supporting Direct Engagement with Indigenous Peoples

- Direct engagement with Indigenous Leaders, Organizations and Communities
- Capacity Building of Indigenous Peoples Organizations
- Direct dialogue with global Indigenous Peoples Community
- Facilitating dialogue between Indigenous Peoples Leaders and the International Financial Institutions
- Facilitating Tri-Partite Dialogue among Governments, the Private Sector and Indigenous Peoples





World Bank Indigenous Peoples Policy



History of World Bank's Work on Indigenous Peoples

- Early Bank projects brought about significant adverse impacts on Indigenous Peoples
 - Projects planned and implemented with relatively little or no concern for the impacts of investments on the Indigenous Peoples
 - Lack of territorial recognition and land tenure security
 - Led to deforestation and environmental degradation
- Political opposition to international investments
 - International campaign on behalf of the territorial and other rights of forest dwelling Indigenous Peoples
 - Formation of Indigenous Peoples Organizations and Federations
 - Linkage of Indigenous Peoples' Rights and Environmental Movements



World Bank Indigenous Peoples Policy

- 1982 – World Bank becomes the first Multilateral to establish an international instrument to protect the rights of Indigenous Peoples by adopting an Operational Manual Statement on Tribal Peoples (OMS 2.34)
- 1991 – World Bank issues Operational Directive (OD 4.20) on Indigenous Peoples to avoid Adverse Impacts and to provide Benefit in a Culturally Appropriate Way
- 2005 – World Bank revises Operational Policy/ Bank Procedures (OP/BP 4.10) to underline that Indigenous Peoples must receive Culturally Compatible Social and Economic Benefits

Policy Requirement for Culturally Appropriate Development

World Bank Projects must provide culturally compatible social and economic benefits to Indigenous Peoples



Policy Requirement for Recognition of Customary Land Rights

An Action Plan must be established for legal recognition of customary rights to lands or territories traditionally owned, used or occupied by Indigenous Peoples where project involves:

- activities (e.g., land titling) contingent on establishing legal rights to such lands
- acquisition of such lands



Policy Requirement for Commercial Development of Natural Resources

Affected Indigenous Peoples communities are:

- informed of their rights to natural resources (such as minerals, hydrocarbon resources, forests, water, or hunting/fishing grounds) on lands they traditionally owned/used/occupied
- Entitled to equitable sharing of benefits, compensation and rights to due process at least equivalent to those of any landowner with full legal title



Policy Requirement for Resettlement of Indigenous Peoples

- Alternative project designs to avoid physical relocation of Indigenous Peoples
- Resettlement Plan compatible with Indigenous Peoples' cultural preferences, using a land-based resettlement strategy
- Allowing for the possibility of Indigenous Peoples returning to previously occupied lands



World Bank Group Investment in Hydropower Projects Affecting Indigenous Peoples

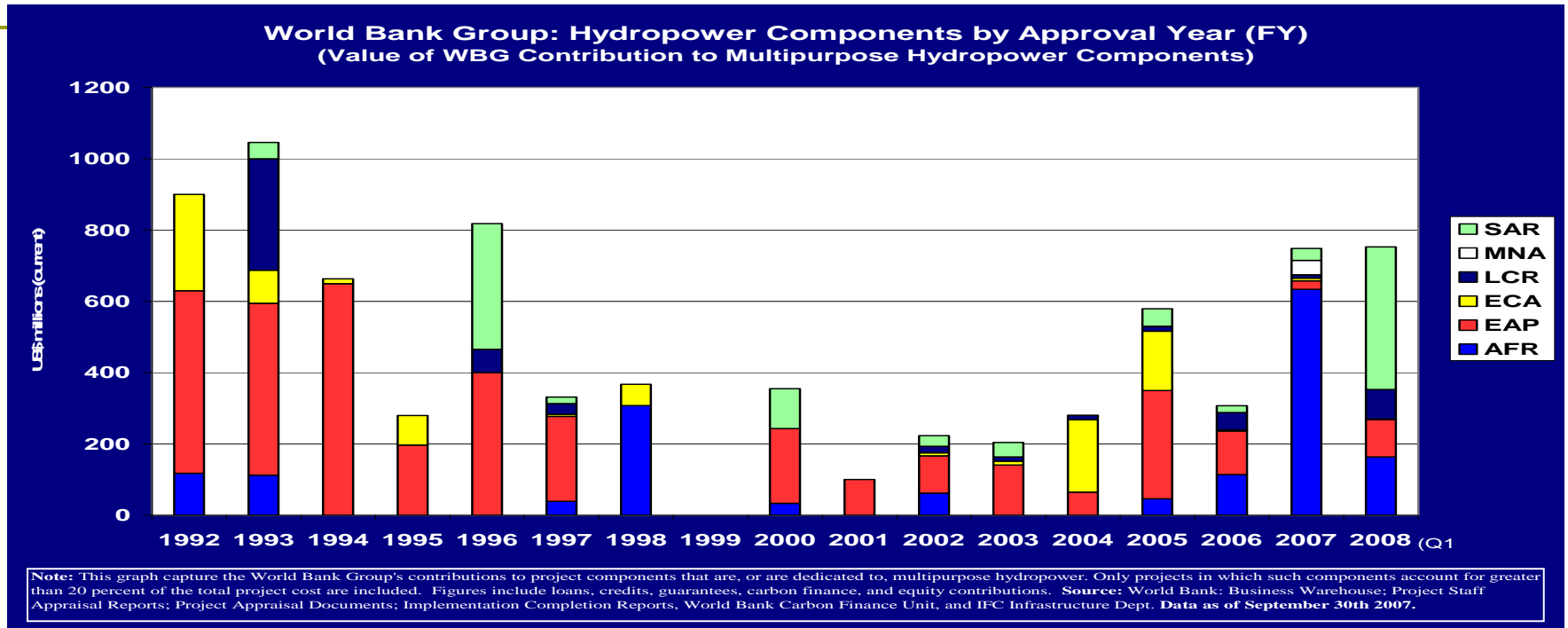


The Hydropower Legacy

- Hydropower projects built in the 1970s- 1980s:
 - Adverse impact on people & livelihoods
 - Lack of stakeholder and community involvement
 - Unequal distribution of costs/benefits
 - Benefits outside of the influence area
 - Local communities: most impacted/least benefits



World Bank Group Hydropower Investment



Steep decline in lending, reflective of Bank and bilateral ODA trend in infrastructure

Portfolio contracts; smaller projects, with introduction of carbon financing; China dominates generation projects

Average 2002-2004: <\$250 million/year

Average 2005-2007: > \$500 million/year

Reengaging in Hydropower Projects

- World Commission on Dams (WCD) Core values and strategic priorities
- Dams and Development Project (DDP) Compendium of Good Practices
- International Hydropower Association (IHA) Guidelines & Protocol on Sustainable Hydropower

World Bank Initiative

- Enhancing development benefits to local communities as an integral part of hydropower project design
 - generate positive development outcomes to local communities
 - reduce project risks, costs, and delays
 - leverage development opportunities beyond safeguard compliance
 - foster good practice
 - promote project ownership by local communities

