

ADB's Indigenous Peoples Safeguards

- Indigenous peoples are among the poorest people on earth. Many are threatened with marginalization or extinction of their lives, livelihoods, cultures, and languages. Concerns include cultural and linguistic preservation, land rights, ownership and exploitation of natural resources, political determination and autonomy, environmental degradation, poverty, health, and discrimination.
- The United Nations reckon indigenous peoples at 300–370 million worldwide, composed of over 5,000 distinct groups in 70 countries on five continents. About 150 million of them live in Asia and 68 million are scheduled tribes in India (Adivasis). The United Nations' estimate corresponds to a more restrictive definition of indigenous peoples. ADB counts more.
- ADB's **Policy on Indigenous Peoples** of 1998 defines indigenous peoples more expansively as peoples with a social or cultural identity distinct from the dominant or mainstream society.
- The policy, as operationalized by ADB's **Operations Manual**, is perceived by ADB project mission leaders to be difficult to apply. The provisions can be onerous. Some developing member countries argue that required compliance has become a disincentive to seeking ADB financing; others claim that their policies are of acceptable standard and that ADB must become more flexible. Nongovernment organizations contend that consultations, public disclosure, implementation, and monitoring should be improved.

Background

The Asian Development Bank (ADB) has safeguard policies on: (i) **involuntary resettlement** (1995), (ii) **indigenous peoples** (1998), and (iii) the **environment** (2002). Since their adoption, the three policies have guided formulation and implementation of ADB's assistance programs, particularly its lending activities.

However, the evolving developmental context in which ADB operates and the experience accumulated warrant regular reviews of the policies. ADB has embarked on an update of its safeguard policies to enhance their effectiveness, and ensure their relevance to changing client needs and new financing modalities and instruments.

ADB's Policy on Indigenous Peoples requires that safeguard principles be upheld in preparing and implementing ADB-assisted projects in areas with indigenous peoples to: (i) ensure that development

interventions are compatible in substance and structure with the affected indigenous peoples' social, cultural, and economic institutions, and consistent with the needs and aspirations of those peoples; (ii) design and implement projects which ensure that indigenous peoples are at least as well-off as they would have been without development interventions; and (iii) make certain that indigenous peoples benefit from interventions.

In 2006, the Operations Evaluation Department undertook a **Special Evaluation Study on Indigenous Peoples Safeguards** toward a policy update in 2007.¹ The study drew on: (i) ADB databases and documents; (ii) interviews with ADB staff and experts; (iii) two questionnaire surveys; (iv) country studies in India, the People's Republic of China, Philippines, and Viet Nam; and (v) seven project case studies.

Summary of Findings

The study was of the view that decisions taken by ADB's Management had gradually expanded the scope of the policy. The original focus on "adverse and significant" impacts was reinterpreted to cover "adverse or positive" impacts, and the associated procedures had become more elaborate over the years.

The policy is somewhat confusing for ADB staff and clients. First, the distinction between indigenous peoples and ethnic minorities is not always clear: very few Asian countries recognize indigenous peoples and less so any connected special rights. There are also some definitional differences between the policy and ADB's Operations Manual. Second, the policy is ambiguous about whether the definition provided by national legislation or that derived from the policy is to be followed. Third, there is overlap with ADB's policies on involuntary resettlement and the environment. The clearest adverse impacts of ADB-assisted projects on indigenous peoples relate to induced environmental change, loss of land and related livelihood, and resettlement. These are also the subject of the policies on involuntary resettlement and the environment and are primarily addressed in resettlement plans and environmental management plans. This is not efficient. If considerations of land, livelihood, and resettlement were discounted then the impacts that trigger the policy would be less straightforward adverse impacts related to cultural change and, perhaps, integration into the economic mainstream and/or competition with non-indigenous peoples when an area is opened up or developed. Fourth, the need to prepare indigenous people development plans for projects with significant benefits to indigenous peoples, and specific actions for projects with limited positive or negative impacts on them, has left unclear the nature of these plans and related specific actions. In practice, an acceptable scope for a separate indigenous people development plan has therefore proven difficult for ADB staff to define. Fifth, the required consultation of indigenous peoples has been expanded by requirements to establish something very close to their full consent to the project. The policy offers little advice on how to define an acceptable level of consent or how to document and measure it.

Recommendations

- The policy update should clarify the areas that cause misunderstanding in the policy and address the policy drift related to ADB's Operations Manual and practice in ADB.

- ADB should set goals for the development of indigenous peoples and related strategies for some developing member countries where ADB's forward program involves considerable interaction with indigenous peoples.
- If ADB maintains a stand-alone policy, it should include a results-based framework—distinguishing impact, outcomes, outputs, activities, and inputs, both at macro (country) and at micro (project) level.
- A sequential approach to policy development and capacity building in indigenous peoples safeguards should be adopted, focusing on a few developing member countries first.
- Indigenous people development plans should be prepared for projects that have clear risks for indigenous peoples, and can be mitigated through project interventions.
- Conceptual work and case study work is needed to lay out the particular risks for indigenous peoples associated with different categories of investments, as there is currently a high degree of divergence in approaches to the definition of these risks.
- The policy update should describe the criteria to be used to determine whether the amount of consultation and broad communication support for a project and related mitigation measures is adequate and in what circumstances ADB endorses the principle of free, prior, and informed consent for the project from the side of indigenous peoples.
- To complement the policy update, there is a need for a policy implementation plan that reconciles policy aspirations with organizational, budget, and human resources implications.

Feedback

At the time of preparation of these *Learning Curves*, **ADB Management's Response** had not yet been formulated, nor was the **Chair's Summary of the Development Effectiveness Committee Discussions** available. They will be incorporated in time. The study was completed in February 2007.

¹ ADB. 2006. *Special Evaluation Study on Indigenous Peoples Safeguards*. Manila. Available: <http://www.adb.org/documents/ses/reg/SST-REG-2007-01/SES-IP.asp>.