



Asian Development Bank

Regional and Sustainable  
Development Department

## **ADB Policy on Indigenous Peoples and Poverty Reduction in Asia<sup>1</sup>**

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### **Introduction**

It is a great pleasure for me to have the opportunity to address the first workshop conducted by the Regional Network on Indigenous Peoples in Southeast Asia and present the Asian Development Bank's Policy on Indigenous Peoples and its relevance to Poverty Reduction. We have been in close consultation with indigenous peoples and their representatives since the inception of the 1998 Policy on Indigenous Peoples and throughout the preparation and implementation of various ADB projects and programs. In the year 2000, we conducted the first indigenous peoples forum in conjunction with the ADB's 33<sup>rd</sup> Annual Meeting in Chiang Mai where we invited a number of indigenous peoples organizations, some of which are represented today, i.e., the AIPP, AMAN and the Tebtebba Foundation. The indigenous peoples forum endorsed a capacity building project for indigenous peoples and poverty reduction which materialized in 2001 as ADB's Regional Technical Assistance for "Capacity Building for Indigenous Peoples and Poverty Reduction" which was implemented in Cambodia, Indonesia, the Philippines and Viet Nam. Although ADB normally works through and with government agencies, the Regional Technical Assistance Project facilitated a rare opportunity for both the governments, indigenous peoples representatives and other civil society organizations to meet and openly discuss the relevant and sensitive subject of poverty reduction and indigenous peoples.

During this presentation I will briefly introduce the ADB Policy on Indigenous Peoples and the strategic importance of the Policy in responding to the challenge of strengthening indigenous peoples' culture and identity while promoting economic development and reducing poverty among them. I will also present some of the issues we face in implementing the Policy in the context of Asia and the progress we have made thus far.

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<sup>1</sup> Presented at the first Workshop of the Regional Network for Indigenous Peoples in Southeast Asia, Isabela State University Campus, Cabagan, Isabela, 18 – 22 April 2005.

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## The ADB Policy on Indigenous Peoples

It is quite well known that the concept of indigenous peoples is rather difficult to apply in the context of Asia<sup>3</sup>. Indeed, indigenous peoples in the region reflect tremendous diversity in their cultures, histories and current circumstances; and the relationships between indigenous peoples and mainstream groups of society in each country vary. It is in this context of tremendous cultural, historical and socio-legal diversity that the ADB's Policy on Indigenous Peoples was adopted in 1998.

The Policy shares some common characteristics with similar policies of other multilateral development agencies. First, the policy seeks to address the complexity of defining the term "indigenous peoples". Second, it endorses a number of common principles such as - participation of indigenous peoples, avoidance of adverse impact, sharing the benefits of development, and acknowledgement of the intrinsic value of cultural diversity. Third, the Policy makes some references to human rights instruments, such as the ILO Convention No. 169, indicating a trend towards linking human rights and development through recognition of indigenous peoples' right to direct the course of their own development and change.

The Indigenous Peoples Policy is the only policy instrument in the ADB specifically designed to ensure that indigenous peoples are taken into account in the planning and implementation of projects and programs that affect them. The Policy's broad policy objective is the protection of indigenous groups that are most likely to be negatively affected by development. This includes groups that are, in many instances, isolated from other groups and highly dependent on the land and natural resources from which they derive not just their livelihood but also their identity. Because of the significance of land and habitat to indigenous peoples, they are also likely to be severely affected by displacement and involuntary resettlement. The Policy seeks to avoid adverse effects on groups that are most vulnerable to being disadvantaged in the process of development. It also seeks to include indigenous peoples in the decision-making process so as to ensure their participation so that development proceeds according to their own values and desires for the future. Finally, the Policy seeks to provide culturally appropriate benefits to indigenous peoples.

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<sup>3</sup> As a working definition for ADB operations, indigenous peoples should be regarded as those groups with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the process of development. Determination of a distinct identity for indigenous peoples would be based on the requirements of applicable national law and applicability of the following characteristics:

- (i) descent from population groups present in a given area, most often before modern states or territories were created and before modern borders were defined; and,
- (ii) maintenance of cultural and social identities, and social, economic, cultural, and political institutions separate from mainstream or dominant societies and cultures.

The Policy elaborates that additional characteristics often ascribed to indigenous peoples include:

- (i) self-identification and identification by others as being part of a distinct indigenous cultural group, and the display of desire to preserve that cultural identity;
- (ii) linguistic identity different from that of the dominant society;
- (iii) social, cultural, economic, and political traditions and institutions distinct from the dominant culture;
- (iv) economic system oriented more toward traditional systems of production than mainstream systems, and;
- (v) unique ties and attachments to traditional habitats and ancestral territories and natural resources in these habitats and territories.

## **The strategic importance of the Policy**

The adoption of such formal policy is a public statement of ADB's commitment to respect and promote the rights of indigenous peoples in ADB operations. The policy principles are used in policy dialogue when negotiating with governments, and are implemented in the specific context of a loan or grant, under loan or grant conditionality, regardless of whether or not the recipient countries have a policy on indigenous peoples. This is of particular importance because many of ADB's developing member countries may not have a generic policy on indigenous peoples. With the exception of the Philippines, which has issued an Indigenous Peoples Rights Act, the countries that have a generic policy on indigenous peoples tend to see "total integration of indigenous peoples into the mainstream society" as the only solution to the economic problem faced by indigenous peoples.

As ADB has increasingly extended loans and equity investments to private sectors, the requirement to comply with the Policy is also applied to the operation of the private sectors - which may not, themselves, adopt a generic policy on indigenous peoples. Another key function of the adoption of the ADB's Policy on Indigenous Peoples is to inform ADB's own staff of the Bank's position vis-à-vis indigenous peoples' issues and to guide the staff in the design and implementation of projects. More importantly, the Policy provides a basis for indigenous peoples to participate in the development processes that affect their lives.

## **Addressing poverty reduction among indigenous peoples**

The Policy on Indigenous People was adopted during the rise of the Asian economic crisis, at which time ADB declared a fight against poverty in the context of promoting economic growth with inclusive social development. For ADB, the question remains as to under what circumstances indigenous peoples/ethnic minorities should have very distinct treatment on the basis of their unique culture and identity within the framework of poverty reduction among indigenous peoples and the promotion of economic progress. Should development programs or projects be ethnically targeted? Should there be special consultation procedures to enable the effective participation of indigenous peoples/ethnic minorities in the design, implementation and monitoring of programs?

As mentioned earlier, ADB conducted a study in Cambodia, Indonesia, Philippines and Viet Nam to deal with those questions<sup>4</sup>. The study discussed the complex issue of definitions and assessed how, in practice, one can distinguish between the indigenous and non-indigenous for the purpose of policy application. It was found that in some countries, it may be impossible to identify who were the first ancestral inhabitants of a particular location. The study observed, however, that there is greater emphasis on distinct treatment in the aspirations of people for management of their land and resources in a particular way, and in exercising some governance in accordance with their own time, values and institutions<sup>5</sup>.

Since poverty or well-being means different things for different ethnic groups, it is crucial to look into indigenous peoples' perceptions of well-being and poverty. Poverty and wealth do have very particular meanings for cohesive indigenous communities which seek to maintain

<sup>4</sup> ADB. 2002. *Indigenous Peoples/Ethnic Minorities and Poverty Reduction, Regional Report*. Prepared by Roger Plant, ADB, Manila. See also the individual country report in ADB. 2002. *Indigenous Peoples/Ethnic Minorities and Poverty Reduction, Cambodia, Indonesia, Philippines, Viet Nam*. ADB, Manila.

<sup>5</sup> See also findings from another study on the Pacific Region in ADB. 2002. *Indigenous Peoples/Ethnic Minorities and Poverty Reduction, Pacific Region*. Prepared by Roger Plant, ADB, Manila.

their cultural integrity and can equate the concept of poverty with loss of traditional values, cultures, languages and access to ancestral land resources. At the same time, indigenous peoples share the same aspirations as other population groups with regard to educational achievement, productivity and income earning opportunities.

In the context of Asia, we observe two important areas in which culture, identity and economic progress of indigenous peoples could be and should be mutually addressed: first, the continuity of their access to communal or traditional lands and, second, the provision of livelihood programs and basic social services. These provide the material and social basis upon which indigenous culture and identity could be maintained.

The aspirations of indigenous people to maintain their culture and identity are most often rooted in relationship to their ancestral land. Thus, the protection of indigenous peoples from further dispossession of traditional lands and forests serves the purpose of achieving economic progress in line with indigenous peoples' aspirations. The challenge for ADB is to create a balance between the promotion of efficient and environmentally sound land resource practices and respect for indigenous cultures and identities.

### **Strengthening access to land resources**

ADB recognizes the importance of strengthening access of indigenous peoples to land resources in order to tackle the issue of poverty reduction and cultural identity. To commemorate the end of the International Decade for Indigenous Peoples (1994-2004), ADB conducted a "Regional Workshop on Indigenous Peoples and Communal Land Management in Asia" last December. This workshop highlighted the distinctive relationship between indigenous peoples and their habitat through the presentation of in-depth case studies on communal land management in Asia. The workshop discussed issues such as identification of indigenous peoples in diverse socioeconomic environments, the application of the Policy in different country contexts and the processes that marginalize indigenous peoples from the management of their traditional habitat.

Providing security of land tenure to indigenous peoples guarantees that they will enjoy an equitable share of the benefit from economic progress without unnecessarily losing their culture and identity. A noteworthy example of how ADB has helped create a solid basis for security of land tenure for indigenous peoples is its support for the preparation of Land Law of Cambodia. ADB required the revision of the 1992 Land Law as one of the conditions under its Agriculture Sector Program Loan<sup>6</sup> and provided technical assistance<sup>7</sup> for drafting the new land law. The 2001 Land Law has included a chapter on the rights of indigenous peoples formulated in close consultation with representatives of indigenous peoples and NGOs. The explicit recognition was a major step in strengthening the rights of indigenous peoples in Cambodia.

### **The challenge: mainstreaming and specific targeting**

As regards supporting the maintenance of indigenous culture and identity in livelihood programs and provision of basic social services, ADB has addressed indigenous peoples' concerns in a more pro-active manner through loans as well as grants. The two-pronged approach remains valid: first, mainstreaming indigenous peoples' concerns in all ADB-assisted development interventions to ensure that they share equitable benefit, and;

<sup>6</sup> ADB Loan No. 1445-CAM (SF), approved on 20 June 1996.

<sup>7</sup> ADB Technical Assistance No.2591-CAM: Agriculture Policy Reform Support, approved on 20 June 1996.

second, specific targeting of these groups as beneficiaries to ensure that their specific concerns and preference are taken into consideration in the design of a project.

ADB supports a community-based tourism project in the Greater Mekong Subregion that will help strengthen ethnic minority culture and, at the same time, help the ethnic minorities achieve economic benefits from the culture they own. ADB also published a comprehensive study on "Health and Education Needs of Ethnic Minorities in the Greater Mekong Subregion." The study has contributed to the incorporation of ethnic minority concerns in the design of follow-on loans in health and education sectors for the GMS.

ADB recently approved an education loan project that explicitly addresses the education needs of the tribal people in Chittagong Hilltracts in an attempt to actively help Bangladesh provide development to the tribal people there during the post-conflict construction. This is complimentary to the earlier Chittagong Hilltracts Rural Development Loan Project, which also specifically targeted the tribal people as the main beneficiaries.

The Literacy for Everyone Loan Project, under preparation in Papua New Guinea, is another example of how ADB pro-actively addresses the concern of numerous small ethnic groups in remote areas with being able to do basic reading and writing in their mother tongue and in a language of their choice. The ability to read in one's own language will accelerate the learning process of ethnic minorities enabling them to capture necessary knowledge.

In addition to providing Loans, ADB also commits itself to providing poverty reduction grant projects through the Japan Fund for Poverty Reduction (JFPR). Last year we approved five JFPR grant projects that include ethnic minorities among the project beneficiaries.

1. The Health Care Financing for the Poor project in Cambodia improves the access of the poor and vulnerable population to the health system through the provision of targeted, demand-side subsidies. This has a significant impact on reducing poverty, as catastrophic health events are a leading cause of impoverishment in Cambodia.
2. The Improving Primary School Access in Disadvantaged Communes project in Cambodia helps reduce poverty in the poorest districts and communes in Cambodia by ensuring access to primary education (Grades 1–6), especially for girls from the poorest families and children (including ethnic minorities) living in remote areas. The Project provides community mobilization and capacity building, and improves facilities in incomplete schools. Incomplete schools are those that do not offer the full range of primary education because they lack classrooms or teachers.
3. The Sustainable Livelihood Development for Poor Coastal and Small Island Communities project in Indonesia is composed of livelihood development and participatory poverty reduction approaches in 10 selected villages. The project's main objective is to raise the income levels of the poorest of poor and women groups in selected coastal and small islands communities.
4. The Sustainable Agroforestry Systems for Livelihood Enhancement of the Rural Poor project in Lao PDR aims to bring about socially, economically, environmentally, and ecologically sustainable rural poverty reduction by stabilizing land use in a typical pilot area comprising nine impoverished ethnic minority communities in one subcatchment area in the north.
5. The Poverty Reduction in Red River Basin Irrigation System in Cambodia improves agricultural performance (and thereby incomes) of poor communities, through

improvements in irrigation, drainage and flood protection. The Project has two components, one uses a participatory JFPR model to assist poor and disadvantaged farmers in identifying their main production constraints, designing and implementing participatory activities to address them, while the other is composed of pro-poor interventions which includes financing of rural support activities.

In 2003, two JFPR grants supported projects specifically targeting ethnic minorities.

1. The Reducing Poverty Among Ethnic Minorities in the Nam Ngum Basin project in Lao PDR aims to reduce poverty and improve the socio-economic status of ethnic minority women who are among the poorest and most disadvantaged by (i) providing training, functional literacy, and capacity and awareness building, (ii) reducing domestic drudgery and improving health and social status by improving their access to water supply, sanitation, health and literacy, and (iii) enabling ethnic minority women to access opportunities to improve their livelihoods and incomes.
2. The Promoting Silk Income for the Rural Poor in Central Highlands project in Viet Nam demonstrates innovative ways of participatory poverty reduction and sustainable livelihood development among the poorest communities in three provinces, and supports on farm and off farm value added livelihood activities through skills development, quality control and improved links with international and national markets. The Project targets poor and disadvantaged ethnic minority households by supporting eri silk production for sustainable poverty reduction, developing essential infrastructure for silk production and marketing in poor and remote areas, providing training, and transferring appropriate technology.

### **The challenge: providing effective safeguards**

The pro-active targeting of indigenous peoples as beneficiaries of ADB-assisted projects goes hand-in-hand with our other approach of consistently safeguarding the interests of indigenous peoples in all of ADB's development interventions. This will avoid the likelihood that indigenous peoples will be impoverished or their culture and identity destroyed as a result of ADB-assisted development projects such as road, irrigation, forestry and power. Indeed, it is in the interest of ADB to maintain the culture and identity of indigenous peoples and avoid any negative impact on them. If negative impact is unavoidable, the Policy requires the project sponsor to mitigate the impact in consultation with the affected indigenous peoples.

ADB has considerably improved its safeguard monitoring system by addressing indigenous peoples' issues and concern upstream during project preparation. Early identification of project impact, through consultation with indigenous peoples themselves, is a key step to providing effective safeguards. It has been observed that many governments are more aware now than before about the Policy requirement to address indigenous peoples concerns early on in project processing. However, on the ground, the issue of identifying indigenous peoples so that the Policy can be applied in the specific context of project and country continues to be a challenge.

### **Concluding remarks**

We recognize that implementation of the ADB Policy on Indigenous Peoples and the effort to reduce poverty will not be possible without effective participation of indigenous peoples themselves in the preparation, implementation and monitoring of ADB projects and programs. ADB will continue to support efforts to ensure that its projects will bring benefit

to indigenous peoples and negative impact will be mitigated. The opportunity to meet and discuss with indigenous peoples' representatives and a network such as this is always highly appreciated. In the future, we hope to continue and improve the policy dialogue and cooperation with indigenous peoples during project preparation and implementation in our operations for poverty reduction.

Additional information on indigenous peoples issues in ADB operations and [ADB loans and grants](#) with components that address IP concerns is available on the [ADB Indigenous Peoples website](#).

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