



Indigenous Peoples Development Framework (FINAL)

Project Number: 37749-01

Proposed Loan Republic of the Philippines: Second Agrarian Reform Communities Project

Prepared by the Government of Philippines for the Asian Development Bank (ADB)

The indigenous peoples development framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

Asian Development Bank

A. Introduction

1. The Agrarian Reform Communities Project II (ARCP II) aims to reduce poverty and achieve long lasting improvements in incomes and well being of agrarian reform beneficiaries (ARBs) and other sections of the rural poor, in the Project target areas, which cover approximately 152 agrarian reform communities (ARCs) and 10 ARC Clusters, in nineteen of the poorest provinces in Southern Philippines.¹ It seeks to bring about sustained improvements in incomes and quality of life of these disadvantaged rural communities, through the design and implementation of a well integrated Project.

2. ADB's Poverty Reduction Strategy² recognizes that particular sections of populations may suffer from social exclusion, and lack of social capital, and therefore remain in poverty. Indigenous Peoples (IPs) are often found to lack access to assets and opportunities required for them to participate in mainstream development, on account of social exclusion, as well as the lack of adequate access to health and education services, that can enable them to participate in informed and effective ways. In the Philippines, considerable efforts are being made by the Government and civil society to bring the IPs into the mainstream development process, while fully respecting their culture and tradition, as well as their rights. However, IPs still remain among the poorest groups in the country. As such, they require special support. ARCP II will adopt a culturally appropriate and participatory approach for IP communities, wherever they are included within its target areas. It will do so through cultural mapping, community driven development (CDD) and inclusive approaches, social capital formation, improved access to land, capital, technologies and markets. While the exact numbers of IP communities likely to be included is not known at this stage, approximately 1400 IP households are likely to be included in eight of the nine regions included under the Project. While a sample indigenous peoples development plan (IPDP) is included, the Indigenous Peoples Development Framework (IPDF) will guide the preparation of such plans for all target ARCs covering IP populations.

3. The Project will further support capacity building of community based organizations, as well as local government units (LGUs), in financial management and fiduciary requirements of project planning and execution. It will support agri business development in target areas, through improved land ownership, spread of improved technology, entrepreneurship development of both organizations and individuals, business advisory services, market surveys and information services. It will actively facilitate links between existing and potential private sector operations in the vicinity of the target areas, and ARCs selected under the Project. Strong foundations for such development will be provided with provision of rural infrastructure, based on priorities drawn up by the communities themselves. Rural Infrastructure (RI) sub projects including potable water supply, school rooms and *barangay* health centers for particularly vulnerable communities, will promote human development. Other RI subprojects including community managed irrigation schemes, farm to market roads and bridges, as well as improved processing facilities, will help promote investments in large scale production and processing, better access to markets and social services, and increasing value addition to rural livelihoods. Project management will be mainstreamed in government at several layers with accountability and fiduciary responsibility enforced through controls at various levels. In doing all of this, the Project will fully adhere to the unique cultures and traditions of IPs and all activities will be carried out in a participatory and culturally appropriate manner.

¹ The provinces to be covered include Romblon, Marinduque, Camarines Norte, Camarines Sur, Sorsogon, Negros Occidental, Leyte, Eastern Samar, Northern Samar, Western Samar, Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Maguindanao, Lanao Del Sur, Tawi Tawi, Shariff Kabusuan, Basilan, and Sulu.

² ADB. 2004. Fighting Poverty in the Asia Pacific, the Poverty Reduction Strategy. Manila

B. Project area

4. The Project will cover approximately 152 ARCs in 19 provinces in southern Philippines. The target provinces have been identified through a selection process that identified the poorest provinces in the southern half of the country. ARCs comprise a cluster of contiguous *barangays* with a high proportion of ARBs. The average number of *barangays* is 4.7 per ARC, leading to an average of around 684 *barangays* and more than 140 municipalities. Considering the distinct requirements of the Autonomous Region in Muslim Mindanao (ARMM), the six provinces of ARMM will be covered by special arrangements inherent to the autonomous management system in the region. Of the total Project target of approximately 150,000 households, IPs will include 5000-20,000 persons in approximately 1000-1400 households.

C. The Consultative Process

5. This IPDF has been prepared in a fully participatory manner and in keeping with the ADB's Policy on Indigenous Peoples³ and the Indigenous Peoples Rights Act, 1997 (IPRA,) of the Philippines. An Initial Social Assessment (ISA) was undertaken in June 2004 as part of the technical assistance (TA) fact finding. It included an analysis of the poverty situation in the country, in order to identify areas which presented the highest levels of poverty, for purposes of targeting under the project. Furthermore, it reviewed the proposed 152 ARCs and 10 ARC Clusters that were identified, as potential projects sites. Later, a detailed social analysis was carried out during the project preparatory technical assistance (PPTA)⁴, including field assessments in the five sample feasibility sites in different potential project areas. The social assessments were carried out in accordance with the ADB's Handbook for Incorporation of Social Dimensions in Project Design.

6. Further consultations with IPs were held by the PPTA teams between August and September 2005 in all regions except region IV, where none of the proposed ARCs cover IP populations. Then again, the ADB loan fact finding mission held consultations with the Subanen IP group in Zamboanga Sibugay on 7 May 2007, at ARC Culasian in Titay Municipality. During the pre appraisal the Mission has discussions with Ati IP group and their leaders in Camang Camang ARC under Isabella municipality in Negros Occidental on 18 September 2007. The groups generally involved in such consultations included the *barangay* officials, the IP leaders of their *barangays*, IP ARBs, IP women, representatives of traditional councils, and LGU representatives. Further consultations were held with the National Commission on Indigenous Peoples (NCIP) during the Loan Fact finding and Pre Appraisal missions, both at regional and national levels.

7. At the *barangay* level meetings, the Project outputs were discussed by the mission, with the community groups, through participatory focus groups. The mission provided information regarding the project and expected outcomes. In all instances, the IP communities appreciated the opportunity being provided for their informed participation and agreed to join the Project. For many IPs who are ARBs, it has been a long wait for improvements in land tenure, rural infrastructure, and their access to technology, credit and markets. They are familiar with the issues and constraints of agrarian reform, and look forward positively to the Project, which can enable them to achieve economic progress and social development by reducing the constraints they currently face.

³ ADB.1998. Indigenous Peoples Policy. Manila

⁴ The Project was prepared under ADB.2005. *Technical Assistance to Philippines for Agrarian Reform Communities II* (TA No.4390-PHI). In order to carry out the PPTA, a multi-disciplinary team of local and international specialists from the South East Asia Regional Center for Graduate Study and Research in Agriculture (SEARCA) was engaged to undertake the preparatory work for the proposed project

8. Following the field visits by the pre appraisal mission, discussions were held with the Mayor of Isabella Municipality, along with the Municipal Agrarian Reform Officer (MARO), and other LGU staff, staff of DAR Provincial Office (DARPO). The Mission briefed them on ADB's IP Policy and its requirements. The ADB Pre Appraisal mission had extensive consultations with the NCIP in August-September 2007. At all these meetings, the mission explained ADB's IP Policy, and the objectives of ARCP II were elaborated. NCIP fully supported the objectives of ARCP II and agreed to support the Project implementation through its regional offices.

D. IPs in the Philippines

9. The IP communities in the Philippines are composed of 110 ethnolinguistic groups found in the various parts of the archipelago. Defined as a group of people or homogenous societies, identified by self ascription and ascription by others, who have continuously lived as organized communities, or in communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories sharing common bond of language, customs, traditions and other distinctive cultural traits, or who have through resistance to political, social and cultural inroads of colonization, non-indigenous religions and cultures, become historically differentiated from the majority Filipinos. They are likewise, peoples who are regarded as indigenous on account of their descent from the population which inhabited the country, at the same time of colonization, and the establishment of present state boundaries, who retain some or all of their own social, economic, cultural and political institutions, but who may have been displaced from their traditional domains or who may resettled outside their ancestral domains.

10. The presence of some of the following characteristics in varying degrees are used to identify tribal or indigenous communities in the Philippines:

- (i) A close attachment to their ancestral territories and natural resources in these area;
- (ii) Self identification and identification by others as members of a distinct cultural group;
- (iii) An indigenous language, often different from the national language;
- (iv) Presence of distinct social, cultural and political institutions; and
- (v) Primarily subsistence oriented production.

11. The total IP population in Philippines is approximately 12 million. There are several indigenous groups within the proposed Project area. In Luzon, Aetas are traditional inhabitants in Region IV and Mindanao is home to a number of tribes of the 110 identified ethnolinguistic groups. IPs in the Project area have been identified as such as the Manobo, Subanen, Tagabilis, Tirurans, Higaonon, Yakan, Maguindanao and a number of others. (see ethnographic map of the Philippines in Attachment 2) Table 1 shows the distribution of IPs across the Philippines, and the population by region. The regions covered by ARCP II (shaded) include approximately 21.6% of the total Indigenous Peoples in the Philippines. It should be noted that the distribution shown in Table 1 is based on the Philippines Administrative Regions, whereas the Indigenous Peoples Rights Act (IPRA) recognizes seven ethnographic regions, and National Commission on Indigenous Peoples (NCIP) operates in 12 regions, as shown below, with ARMM acting autonomously.

Table 1: Indigenous Peoples Population in the Philippines and ARCP II coverage

Region	Population
CAR	1,252,962
I	1,039,447
II	1,014,955
III	227,675
IV	717,122
V	185,488
VI and VII	195,109
VIII	-
IX	1,137,197
X	1,444,503
XI	2,539,767
XII	855,760
XIII (CARRAGA)	874,456
ARMM	313,749
TOTAL IP population	11,798,190
Population in Project regions (shaded)	2,548,665 (21.6%)

Source: 1996 Accomplishment Report Office of National Cultural Communities

12. However, it should be noted that the Project coverage in each of the regions will only be a fraction of the total population of the region. This is due to the fact that: (i) the Project will only cover the provinces as noted in paragraph 1 (footnote 1), not all provinces in the region; and, (ii) within the targeted provinces, the project will only focus on ARCs and ARC Cluster areas, which for the most do not coincide with Ancestral Domain lands or places of residence of IPs. Consequently, the number of IPs actually participating in ARCP II are expected to be in the range of approximately 5,000 – 20,000 people or 1,000-4,000 households out of the approximately 150,000 households expected to be covered by the Project.

E. Social Analysis

13. Social and poverty analysis revealed high levels of poverty in many of the ARCs, with stratification patterns among the better off and the poor. The poor include non ARBs who are landless farm workers, ARBs who are holders of collective Certificates of Land Award (CLOA), ARBs with no access to irrigation, inputs supplies, credit and external markets. The consultations with the communities during the feasibility process, revealed that IP communities met were fairly satisfied with the level of involvement that they have in the local planning processes. However, where there are small pockets of IPs at the outer edges of larger communities with majority mainstream communities, it will need greater efforts to ensure their equitable participation.

14. In some of the sample ARCs studied, there was a variety of priorities expressed by IP communities. The Subanen IP communities in Zamboanga Sibugay province articulated their concerns regarding their having to depend upon traders to borrow money for consumption as well for the sale of their farm produce. Because of their inability to market their own produce in open markets, they felt that they were not achieving a reasonable price for their produce. They also articulated concerns related to their low participation/representation in the management of some ARB organizations. Another concern that was consistently raised (although not as high a priority as the water and roads) was the lack of a community meeting place. Consequently, the community could seldom meet as a whole to discuss their concerns and opportunities. It could also lead to a loss of their cultural practices with the younger generation, if they were not regularly exposed to such community cultural activities.

15. Wherever IP communities are present, they tend to suffer from poverty on account of their limited social capital, remoteness of location, poor infrastructure, conflicts over land and livelihoods, lack of markets, among other aspects. They are often the least benefited by government development programs, as witnessed by the few projects that reach them. Most dominant in mountainous and hilly areas, IPs express feelings of inferiority as compared to their non IP neighbors. Many feel that they lack access to education, health, drinking water, agricultural support services. They also feel that they are gradually losing out with regard to control over their ancestral lands. Maguindanao Muslims, also considered as an IP group, who are mostly found in the marshland, coastal and lowland areas, often acknowledge the availability of vast tracts of high agriculture potential lands, but which remain unproductive due to the lack of capital, limited access to other agricultural support services and access roads.

16. In Negros Occidental, the IP community of Ate pointed out, that on account of lack of institutional credit, they have had to lease their lands back to erstwhile landowners or other plantation owners. Effectively, they have become landless and are dependent on wage labor. During several months of the year, they lack adequate food supply, and are dependent upon forest gathering to supplement their sources of food. On account of lack of secure livelihoods they often have to migrate in search of employment and food security. However on account of widespread logging, their access to natural resources in their ancestral lands has diminished. The time they now need to spend in gathering forest produce for consumption and production of handicrafts and household goods, is much more now than earlier. They however acknowledge that the municipal administration has tried to include them in its development efforts and provided child care facilities and improved nutrition. However it is hamstrung by its limited resources.

17. Among the most pressing needs identified by IPs during the social analysis in Negros Occidental, Zamboanga Sibugay provinces, were improvements in rural infrastructure, provision of school rooms in elementary schools in the community in order to absorb the growing population, potable water supplies, completion of the land tenure reforms, provision of educational and health services at *purok* and *barangay* level, access to technology and provision of credit, inputs supply, and linkages with markets. They also wanted help to strengthen the cultural ties to the indigenous traditions among the younger generation, which is exposed to several external influences. Focus groups discussions held across several IP communities also indicated that their cultures actually provide an excellent basis for their participation in participatory planning as they value consensus building, engage in communal activities, have a custodial approach towards the environment, share resources and are traditionally generous, a factor that is recognized in other contexts as well, as contributing to loss of lands and forests that were traditionally claimed by them. The social analysis will be used to develop/fine tune strategies to work with the IPs, and to sensitize LGUs and other Project stakeholders on IP concerns and participation in the Project.

F. Legal Framework

18. The Philippines has an adequate legal framework whereby the identity and entitlements of IPs are well defined, as also their rights and remedies available under national law to protect their interests. The Indigenous Peoples Rights Act (IPRA), 1997, was a landmark law, not only for recognition of the rights of IPs in the Philippines but also as a milestone in recognition of the rights of IPs globally.⁵ The legislation took over ten years to develop and move through the legislative process.

⁵ The IPRA Law was commended by the UN during the International Decade for Indigenous Peoples as a breakthrough in recognition of the rights of Indigenous Peoples within the National Legal Framework.

19. The IPRA law was also the basis for establishment of the NCIP. The NCIP has faced many challenges since its initial establishment. It has very scarce resources and initially had to build up staff with little capacity building support. However, in recent years, the structure and capacity has grown and in particular, there have been efforts made, both to gather basic socio-demographic information regarding the many IPs in the Philippines, and to develop implementation mechanisms to translate the legal requirements of the IPRA into feasible operations. Consequently, the IP Development Framework (IPDF) for ARCP II will be anchored within the ADB's IP Policy, and this national legal process, as well as the growing experience and influence of the NCIP, both learning from, and supporting the further development of the Commission.

20. **Definition of IPs and their Rights.** As with many countries, the definition of who are IPs is a critical step in the full disclosure and involvement of such groups in development processes. In the Philippines, the definition of IPs matches the definitions provided by the ADB policy.⁶ IPs are defined by the IPRA Law (Sec 3. (h) as “a group of people or homogenous societies identified by self-ascription and ascription by others, who have continuously lived as organized community on communally bounded and defined territory and who have, under claims of ownership since time immemorial, occupied, possessed and utilized such territories, sharing common bonds or language, customs, traditions and other distinctive cultural traits, or who have, through resistance to political, social and cultural inroads of colonization, non-indigenous religions and cultures, became historically differentiated from the majority of Filipinos” The Law also provides for descendents from Indigenous Cultural Communities (ICCs) and IPs as defined above. ADB's IP Policy uses the same characteristics to define IPs/ethnic minorities/tribes in its DMCs and gives primacy to relevant national laws in identifying characteristics to define such status.

21. The NCIP is the primary government agency that “formulates and implements policies, plans and programs for the recognition, promotion and protection of the rights and well being of ICCs/IPs with due regard to their ancestral domains and lands, self-governance, social justice and human rights, and cultural integrity”. The NCIP is headed by a chairperson and six commissioners representing the twelve regions of the country. The NCIP operates Regional and Provincial NCIP office and also supports over 100 Community Service Centers.

22. The land ownership of IPs is a highly complex and sensitive issue that needs to be recognized and considered in ARCP II. Ancestral lands are traditionally marked only with traditional cultural and social behavior and environmental features. The migration of lowlanders or mainstream communities into IP lands and becoming ‘settlers’ by manipulating ‘legal’ land ownership where there has been traditional land “ownership”, has led to shrinking of access to traditional lands. The process of recognizing ancestral lands has been facilitated by the IPRA Law, as well as the process of initially delineating Certificates of Ancestral Domain Claims (CADC) through the Department of Environment and Natural Resources (DENR) Administrative Order No. 2, and on documentation, moving to full communal ownership through an Certificate of Ancestral Domain Title (CADT), as approved under the legal auspices of the IPRA Law.

23. An Ancestral Domain is defined as “the territory or natural habitat of ICCs/IPs since time immemorial”. It is a private but communal property that belongs to all generations. It covers all lands/waters and natural resources therein such as: inland and marine waters, agricultural, residential, hunting grounds, burial and worship areas, air space, etc. It covers lands which may no longer be exclusively occupied by ICCs/IPs but to which they have traditional access for their

⁶ *Op cit.*

subsistence activities. This particularly refers to the home ranges of ICCs/IPs who are still nomadic and/or shifting cultivators.

24. The IPRA also emphasizes the importance of “Free and Prior Informed Consent” (FPIC) as a basis for approval of development initiatives within CADC or CADT areas. This is to protect the resources and cultural heritage of the IPs, guarding against unilateral decisions by non-Indigenous Peoples or by IPs, but without due consideration of other communal owners of the Ancestral Domain. FPIC recognizes the rights of ICCs/IPs to self-determination, which is the assertion of IP identity and willingness to accept responsibility for decisions made in relation to the ancestral domain and other aspects related to their cultural identity. FPIC forms the basis of planning interaction between government, private individuals, and groups, entering the ancestral domain and therefore is an important principle and practice in ARC development.

25. As part of the process of moving from CADC to CADT, and into practical protection of ancestral lands, the NCIP has instituted a process of developing an Ancestral Domain Sustainable Development and Protection Plan (ADSDPP). A primer for developing the ADSDPP has been released as NCIP Administrative Order No. 1, 2004. The ADSDPP not only provides a mechanism for self-determination and prioritization by the ICCs, identifying the areas of greatest need for protection and improvement, but also provides a basis for entry and support by other external organizations, such as the convergence efforts of the government and assistance from foreign assisted and NGO projects and programs.

26. In the preparation and implementation of the ADSDPP, the principles of indigenous knowledge, systems and practices (IKSPs) are valued. The IKSPs recognize that ICCs generally operate on a cultural and social knowledge based system that is orally transmitted between generations. This means, that there is little written basis for recognizing the extensive indigenous knowledge in relation to CACTs and ADSDPP for those who have not been immersed in the cultural and social knowledge flow. Nevertheless, the knowledge systems and practices are evident and distinctive and must be acknowledged in planning processes.

G. Rationale for an Indigenous Peoples Framework (IPDF)

27. As noted above, the Project does not focus specifically on ICCs/IPs, but on ARCs and ARC Connectivity. Consequently, the number and scope of IPs involved with the project will be very minimal. Nevertheless, it is important that there is a clear understanding of the need for an IPDF for ARCP II. The rationale for an IPDF and Indigenous Peoples Development Plans (IPDPs) being prepared rests on the ADB Indigenous Peoples (IP) Policy which clearly recognizes the need to address the vulnerabilities of IPs related to mainstream development. It also stresses the need to ensure that IPs can participate equally in the process of development. It further enshrines respect for IP traditions and culture, and emphasizes the need for development interventions to be based on their informed consent, and in keeping with their aspirations, needs, and demands. Based on these considerations, there are four main objectives to be addressed through an IPDF. These include: (i) direct impact; (ii) indirect impact; (iii) harnessing indigenous systems, knowledge and practices; and, (iv) endangering/abusing indigenous values.

28. **Direct Impact.** There will be direct inclusion of indigenous cultural communities or IPs in some Project areas. This may be as a whole ARC, one *barangay* within an ARC, or as a pocket of settlement within an ARC or ARC Cluster. For such households, the ARCP II provides both an opportunity and a risk for direct involvement. The opportunity arises from the CDD and inclusive planning processes that could assist in identifying and mobilizing resources for community priorities within the scope of the Project. Direct positive impact could be gained from

Project inputs such as improved farming, organizational strengthening, skills development and installation of community infrastructure.

29. There is hardly any likelihood of large scale displacements of IPs through infrastructure development, as most rural infrastructure will be constructed on existing sites, or land already belonging to the LGUs. However, it is necessary to keep in mind the risk of IPs' interests being ignored or negatively affected through the planning process, on account of their remoteness, as well as their scattered presence in the Project. The gains of the Project also may accrue to majority populations in more central areas of the ARC. In order to prevent such impacts, it is important for the implementing agencies to be fully aware of where IPs are located, what are their specific priorities and constraints, and the requirements to fully address these throughout the Project cycle.

30. In addition, in general, IP households have been pinpointed as severely disadvantaged in comparison to the rest of the rural population with consistently lower income levels, higher levels of malnutrition, poor health and education and infant mortality rates. Causes of higher poverty incidence can relate to barriers to access of services such as language, isolation and cultural practices. As a Project with a goal of poverty reduction, ARCP II recognizes communities where there are higher incidences of poverty and vulnerability, and wherever possible identifies mechanisms to address such disadvantage.

31. **Indirect Impact.** Indirect impacts may occur as a result of Project activities. For example, opening of a new road may provide ARC residents increased access to previous uncultivated areas, which may be the hunting gathering grounds for IPs, even though they are not resident within the ARC. This would negatively affect the livelihood capacity of IP households.

32. On a larger scale, the planned developments for the ARC may commence a development process that is considered by the wider ICC in the area as detrimental. For instance, a water supply project may draw water from a spring in the CADC/CADT areas and dwellers in the upland areas may experience depleted water supply as a result.

33. **Harnessing Indigenous Knowledge.** In the example above, the indigenous knowledge of water courses and natural environmental flows may be of benefit to the planning of a water system for the community. In addition, the demand for indigenous knowledge in terms of botanical essences and naturopathy has grown exponentially in recent years and can offer economic opportunities, not only to the IPs but also others residing within the IP areas.

34. **Endangering/abusing Indigenous Values.** At the same time, development opportunities for some can bring inherent risks for IPs cultural and well-being. The examples are numerous and have included excessive logging in Ancestral Domains, misuse of indigenous knowledge which depletes rare resources, promulgating external values that are not compatible with indigenous cultural norms leading to breakdown of traditional values, against the will of the ICC.

35. **Policy Framework.** The IPDF is embedded within the national laws of the Philippines and the IP Policy of ADB. The National Government Policies on Indigenous Peoples are embodied in the IPRA. The NCIP has the mandate for implementation of the policies. Protocols for physical and cultural resources must be observed. This has been ratified through the Department of the Interior and Local Government Memorandum Circular 89/2002 regarding the "Strict Implementation" of IPRA.

36. **ADB Policy on Indigenous Peoples.** The ADB published its Policy on Indigenous Peoples in 1998.⁷ The Policy links to, is complementary with other Bank policies and Guidelines, and applies equally to public and private sector operations. The Policy states a commitment of the ADB to the following:

- (i) recognize the potential vulnerability of indigenous peoples in development processes;
- (ii) ensure that indigenous peoples have opportunities to participate in and benefit equally from development;
- (iii) avoid negatively affecting indigenous peoples, and provide adequate and appropriate compensation when a negative impact is unavoidable; and
- (iv) ensure that development initiatives affecting indigenous peoples are effective and sustainable.

Strategies and approaches must:

- (i) have clear mechanisms for accurate, objective analysis of their circumstances Development; and,
- (ii) incorporate transparency and accountability.

Furthermore, in implementation, projects must:

37. Include respect for indigenous peoples' dignity, human rights, and cultural uniqueness; operate in line with an IPDF – in this case outlined in the following sections, and in line with the initial social assessment for the whole project; initiatives should be compatible in substance and structure with the affected peoples' culture and social and economic institutions, and commensurate with the needs, aspirations and demands of affected peoples; and, initiatives should be conceived, planned, and implemented, to the maximum extent possible, with the informed consent of affected communities.

1. ARCP II Indigenous Peoples Operational Framework

a. Principles

38. In consideration of the above potential impacts by the Project on IPs, it is essential that Project activities give due consideration to the social, cultural and environmental contexts prevailing in the Project areas in relation to traditional, legal and contemporary concerns of any IPs within the locality. In this context, the Project must work within a framework that ensures adequate:

39. Support to Social Capital Formation:

- (i) NGOs with experience of working with IPs will be deployed in IP areas for organizing and mobilizing communities for participatory planning and CDD
- (ii) At the start of the ARC planning process, ICCs and IP households within the ARC will be identified through the ARC planning teams led by the municipal agrarian reform officer, including NGOs, and staff of DAR and the Local Project Office. They will be joined by the representatives of the NCIP at provincial level in IP areas;

⁷ *Op cit.*

- (iii) Through the ARC detailed planning process ICCs/IP households must be provided full opportunities to participate through information dissemination, and holding of local meetings and discussion in IP locations, and in ARCs with ICC/IPs, all *barangay* level meetings will include at least 50% of IP participants.
- (iv) All IP members of peoples' organizations (POs) under ARCP II will be trained in financial management, business management, in order to facilitate the development of entrepreneurial activities and improved governance of ARC organizations.

40. Agri Enterprise Development:

a. Support for productivity enhancement

- (i) IP communities will be targeted for entrepreneurship development and transfer of appropriate technology for productivity improvements.
- (ii) In ARCs with IP/ICC populations all training programs will have at least 50% of their trainees from these communities.
- (iii) Business advisory services must be made easily accessible to ICC/IPs by dissemination of information in culturally appropriate ways.

b. Land tenure Improvement (LTI).

- (i) Through the ARC detailed planning process, issues related to land tenure improvement are to be discussed. All IP ARBs must be fully informed through this participatory process about the purpose and process of LTI, and assisted by the planning teams including NGOs, and staff from DAR PO and the LPO, to come up with their own decisions regarding choice of crops, and related options for land survey and titling.
- (ii) In all land survey and titling activities due regard and respect as well as recognition for IP resources, identity and culture, must be provided;
- (iii) It is possible that IPs/ICCs may prefer to retain collective CLOAs and settle for identification of their spiritual shares in the land. The Project will support that, or any other option that is their choice, and in keeping with the national laws and their tradition and culture.
- (iv) The Project will particularly address the risks of IPs losing out to non IPs through the land titling process. However as the lands in question are CARP lands already awarded to IP ARBs, there is no risk of that sort. In spite of that, the Project implementation teams will be made aware of this and the need to identify and address any such risk. The issue of land titling will be particularly monitored through the baseline survey, the regular review and monitoring process as well as evaluation reports.

41. Rural Infrastructure:

- (i) ARC development plans will prioritize IP specific needs through a participatory process ;

- (ii) In carrying out the detailed planning of rural infrastructure sub projects, the status of land must be determined in full consultation with concerned IPs/ICCs. Where potential risk is identified to IPs is identified in the implementation of infrastructure projects, the principles related to fair compensation in the Land Acquisition and Resettlement Framework (LARP) for the ARCP III⁸.
- (iii) At all stages of project implementation the Executing Agency will ensure protection against misuse of environmental resources or cultural sites of significance to IPs, abuse of IP customs and culture, or undue negative impact as a result of project activities.

2. Project Arrangements

42. The Project management arrangements are shown in Figure 1 below. An NCIP representative will join the Project Executive Committee (PEC), which provides overall policy guidance to the Project. An NCIP-designated representative⁹ will also sit on the National Sub-project Appraisal Committee (NSAC) and Regional Sub-project Appraisal Committee (RSAC) as appropriate to ensure that the project approval process has adequately covered the FPIC requirements and that ICCs have been considered in project activities.

43. At the implementation level, NCIP representatives are already involved in the Provincial Agrarian Reform Committee (PARCOM) which has policy oversight of the Project arrangements but if they are not already included in the Provincial CARP Implementing Team (PCIT) of Municipal CARP Implementing Team, a representative would be included in the team, as necessary, (i.e. in provinces and municipalities where the Project will include Ancestral Domains or where there are IPs). In areas where there are currently no cultural communities or IPs, but where there could still be significance for IPs, it is the responsibility of NCIP to determine whether membership on the PCIT or MCIT is appropriate. At the community level wherever IPs are present, one or more IP community representative will be included¹⁰ in the *Barangay* Carp Implementation Team (BCIT) and Municipal CARP Implementation Team (MCIT). In addition in all ARC planning processes, in areas with IPs, at least 50% of all participants in *barangay* or *purok* level meetings should be IPs.

44. Social Safeguards Specialists will be deployed as consultants at National and Regional levels, in order to support the involvement process and safeguards compliance. These specialists will work closely with the NCIP officials at all levels and with the NCIP, be responsible for ensuring that all project structures are fully informed of their responsibilities in implementing the IP operational framework.

45. The arrangements show how the NCIP and IP structures line up with the Project Arrangements. NCIP or IP inclusion at different levels is shown by boxes marked *NCIP Representative*. The inclusion of an NCIP representative is meant to ensure that due attention is paid at all stages of ARC planning to the participation and opinions of IPs. The priorities identified by IPs will form part of the overall ARC plan and will be submitted to the same rigor in terms of ensuring feasibility, need, sustainability, and LGU and community commitments for O&M.

⁸ In any such situation the ADB Policy on Involuntary Resettlement will be applicable. Options to land acquisition will need to be identified though a change in alignment of roads or exploration of alternative sites for other infrastructure. In case land acquisition becomes essential an Involuntary Resettlement Plan will need to be prepared in keeping with ADB policy.

⁹ The NCIP representatives may be from an NCIP office, the Indigenous Cultural Communities Consultative Bodies or Tribal Council representatives.

¹⁰ This will depend upon the number of ID communities present in the ARC.

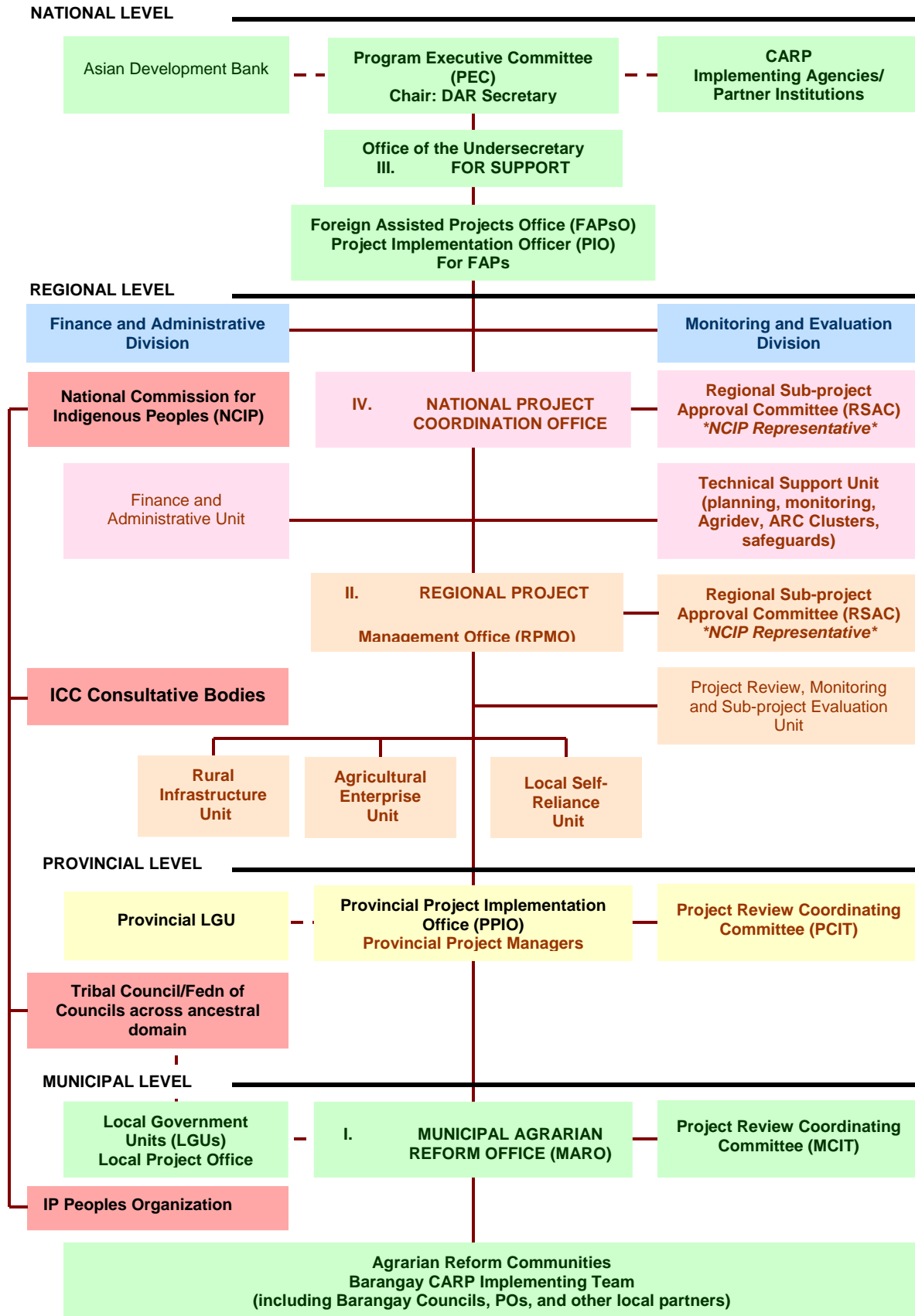
3. Project Scope

46. The likely coverage of IPs across the ARCP is shown in Table 1. The list shows that there are potentially 21 ancestral domains covering 24 ARC (18% of total number of ARCs) in six of the 19 ARCP II provinces.

**Table 1. List of Candidate ARCs Within Ancestral Domain
(Based on Initial List of Ancestral Domain).**

ARC NAME	MUNICIPALITY
ROMBLON	
BACMA	Odiongan
CAMARINES SUR	
Antipolo-Divino	Buhi
SORSOGON	
Irosin Municipal ARC	Irosin
Matnog ARC	Matnog
ZAMBOANGA DEL SUR	
Balamban Expanded	Mahayag
MANTILIBA	Dumingag
Labangan B	Labangan
Labangan C	Labangan
Midsalip Cluster	Midsalip
BEGCALLI	Tigbao
ZAMBOANGA DEL SUR	
Panabutan	Siraway
DCS3	Dipolog City
Mabuhay	Dapitan City
PLUMPS	La Libertad
SANMIYIBU	Mutia
Siayan West	Siayan
Siayan East	Siayan
VILLACITA	Piñan
POSSADELBA	Piñan
MNSR	Sindangan
ZAMBOANGA SIBUGAY	
Buenavista	Zambo City
Palomoc Titay Valley	Titay
Tungawan Cluster	Tungawan
Lower Sibugay	Siay

Figure 1. Project Management Arrangements



47. The purpose of identifying the relevant Ancestral Domain at an early stage is to ensure from the commencement of the Project, that representatives of the concerned communities are included in Project planning. At present, the full extent of area coverage or population is not available, but collection of data will be included as an activity in the early stages of the Project, during the baseline survey and detailed ARC planning.

48. The Project will not be able to support the initiative fully in relation to the Ancestral Domains as this is a core activity of NCIP, and the ARCPH will be confined only to the ARC and ARC Cluster areas that lie within Ancestral Domains. Nevertheless, it is recognized that NCIP has few resources of its own to ensure that the Ancestral Domain Sustainable Development and Protection Planning aligns with the ARC Development Planning Process. Consequently, the Project will include resources up to a limit of PhP 500,000 per Domain to facilitate planning in 10 Ancestral Domains. The other 11 Domains are likely to be assisted through the current (but also limited) United Nations Development Program (UNDP) funding program with DAR, which also allocated PhP 500,000 per Domain.

4. Project Planning

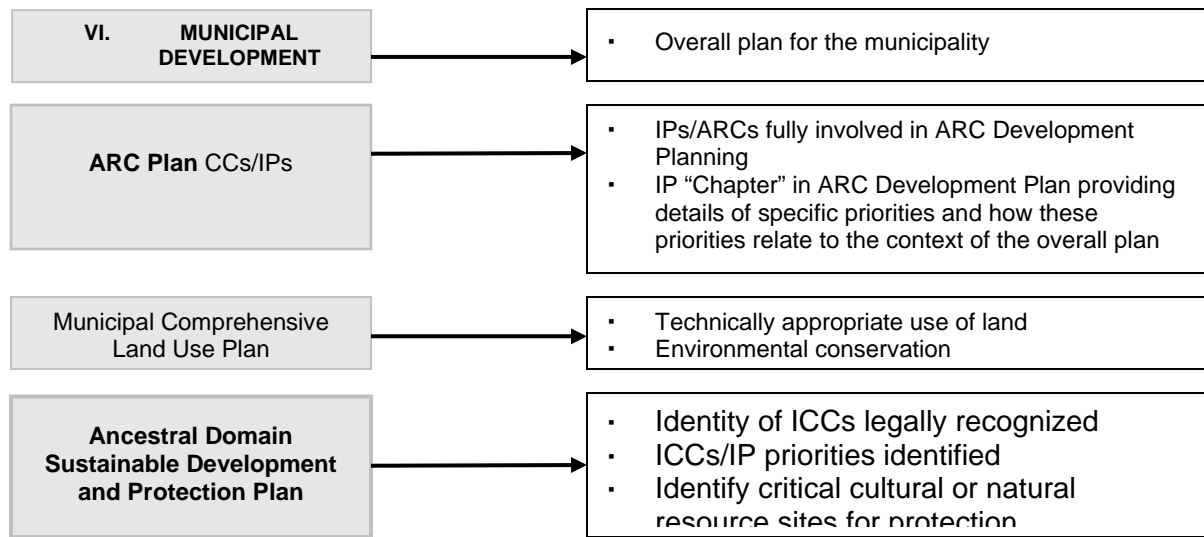
49. Effective planning for the IPs within the ARCs is complex and requires commitment and coordination between DAR and the NCIP. It is important that the four different types of planning that impact on the IPs in the ARCs and ARC Clusters are synchronized and harmonized in a way that recognizes the values and needs of the IPs within the municipality. The four plans affecting IPs in ARCs are:

- (i) Municipal Development Plan (including the *Barangay* Development Plans)
- (ii) Municipal Land Use Plan
- (iii) ARC Plan
- (iv) Ancestral Domain Sustainable Development and Protection Plan

50. The process for Municipal planning, including the *Barangay* Development Planning is well established as a mechanism for deployment of LGU resources. The Comprehensive Land Use Plan (CLUP) is also becoming more developed as a mechanism for sustainable development at the municipal development. The ARC plans will be developed through a comprehensive participatory process. The ADSDPP process is accounted for in the NCIP Administrative Order No. 1, 2004. Figure 2 shows how these plans inter-relate and why they are important for all stakeholders, the households, the communities, ARCs and LGUs.

51. For this reason, ARCPH aims to institute an interlinked planning process that involves both the ICCs/IPs and NCIP at the commencement of the Project. This will benefit both the ICCs/IPs and the wider ARC processes. However the IP concerns and priorities will be fully identified through the ARC detailed planning process, and will go through the same processes as the rest of the ARC planned activities. The participation of IP representatives in the entire ARC planning process will guarantee the inclusion of their requirements in the detailed ARC plans. It is equally important to ensure that ARC development plans (ARCDPs) are fully incorporated into municipal plans for their prioritization and access to LGU resources and investments.

Figure 2: Planning Processes affecting IPs in ARCs



a. Communication

52. All planning processes must include effective communication with the concerned ICCs/IPs. The ARC Planning process already includes a separate community consultation process for IPs within the ARC boundary to ensure that the IP interests and priorities are fully reflected in the outline of the plan. For ARCPH, this section of the plan will now be expanded to include reference to the ADSDPP process (see Attachment 2).

53. NCIP, with the IP related to the ARC and ARC Cluster will consult across the Ancestral Domain to provide information on the proposed ARCPH and the types of activities that may be involved. The Project resources will allow NCIP to identify ADs where more detailed planning is required to commence the ADSDPP process to the point that there is no conflict between AD and ARC plans will be assured.

54. On-going communication will occur through the PCIT, MCIT and BCIT, with NCIP or IP representatives involved in implementation processes, to ensure that the agreed priorities of the IPs within the ARCs are not overlooked and that no negative impact on the communities occur. The NCIP or IP representatives will work as a liaison between the communities and IP households to make sure that the IP communities understand the project, their rights within the project and the opportunities available for them to participate in project activities.

b. Participation in Project Implementation

55. There are a number of opportunities for the participation of ICCs/IP within Project processes. In addition to membership in BCIT and MCIT and involvement in planning, resources are available for a range of activities in line with the priorities of the local communities. The components of the Project are as follows:

- (i) Social Capital Formation – including support for CDD, with opportunities for participatory planning activities, community development, capacity building, training, skills transfer.

- (ii) Agriculture and enterprise development (AED) – providing skills training, demonstration activities, land tenure improvement (LTI), community based financial services, business development and market support.
- (iii) Rural infrastructure (RI) – covering basic structures such as roads, water supply and multi-purpose buildings. This can also include tribal centers and foot bridges.¹¹

c. Free and Prior Informed Consent (FPIC) and Other Certification Procedures

56. Practically, all of the infrastructure projects for ARCP II will require certification from the IP community in line with NCIP Administrative Order No. 3/2002. Even in provinces where there are no Ancestral Domains, there is a need to conduct investigation as there may be roaming IPs that move into the vicinity of the project. Attachment 3 shows the latest FPIC process. This has been developed in consultation with the World Bank ARCDP II project and is now being tested to assess whether the target time schedules can be achieved.

d. Project Grievance Procedures

57. The Grievance processes for the project have been designed to be within the BCIT and MCIT structures with a specific safeguards and grievance sub-committee. Any grievances should be filed by the affected persons with the BCIT Safeguards and Grievance Sub Committees (SGS) and must be recorded and raised to the MCIT SGS. The IP representatives within the BCIT and MCIT should be made aware of any grievances made from an IP household if they are not already aware of the fact. If independent adjudication is required, e.g. in cases of complaint of misconduct by SGS members, the DAR and NCIP Provincial Offices must be informed and necessary procedures taken to ensure independent consideration of complaints as per the BCIT Communication Plan.

e. Review and Sustainability

58. The IPDF should be reviewed annually in conjunction with the local annual Project review processes to assess whether the processes are working effectively and confirm that the community and IP households are being adequately involved in project processes, that they are continuing to be made aware of project activities and opportunities for involvement. The success and sustainability of any initiatives that have occurred with ICCs/IP will be reviewed, in order to ensure that they are in line with the priorities of the community, and that the households have the necessary capability to sustain the initiatives. The results of the review will be incorporated into annual planning for each component of the Project.

¹¹ It should be noted that at least 50% counterpart from local governments and the community are required for all infrastructure.

H. Components of an IPDP

Components	Subcomponents	Activities	Agency/ies
1. Strong community participation in ARC and ARC cluster planning and development	<ul style="list-style-type: none"> • Social capital formation • Organization development • Support for local governance 	<ul style="list-style-type: none"> • IP participation in ARC planning • NGOs to strengthen Pos, develop CBOs • Training programs for POs • Sensitization of LGUs towards IPs 	DARRO, LPO, MARO DF, NCIP, NGOs
2. Agri Enterprise Development	<ul style="list-style-type: none"> • Enterprise development • LTI • Facilitation of access to rural financial services 	<ul style="list-style-type: none"> • Improved post harvest handling • Improving quality of produce • Improving access to markets • Land tenure improvement through participatory planning with IPs, and allocation of titles to ARBs • Organization of community based financial services 	DARRO, LPO, MARO DF, NCIP, NGOs
3. Rural Infrastructure (RI)	<ul style="list-style-type: none"> • Use of demand driven approach for identification of priority infrastructure • Develop O&M plans for RI, including Sub Project Agreement and Memorandum of Agreement • Train user groups, set up cost recovery mechanisms, • Mainstreamed project management fiduciary controls financial management, consultant services M&E 	<ul style="list-style-type: none"> • Participatory planning with IPs to determine priorities • Identify need for social infrastructure • Develop community based O&M plans • Community contracts for small RI community M&E 	
4. Project Management		<ul style="list-style-type: none"> • Setting up project implementation structures at national, regional and provincial levels within DAR, LGUs • Recruitment of consultancy services • Planning and implementation • M&E • Review and reporting 	

Budget¹² (\$)	
National Consultants for Social Safeguards at National Project Coordination Office -24 person-months	48,000
Five Environment&Social Safeguards Specialists at Regional Level - 120 person-months	240,000
Capacity Building of LGUs on Sensitivity to IP Culture and Participation	1,000,000
Community Driven Development Support to IPs	1,000,000
Support to Agri enterprise Development, LTI	1,000,000
Rural Infrastructure for IP Areas	15,000,000
M&E	250,000

59. Besides the budgetary allocations to support specific activities with a view to promoting IP participation in the Project, promote positive outcomes for IP communities targeted under the Project, and monitor and evaluate the results, indirect benefits are expected to accrue from stronger social capital build up, improved land tenure, facilitation of investments into agri business development, improved access to markets, better social and productive infrastructure and regular monitoring and evaluation.

I. Conclusion

60. **The IPDF is an Integral Part of the Project.** The approach is to improve development outcomes for indigenous communities through their informed participation and decision making. All planning at ARC level would be done through a participatory, culturally sensitive and responsive methodology, of enabling communities to diagnose their own problems, identify solutions, and facilitate the application of the solutions through the Project. This will involve building on peoples' knowledge and transferring technology, and providing access to opportunities. By supporting community mobilization, capacity building of peoples' organizations and emergence of CBOs for livelihoods development, financial services, agri business development, the Project will support development from the grassroots. Community decision making, peer learning and group based activities are among some of the features of the Project, which aim to bring about culturally appropriate development, among hitherto isolated communities. All benefit monitoring and evaluation (BME) will take into account the IPs requirements, as well as constraints, and address these aspects when examining the extent to which their lives were indeed improved by Project interventions.

¹² These are indicative figures. Detailed budgets will be prepared during the ARC development planning stage.