

was a discussion of mitigating measures for affected IP, related to land acquisition and RFs. In three of these nine, the adverse impacts were addressed in RPs, and the enhancement measures in SDAPs.

81. As with the IPDPs, there seems to be no standard for determining the beneficial or adverse impacts of projects in various sectors. Some SpAs on the website do not indicate any impacts that should be mitigated, and their main use may be to show that ADB is aware that a project is in an IP area and should look out for possible impacts on IP during implementation.

82. **Conclusions.** The findings in this section lead to the following conclusions: (i) Some SpAs should not have been prepared at all. (ii) Some SpAs should have been IPDPs. (iii) There is a degree of confusion among ADB staff about the assessment of impacts between various IPDPs and SpAs. What is an impact to be mitigated in one project is not identified as such in another similar project.

IV. PERFORMANCE ASSESSMENTS

A. Performance Assessment Conducted by the World Bank

83. The World Bank issued a comprehensive evaluation of its 1991 IP policy (i.e., its Operational Directive [OD] 4.20) in 2002 and 2003. This was one of the factors that led to a revision of the policy in 2005. The evaluation consisted of a “phase I” desk review,⁷⁰ and a “phase II” field-based evaluation of results.⁷¹ The desk review studied all 234 World Bank projects in 34 countries appraised after January 1992 and closed by May 2001. It concluded that the policy was highly relevant, particularly to the regions of Latin America, South Asia and East Asia, and the Pacific. The policy had strengthened the knowledge base for World Bank assistance that affected IP, shaped World Bank assistance to several countries by integrating measures to protect IP, and encouraged IP participation in the implementation of World Bank operations. However, the OD was found to have been unevenly applied. Of the 89 projects that the World Bank evaluation viewed as potentially affecting IP (38% of all projects), the OD had been applied in only 62%. Out of the 62%, only a little over half were assessed to have applied the policy in a satisfactory manner.⁷² The identification of IP under the policy was judged to be problematic, and equity in treatment between regions not ensured. The OED evaluation also examined the 170 most recently approved projects in the 34 countries, to see if any improvements were likely. Although the application of OD 4.20 to projects that affected IP remained the same in the view of OED (it was applied in 62% of the projects where the policy could have been applied), the evaluation found progress in the quality of application. Seventy-seven percent of the projects where OD was applied were judged to apply the policy in a satisfactory manner, and 95% of the ongoing projects that were likely to have “adverse” effects on IP included IPDPs or elements thereof, as compared with only 42% of the closed projects.

⁷⁰ Operations Evaluation Department, World Bank. 2002. *Implementation of Operational Directive 4.20 on Indigenous Peoples: An Independent Desk Review (2002)*. Washington, D.C.

⁷¹ Operations Evaluation Department, World Bank. 2003. *Implementation of Operational Directive 4.20 on Indigenous Peoples: an Evaluation of Results*. Washington, D.C. (10 April).

⁷² Figures were specified for the regions of East Asia and Pacific, and South Asia, where the focus on IP was mainly in India. In East Asia and the Pacific, out of 60 projects reviewed, 20 affected IP in the view of OED but only 11 identified IP and took steps to protect their interests. The corresponding figures for South Asia were 32 projects reviewed, 15 projects with affected IP, and 10 projects that identified IP and provided for their protection.

However, equity in treatment between regions (i.e., continents), and sometimes within countries themselves, continued to be an issue. As the previous chapter has shown, most of these findings are also issues in ADB. As in the World Bank, policy application became more comprehensive in ADB after 1998 and particularly after 2002.

84. Phase II of the World Bank evaluation examined the achievement of IP objectives in 47 completed projects identified in phase I as affecting IP and applying the policy, to determine whether these projects had mitigated adverse effects on IP, and ensured that IP benefited. The projects were prepared mainly from 1993 to 1995, and, if somewhat older, represented all projects that applied the policy during the evaluation period. The evaluation found that only 38% of these projects had generated satisfactory results for IP. At the sector level, results for IP were generally rated satisfactory in human development and other sectors where the potential of adversely affecting IP was relatively low. IP had benefited from access to better quality education and health infrastructure, greater access to water, and capacity building. Project results for IP were not deemed satisfactory in the energy and mining, transportation, and environment sectors, which composed 65% of World Bank commitments evaluated for this second phase, and included projects with significant potential to harm IP. The majority of these projects were found to neither mitigate adverse effects on IP nor ensure that they received an equitable share of benefits. The reasons for the latter conclusions were not self-evident to the present SES, and they were disputed by World Bank Management, which noted that 80% of the projects studied were judged successful in achieving their overall development objectives, higher than the overall average. Management also noted that currently applied environmental and social safeguard procedures had a better chance of mitigating adverse impacts. The previous chapter of this SES highlighted the discrepancy in the assessments made by different individuals regarding particularly the effects of ADB-supported road projects. The World Bank's evaluation took a quite severe look at the effects of such roads on traditional IP communities, perhaps rightly so. But in the experience of OED, and confirmed by at least three case studies of rural road projects, better roads are generally proudly supported by the people living in the project area, even after their sociocultural impacts are considered.⁷³

85. The World Bank evaluation concluded that an IPDP is essential when a project can have potential *adverse* effects on IP. All projects with IPDPs (but only seven of the 47 projects with potential adverse impacts on IP had an IPDP at the time) had satisfactory results for IP, as opposed to only a third or less of the projects that had specific actions *other* than IPDPs (like covenants), partly because of greater DMC commitment to a self-standing IPDP. Having a separate IPDP (but focusing on mitigating adverse impacts) was regarded as being more effective than integrating IP concerns in RPs or environmental action plans. In projects where there was a potential benefit rather than a potential adverse effect, the World Bank's evaluation did not view the need for a separate IPDP as evident, although there was a need for a considered strategy to ensure that IP would benefit from the project.

86. Finally, the World Bank evaluation found that the policy's project-level focus had constrained its effective implementation. Adopting standards at the project level inconsistent with nationally accepted norms was considered to lead to diminished impact and unlikely to lead to sustainable development. A need was identified to augment the project focus with a more strategic and country-level focus in undertaking analytical work and in identifying IP. The lack of

⁷³ See also Cook, C.C., T. Duncan, S. Jitchuson, A. Sharma, W. Guobao. 2005. *Assessing the Impact of Transport and Energy Infrastructure on Poverty Reduction*. Manila: ADB.

a diversified strategy, suited to each regional or country context, was seen as perhaps the most important problem constraining the effective implementation of the policy.

87. The phase II evaluation recommended that the World Bank should (i) adopt regional or country approaches, or both, to IP issues to guide the implementation of the policy at the project level; (ii) provide the necessary resources to undertake social assessments in projects that affect IP, to ensure their effective participation during project design and implementation, and to systematically monitor project outputs, outcomes, and impacts on IP; and (iii) increase the effectiveness and relevance of IPDPs by (a) requiring a self-standing IPDP only in case of likely adverse effects on IP, (b) summarizing its key elements in the project appraisal document, (c) committing the DMC to implement the IPDP in legal documents, and (d) including a credible mechanism for dispute resolution. Point (a) contradicts ADB's current OM Section F3, which requires an IPDP for both significant beneficial and adverse impacts. Point (d) is addressed only indirectly as part of the continuing consultation process throughout the life cycle of the project. Appendix 11 summarizes the evaluation findings for World Bank projects in different sectors. Another evaluation of 10 IP-oriented projects, conducted by IADB's Office of Evaluation and Oversight, is summarized in Appendix 12.

B. ADB's Performance Assessments Prior to This Study

88. Using a different, more limited approach than the World Bank's OED evaluation, this SES has not attempted to determine independently how many projects approved since 1998 should have applied the IP policy, as compared with the number of projects in which the policy was actually applied. Such an approach was considered too demanding on human resources, and the definitional problems in identifying IP and their supposed and actual needs would have made the findings less robust, as the dispute between the World Bank evaluation and Management about project effectiveness in mitigating IP risks indicates. The SES was also unable to conduct a large number of field visits to IP-oriented projects. The SES assessed PPRs, IPDPs, IPDFs, back-to-office reports, PCRs, and project performance evaluation reports (PPERs) to obtain different perspectives on the application of the policy. A brief study of the database of responses RSES has made to requests for comments on draft project proposals since 2002 points to thorough consideration of all projects that could have implications for the policy. In this sense the SES is reasonably confident that projects approved since 2002 have not overlooked IP issues to the degree identified by the World Bank evaluation for World Bank projects in the 1990s.

1. Project Performance Reports

89. ADB staff monitor the progress of ongoing projects in a variety of ways, the most important of which are annual or semiannual review missions for the projects, and quarterly or semiannual progress reporting by EAs and by consultants. Project officers' day-to-day project administration regarding ADB concurrence with approvals for procurement and consultant consultation is another source of information. Formal progress reports are supplemented by e-mail and other correspondence. Information reported through all these sources is to be entered into ADB's online PPRs, so that senior staff and management can monitor portfolio performance and hold portfolio reviews, based on risk assessments. Because of the limited time, not all PPRs were studied. Rather, the SES concentrated on all 68 ongoing (in 2006) infrastructure projects with IR impacts, and then checked the effects of the projects on IP.

90. This process identified 35 ongoing projects in 13 countries⁷⁴ that had projects with both IR and IP impacts. Out of the 35 projects, 16 had prepared IPDPs, and 19 had prepared IP guidelines or frameworks (either during project preparation or during implementation). Eight⁷⁵ of the 35 had no social covenants in the loan agreements regarding the IP policy, despite having IPDPs or IPDFs (either at loan approval stage or later).

91. Another analysis of loan agreements for 29 projects with IPDPs demonstrated that seven had no related covenants and that, of the 22 that had, 17 covenants referred to the actual IPDP (which is better) while five referred only to the ADB IP policy. These findings show the inconsistent enforcement of the policy in the past. However, several IPPs have not identified any adverse impact. Conversely, two cases (14%) were identified in which neither an IPDP nor guidelines or frameworks for assisting IP affected by the projects had been prepared, but where social covenants in the loan agreement nevertheless stipulated some form of guidance for the project authorities regarding IP.⁷⁶

92. Three cases in the PPR database had no social covenant for IP in the loan agreement but, after finding IP during implementation, had prepared an IPDP or guidelines/framework.⁷⁷ These show the importance of continued screening for IP issues during the project implementation period. Three other cases with no social covenants for IP had prepared an IPDP or SpA during the RRP stage.⁷⁸

93. The following IP issues were observed from a review of available PPRs for projects with IPDFs: (i) two projects reported the need to exclude project components that concerned IP,⁷⁹ on the grounds that preparing an IPP would delay project implementation; and (ii) in only 13 of the 29 IPDFs that referred to RFs were rehabilitation measures specific to IP defined. The first point illustrates the perverse incentives associated with ADB's three safeguard policies. Because of the nature of the policies and concerns about the compliance review mechanism, the incentives for both EAs and ADB staff are to avoid projects or components that deal with complex IP issues.⁸⁰ The second point shows that RFs have similar problems with singling out IP from other

⁷⁴ Bangladesh, People's Republic of China, Cambodia, India, Indonesia, Lao PDR, Mongolia, Nepal, Pakistan, Philippines, Sri Lanka, Uzbekistan, and Viet Nam.

⁷⁵ (i) Loan 1710-LAO(SF): *Water Supply and Sanitation Sector Project*, for \$20.0 million, approved 16 November 1999; (ii) Loan 1989-LAO(SF) (footnote 50); (iii) Loan 2085-LAO(SF): *Roads for Rural Development Project*, for \$17.7 million, approved 28 June 2004; (iv) Loan 2102-NEP(SF): *Community-Managed Irrigated Agriculture Sector Project*, for \$20.0 million, approved 17 November 2004; (v) Loan 2064/2065-INO: *Participatory Irrigation Sector Project*, for \$19.0 million and \$54.0 million, respectively, approved 19 December 2003; (vi) Loan 2050-IND (footnote 37); (vii) Loan 1981-IND(SF): *Railway Sector Improvement Project*, for \$313.6 million, approved 19 December 2002; and (viii) Loan 2128-VIE: *Northern Power Transmission Sector*, for \$120.0 million, approved 13 December 2004.

⁷⁶ Loan 2087-MON(SF): *Regional Road Development Project*, for \$37.13 million, approved 22 July 2004; and Loan 1986-SRI(SF): *Road Sector Development Project*, for \$56.6 million, approved 19 December 2002.

⁷⁷ Loan 2064/2065-INO(SF) (footnote 75 [v]), Loan 1710-LAO(SF) (footnote 75 [ij]), and Loan 2102-NEP(SF) (footnote 75 [iv]).

⁷⁸ Loan 1605-INO: *Central Sulawesi Integrated Area Development and Conservation Project* for \$32.0 million, approved 27 January 1998; Loan 1989-LAO(SF) (footnote 50); and Loan 2102-NEP(SF) (footnote 75 [iv]).

⁷⁹ India's Railway Sector Improvement Project (Loan 1981-IND, for \$313.6 million, approved 19 December 2002) and Indonesia's Renewable Energy Development Sector Project (Loan 1982-INO, for \$161.0 million, approved 19 December 2002) proposed the exclusion of subprojects with IP.

⁸⁰ This finding was confirmed during some interviews and in a written reaction from one operations department to a draft of this study report. Project implementing agencies were observed to drop subprojects with IP issues to avoid IPDPs. Or they would go ahead with subproject implementation without formulating an IPDP, after stating that there were no IP issues in the subproject area.

affected people. If the CCO now requires an IPDF whenever a project is in an area where IP live, even if no risks can be identified at the preparation stage, then this requirement should be codified. But this SES report would recommend that “C” projects be recategorized as either “B” or “A” during project implementation, as soon as project monitoring establishes the need for this.

94. The following conclusions can be drawn:

- (i) The social covenants in the loan agreements had been copied into most PPRs, so progress reporting against these could be done. The consistency of wording of the IP covenants, however, varied greatly, some referring directly to the policy, others to the IPDP or IPDF, others only elaborating some key issues. As with the IR covenants, occasionally statements were found that would require the agencies involved to implement any future amendments to an existing policy, such as in the case of Rural Roads Sector I (Loan 2018-IND): “Wherever applicable, Madhya Pradesh and Chhattisgarh shall ensure that the implementing agencies implement the subprojects in accordance with the ADB’s policy on Indigenous Peoples, 1998, *as amended from time to time*” [italics added].⁸¹ Fortunately, ADB has stopped using such loan covenants in recent years.
- (ii) Progress reported in 30 PPRs reflecting IP covenants or IP issues can be classified as follows: (a) covenanted activities were registered as not yet due (7 projects), (b) “ongoing” (8 projects), or (c) “complied with” (3 projects). In all cases, there was no further explanation in the PPRs. Only in 12 cases (40%) was a short narrative provided, usually consisting of one or two sentences. The most detailed reporting on progress was for projects in Viet Nam, where there were three cases of ongoing infrastructure projects with IP planning.
- (iii) Only one PPR reported an issue. The PPR for the Second Red River Basin Sector Project in Viet Nam (Loan 1855-VIE[SF]) reported that a covenant was “partly complied with: although consultations had been held, no specific arrangements were in place yet to consult the poor and disadvantaged groups.” All the other PPRs gave reassuring statements despite considerable start up problems in 2005, such as in the Rural Roads Sector I project: “Ongoing. MP is now initiating the process of recruitment of NGO as discussed with the inception mission in August 2005.”

95. These examples illustrate that the PPR is used as an administrative tool and not a tool for highlighting or solving problems. The overall conclusion is that the information in the PPR is generally inadequate for senior staff to clearly understand the status of IP issues. ADB does not use PPRs to monitor the status of IPPs in much detail. The PPRs lack information regarding procedural and substantive compliance and, most importantly, the impact of the implementation of the IPPs. The overall impression gained from the PPR database is that there are no problems in the field of IPP implementation, a conclusion that in part is not surprising as so many IPDPs were noted to be relatively devoid of actionable points. OED is not in a position to confirm whether this is a true representation of actual events or whether it reflects inadequate

⁸¹ ADB. 2003. *Review of the Inspection Function: Establishment of a New ADB Accountability Mechanism*. Manila requires the compliance review panel to determine compliance with the relevant IP policy applicable at the time of Board approval (for formulation and design issues), and at the time of the alleged breach (for implementation issues).

monitoring by ADB in the field. The latter is more likely in some cases, given the weaknesses reported in project monitoring in other OED reports.⁸²

2. Chief Compliance Officer's Safeguard Compliance Control

96. With the creation of the safeguard compliance mechanism in 2002, it was agreed that the CCO would report annually to the President on the achievement and maintenance of social and environmental safeguard compliance. Internal reports issued by the CCO in 2004 and 2005 show that the safeguard compliance mechanism has been successful in achieving procedural compliance between the stages of MRM and Board approval. Due to lack of staff and resources, RSES could, however, field only three review missions for independent IP policy supervision since 1998. All three missions observed smaller or larger problems in identifying IP and in applying ADB's definition of IP in the context of the DMC's own IP policy and the national policy of promoting local autonomy. Box 5 provides some of the findings of the RSES compliance review mission in 2003 for a project in Indonesia. This shows how valuable field monitoring input from RSES can be and, more generally, the value of monitoring of IP issues by specialists during implementation compared with the drafting of "empty" IPDPs.

97. The CCO reports called for greater attention to substantive issues to ensure that safeguards contributed positively to achieving development impacts. Key challenges identified in these reports were to (i) ensure an appropriate complement of safeguard specialists across operations departments, (ii) enhance awareness of safeguards among project teams, (iii) increase the emphasis on ensuring the implementation of safeguards after Board approval, (iv) address rigidity in existing safeguard procedures that do not allow flexibility in application, and (v) clarify policy and procedural provisions. With regard to the quality of the IP planning documents, the 2004 report identified: (i) need for a substantively acceptable IPP with clear mitigation and enhancement measures; (ii) lack of detail in the description of IP socioeconomic conditions, project impacts on IP, and measures to address the impacts; (iii) lack of documented evidence of consultation with IP; (iv) lack of clarification of provisions for IPDP implementation; (v) lack of clarity and specificity of budget provisions; and (vi) lack of itemized provision for the monitoring and evaluation of specific measures under the IPDP. The report then added:

Unsatisfactory IPPs often did not adequately address significant impacts on IP and specified the required mitigation measures. Generally, project reports did not show evidence of consultation with IP. It may be noted, however, that the OM F3 requires consultation with affected IP but is not specific about what participation and consultation entail.

These observations were generally confirmed by this SES. Given that these issues have been known to the President for 2 years, one would expect the update of the IP policy to provide a clear road map to address them. A first step would be to ensure that better data on IP was recorded in the PPRs.

⁸² ADB. 2006. *Annual Report on Loan and Technical Assistance Portfolio Performance for the Year Ending 31 December 2005*. Manila; and special evaluation studies on involuntary resettlement and environmental safeguards (footnotes 7 and 8).

**Box 5: Community Empowerment for Loan 1765/1766-INO[SF]:
Rural Development Project**

The findings of the compliance review mission in 2003 to address IP-related issues were:

- (i) Two years' delay had affected the social mobilization, including IP participation, and had undermined the participatory and community empowerment process.
- (ii) There was a problem with the application of ADB's definition of IP in the context of Indonesia.
- (iii) Selection criteria for participating villages were contradictory and may have excluded IP communities.
- (iv) Facilitators seemed to have overlooked the issue of IP's access to land, the severity of their poverty, and ability to participate in the project.
- (v) Site selection of subprojects may have caused conflict between IP and migrant households.
- (vi) In villages located near forests, the new roads had made it easier for loggers to transport the forest production. The mission urged the local government to have an environmental management plan to anticipate the influx of spontaneous migrants.
- (vii) Facilitators were viewed to be in need of training.
- (viii) Clearer measures to incorporate IP concerns in all activities and to monitor IP participation in project activities were recommended.

ADB = Asian Development Bank, IP = indigenous peoples.

Source: Review of Project Compliance with ADB's Environmental and Social Safeguard Policies in 2003.

98. ADB's performance in IP planning can, in principle, be more fully gauged from a review of the PCRs for projects with impacts on IP. Out of the 898 projects/loans approved over the period 1994–2006,⁸³ 262 have been completed. PCRs were available for 218 of these completed projects by October 2006. Forty PCRs mentioned IP. Thirty-one of these indicated no negative impacts, and 13 did not discuss project impacts. Eighteen or so mentioned positive impacts. Appendix 12, Table A12 provides a list of the PCRs and a summary of impacts and assessments. For 12 of the 27 PCRs that indicated impacts, the preceding RRP had not highlighted IP issues at the time of loan approval—a sign perhaps of the relative lack of attention to IP issues in the 1990s. Even in recent years, attention to IP remains lacking occasionally, although it has improved. Two PCRs made no mention at all of the existence of IP, even though the projects had IPDPs. Of the 40 PCRs that mentioned IP, nine were for projects that included an IPDP/IPDF/IP strategy.⁸⁴ Supplementary Appendix A reflects the main statements in 12 RRPs and the assessments made in the PCRs.

99. **Positive impacts on IP as assessed by PCRs.** The review shows that the operations departments regard (i) the nine projects with IPDP/IPDF/IP strategy generally as either successful or highly successful, (ii) four projects as highly successful,⁸⁵ (iii) five as successful,

⁸³ The 2006 list was not complete list at the time of writing.

⁸⁴ In addition, three completed projects had not prepared IPDPs but had prepared IP guidelines or frameworks for addressing the needs of ethnic minorities likely to be affected: Loan 1417-PRC: *Fujian Mianhuatan Hydropower Project*, for \$170 million, approved 14 December 1995; Loan 1439-PRC: *Daxian-Wanxian Railway Project*, for \$100.0 million, approved 4 June 1996; and Loan 1544-PRC: *Zhejiang-Shanxi Water Supply Project (Phase I) Project*, for \$100.0 million, approved 24 September 1997.

⁸⁵ Loan 1487-VIE(SF): *Second Road Improvement Project*, for \$120.0 million, approved 21 November 1996; Loan 1626-PRC (footnote 13); Loan 1573-INO *Second Junior Secondary Education Project*, for \$160.0 million, approved

and (iv) none as partly successful. When these ratings are compared with the success ratings for the 32 PCRs of projects that referred to IP but had no IPDPs, then the average success rate becomes somewhat higher. After a study of the cases, this SES has come to the conclusion that project success may not be directly related to the implementation of the IPPs as such, but that the projects with IPPs may have been generally prepared better overall, and had greater acceptance from IP and other beneficiaries.⁸⁶ Hence, whether an IPP was prepared after the social assessments was immaterial. The findings support the possible relation between the quality of the IP analysis and social assessments, on the one hand, and later project success, on the other, that the World Bank reported in the 2002 evaluation of its IP policy. Unfortunately, reporting on IP policy implementation in PCRs has remained patchy in ADB, so this SES cannot fully corroborate these hypotheses. Only three PCRs had dedicated an appendix to the assessment.⁸⁷ These are summarized in Box 12.1 in Appendix 12.

100. Adverse Impacts on IP as Assessed in PCRs. At least nine of the PCRs made some mention of IP impacts in less-than-positive terms. One was Loan 1318-PRC: Hunan Lingjintan Hydropower Project,⁸⁸ approved in 1994. There was no mention of IP issues in the RRP, but the PCR mentioned that there were some 800 Tujia ethnic minorities among the 6,100 affected people after the dam inundated 25.8 square kilometers, and 425 hectares of agricultural land. According to the PCR, affected inhabitants were resettled as close as possible to their original homes. A 2000 OED study⁸⁹ found that while resettlers were generally happy with these new homes (as they were superior to their old houses), most were concerned about their lower potential to generate income, mainly because their agricultural land had been reduced by about 50%. Other examples are provided in Box 12.2 of Appendix 12. Most concerned resettlement impacts. At least two of the nine critical PCRs expressed concerns about the IP not benefiting because the project as such had failed.

101. These examples illustrate the level of focus on IP impacts in PCRs. The focus is on the impacts of land loss, resettlement and environmental change on IP. They call for continued attention to IP issues when there are related risks. Three qualifications need to be repeated here: (i) since most of the projects are still being implemented, there have been few PCRs on projects with IPDPs since 1998, when the policy was codified; (ii) often the most serious impacts were related to loss of access to land, diminished livelihood opportunities, and resettlement (in eight of the 27 PCRs); and (iii) many IPDPs were prepared more as IP statements than as separate plans with project budgets, so that the PCRs, particularly for projects with the main purpose of area development, may yet have given a better analysis of poverty and development

6 November 1997; and Loan 1685-PRC: *Northeast Flood Damage Rehabilitation Project*, for \$110.0 million, approved 22 April 1999. The other five were rated successful: Loan 1421-PHI (footnote 11); Loan 1460-VIE(SF): *Population and Family Health Project*, for \$43.0 million, approved 19 September 1996; Loan 1521-BAN(SF): *Second Primary Education Sector Project*, for \$100.0 million, approved 22 May 1997; Loan 1644-PRC: *Yunnan Dachaoshan Power Transmission*, for \$100.0 million, approved 27 November 1998; and Loan 1691-PRC (footnote 47).

⁸⁶ The proportion of transport projects was also somewhat higher in the sample of projects with IPDPs—three out of the nine were transport projects—whereas in the sample of projects without IPDs, only five out of the 31 were in the transport sector. Transport projects often have higher success rates than projects in some other sectors such as agriculture and natural resources.

⁸⁷ ADB. 2005. *Project Completion Report on the Guizhou-Shuibai Railway Project in the People's Republic of China*. Manila; ADB. 2006. *Project Completion Report on the Southern Yunnan Road Development Project in the People's Republic of China*. Manila; ADB. 2004. *Project Completion Report on the Population and Family Health Project in Viet Nam*. Manila.

⁸⁸ ADB. 2003. *Project Completion Report on the Hunan Lingjintan Hydropower Project in the People's Republic of China*. Manila.

⁸⁹ ADB. 1999. *Special Evaluation Study on the Social and Environmental Impacts of Selected Hydropower Projects*. Manila.

in areas where IP constitute the majority of the population than is reflected in the above assessment, which focuses on safeguard aspects. From this perspective, the assessment changes somewhat. There is a high probability that when an area development project in an IP-dominated area is rated as having succeeded in its main objectives, most IP must have benefited. However, as some World Bank and IADB evaluations have sometimes shown, the IP may not always and may not automatically have benefited as much as other people living in the same area.

102. Overall, two thirds of relevant PCRs identified positive impacts for IP, and one third identified some negative impacts, mainly related to resettlement. This result seems in line with overall trends in success rates for ADB-supported projects. However, many of the impacts had been mitigated, as reported in the four cases where an IPP had also been implemented (Guizhou–Shuibai Railway Project, Yunnan Dachaoshan Power Transmission Project, and Southern Yunnan Road Development Project, all in the PRC, and Second Road Improvement Project in Viet Nam). Of those with positive impacts, (i) six projects had an impact on livelihood; (ii) six improved education; and (iii) two projects each targeted improvements in health, social infrastructure, and land tenure.

4. Findings of Earlier OED Studies

103. This SES is OED's first evaluation of IP issues, but some other OED reports have produced findings on related issues. Of interest are the following studies: *Social and Environmental Impacts of Selected Hydropower Projects* (1999) (footnote 9) and *Pathways Out of Rural Poverty* (2006).⁹⁰ While this section does not describe the companion studies on environmental and IR safeguards, it is clear that these safeguards can overlap with IP safeguards for the sustainability of livelihoods.

104. **The SES on social and environmental impacts of selected hydropower projects** is summarized in the SES on IR safeguards (Appendix 1 of that study). That impact study assessed four hydropower projects, all approved and completed in the 1980s and 1990s. Two of these were in areas dominated by IP: the Indonesian Batang Ai Hydropower Project approved in 1991 (the Iban), and the 1994 Theun–Hinboun Hydropower Project in Lao PDR (various minority nationalities). Several shortcomings related to environmental and social impacts were noted that should have been avoided or compensated for with more due diligence by the DMC agencies and ADB. The study expressed the view that the policy guideline on IP was diluted by the declaration that “each of the elements of policy and practice addressing indigenous people would be considered within the context of national development policies and approaches, and the fundamental relationship between the Bank and governments would be the basis for country-specific operations in a given country.” In situations where the interests of the IP may be violated by national policies, according to the study report, it would be more advisable to narrow the scope of the resettlement guidelines applicable to IP to a few principles, such as livelihood restoration, compensation, and the protection of cultural heritage. The impact study report also argued that some of ADB's policy guidelines may lend themselves to interpretation and action prejudicial to the best interests of the affected people. For instance, the 1997 OM guidelines relating to IR stated that “appropriate patterns of social organization should be promoted and existing social and cultural institutions of resettlers and their hosts should be

⁹⁰ ADB. 2006. *Special Evaluation Study on Pathways out of Rural Poverty and the Effectiveness of Poverty Targeting*. Manila.

supported and used to the greatest extent possible.” However, the SES viewed that “appropriate patterns of social organization” could be decided by the government and not by the people’s traditional patterns of livelihood, their communities, and their culture. Batang Ai and Theun–Hinboun, in which the government considered swidden agriculture and the gathering of forest products to be detrimental to the people and the economy, were cited as examples. This approach was viewed as counter to ADB’s IP policy, which is designed to safeguard IP habitat, livelihood, and sociocultural identity. In these instances, ADB was advised to use a detailed sociocultural study to delineate principles of organization of the would-be affected people of a project. The impact study report argued that if the sociocultural study showed that the project was likely to damage the social organization, then a clear covenant should be included in the loan agreement to avoid such damage.

105. **Pathways Out of Rural Poverty.** The SES observed a new trend in ADB to provide add-on components to certain projects to make them more pro-poor.⁹¹ The addition of rural road upgrading components in many expressway projects was seen as an example, as were IPDPs. The latter often fell under the mandate of local governments and not of the project implementing agency, which generally had no expertise in these issues.

“Instead of being driven by demand from borrowers, the inclusion of the add-ons seemed to be supply-driven by ADB to meet its desire to address social issues, or to show its efforts to satisfy demands from donor countries. Since the add-ons did not mitigate the key constraints to poverty reduction in the particular project areas, their impact was more rhetorical than real.”

106. The SES recommended that the long-term goal should be economic growth and poverty reduction, through simple projects, not diluted by add-on components addressing symptoms of poverty.

Due partly to internal demand in ADB for direct and quantifiable indicators, many projects measured their impacts on poverty reduction by project inputs, activities, or short-term outputs, which were direct and quantifiable but not very relevant to poverty exit. Such indicators typically included the number of beneficiaries who were poor or female, of beneficiary groups and group members, of training courses or trainees, of kilometers of rural roads upgraded, of irrigation or drinking water systems constructed, or of short-term jobs, mostly in earthworks, created by subproject construction. These indicators distracted project staff from a sharp focus on the objective of sustainable poverty reduction.⁹²

107. The SES argued that the following poverty reduction interventions worked well in the situations visited: (i) government interventions to promote economic growth and job creation, such as expressway projects in PRC; (ii) policies or programs to reduce barriers to labor mobility or facilitate migration; (iii) projects making commercial credit easily available (less paperwork) to the majority of rural residents, such as a rural credit project in Viet Nam; and

⁹¹ This phenomenon was also noted in ADB. 2004. *Review of the Poverty Reduction Strategy*. Manila: “Some projects diluted the technical focus by adding pro poor components so as to increase project benefits to the poor.”

⁹² To measure poverty exit and its sustainability, key indicators may include changes in (i) rural employment; (ii) sources and levels of household income; (iii) household capacity to cope with shocks; (iv) sustainability of the natural resource base; and (v) the prospect of the next generation escaping or remaining in poverty, such as their education level and potential employment prospects.”

(iv) policies or programs reducing household vulnerability, such as free education and health services in Malaysia. The following interventions were viewed as largely ineffective: (i) upgrading of isolated rural roads in some remote and poorly endowed regions, which remained poor after the project investment; (ii) add-on components satisfying ADB's "pro-poor" objective without sufficient demand from clients (training, etc.); and (iii) household and geographic targeting used in some investment projects, which did not address the key causes of poverty, with a simple assumption that funds flowing into poor regions or benefits received by the poor would automatically and sustainably lead to poverty reduction.

108. The foregoing studies provide a comment on the approach currently taken in many IPPs, and point to a need identified by the World Bank's IP evaluation, to sharply distinguish between mitigation and enhancement measures even though they are often part of the same continuum—mitigation measures being essential, but enhancement measures being of a different category, requiring a more in-depth study of the causes of continuing poverty of IP prior to the intervention, and strong government ownership, so that measures do not become add-on components with little effect. These views are in line with recent ADB changes with respect to poverty analysis. While the poverty impact of ADB operations will now be assessed primarily at the level of country programs, some of the poverty analysis (after the IPSA) is no longer required as part of the preparation of certain types of project interventions.⁹³ This may well reduce the pressure on project officers to include explicit poverty reduction 'add-on' components in interventions that promote economic growth and reduce poverty only indirectly.

C. International NGOs

109. International NGOs such as the Bank Information Center, the International Rivers Network (IRN), Oxfam Australia and the NGO Forum on ADB monitor ADB policies and operations with a critical eye. These NGOs—and a large number of affiliated international and national NGOs—are particularly concerned about the process and outcome of ADB's safeguards update. Appendix 13 lists the projects that were the subject of particular attention from NGOs and persons affiliated with the NGO Forum on ADB at the time of preparation of this SES. The list is taken from the Forum's website,⁹⁴ and covers 18 ADB-supported projects criticized in 2005 on the grounds of safeguard issues, and 23 in 2006.⁹⁵ While most of the projects have been criticized for their role in relation to the environment and IR, some also involve IP. In all cases studied where IP were involved, it was found that the concerns were invariably related to the environment and IR safeguard issues; no cases involving IP were criticized for other impacts. Unfortunately, at the time of preparation of this SES, not all the projects were discussed beyond their titles on the website. By the time this SES is issued, more information on each case may have become available on that website.

110. One of the two ADB inspection cases to date involved an area with IP, and an IP issue raised by an NGO. In response to a complaint channeled to ADB by the Bank Information Center—violation of ADB's IP policy was part of the complaint—ADB organized an inspection of the Chashma Right Bank Irrigation Project (Stage III)⁹⁶ in 2003. The findings of this inspection

⁹³ ADB. 2006. *Poverty Handbook. Analysis and Processes to Support ADB Operations. A Working Document*. Manila.

⁹⁴ Available: http://www.forum-adb.org/adb_proj.html#DAMSINBURMA (site visited 31 January 2007)

⁹⁵ Three of the projects listed for 2005 were still "campaigning" in 2006; the list for 2005 contains several cases that are unclear.

⁹⁶ Loan 1146-PAK: *Chashma Right Bank Irrigation Project (Stage III)*, for \$185.0 million, approved 17 December 1991.

are discussed in Appendix 10 of the SES on IR safeguards, as they also concerned the IR policy. The inspection essentially corroborated the concerns of project-affected people and NGOs that local irrigation systems based on indigenous knowledge of the Seraiki tribe (traditional hill torrent farmers) had been insufficiently investigated during the design stage of the new irrigation system and disregarded. The IP were affected as a result.⁹⁷ The case nevertheless also showed that the IP issue would not have arisen if the environment policy and the OM F2 section on IR had been properly applied.

111. As its contribution to the debate on the ADB safeguard update, the NGO Forum issued four documents up to January 2007: (i) *Snapshots of ADB Disasters*,⁹⁸ with photographs, for instance, of the Nam Theun II Hydropower Project in Lao PDR and the Kali Gandaki Hydropower Project in Nepal—allegedly affecting IP; (ii) *Development Debacles: A Look into ADB's Involvement in Environmental Degradation, Involuntary Resettlement and Violation of Indigenous People's Rights*,⁹⁹ with case studies of 10 projects, most of which were approved before the approval of the safeguard policies and earlier highlighted by NGOs, and at least four of which were stated to have explicit or implicit adverse effects on IP¹⁰⁰—findings that were sometimes independently supported by OED studies, such as the Industrial Tree Plantation Project (footnote 100 [iii]) in Lao PDR,¹⁰¹ which was rated unsuccessful; and (iii) *Untold Realities: How the ADB Safeguards Have Been violated in Bangladesh, India, Lao PDR and Pakistan*,¹⁰² with five new case studies provided in reaction to the ADB safeguard policy update process, four of which included IP issues, such as the lack of consultation of poor including IP in slums under two Urban Infrastructure Development Projects in Karnataka,¹⁰³ India, and of poor tribes in the Left Bank Outfall Drain Project¹⁰⁴ in Pakistan. In the 1998 Basic Education (Girls) project in Lao PDR, ADB had not anticipated involuntary resettlement effects that resulted from the construction of schools, which the Government arranged sometimes far away from the location of the ethnic minority upland communities. The fourth report was published by Oxfam Australia, in association with the NGO Forum on ADB: “*Safeguarding or disregarding? Community Experiences with the Asian Development Bank's Safeguard Policies*.”¹⁰⁵ It relied on 12 case studies, of which 2 had not been presented earlier, however, these concerned environmental and resettlement issues, in which IP were not involved. Regarding the Bangladesh Chittagong Hill Tracts Rural Development Project, the report criticized the broader context of the eradication of shifting agriculture, and argued that the decision on this major change in lifestyles that this would engender should be made by IP themselves, “rather than the ADB”. It also criticized ADB's assistance to the Bangladesh government to create a Forestry Master Plan and amend

⁹⁷ The report stated that the feasibility study and appraisal document that were the bases for approving the loan did not address the issues of “rights of tribal/ethnic minorities, cultural integrity and traditional land use control,” as specified in ADB. 1986. *Staff Instructions on Socio-cultural Impacts of Bank Projects*. Manila.

⁹⁸ Available: <http://www.forum-adb.org/pub/snapshots/snapshots.pdf>

⁹⁹ Available: <http://www.forum-adb.org/pub/Dev%20Debacles/Safeguards%20Briefers.pdf>

¹⁰⁰ (i) Loan 1146-PAK (footnote 96); (ii) Loan 1295-LAO: *Industrial Tree Plantation Project*, for \$11.2 million, approved 22 December 1993; (iii) Loan 1820-NEP: *Melamchi Water Supply Project*, for \$120.0 million, approved 21 December 2000; and (iv) Loan 1889-PNG: *Nucleus Agro-Enterprises Project*, for \$5.9 million, approved 18 December 2001.

¹⁰¹ ADB. 2005. *Sector Assistance Program Evaluation for the Agriculture and Natural Resources Sector in the Lao People's Democratic Republic*. Manila.

¹⁰² Available: <http://www.forum-adb.org/pub/Untold%20Realities/Untold%20Realities.pdf>

¹⁰³ Loans 1415/1416-IND: *Karnataka Urban Infrastructure Development Project*, for \$105.0 million, approved 14 December 1995; Loan 1704-IND: *Karnataka Urban Development and Coastal Environment Management Project*, for \$175.0 million, approved 26 October 1999.

¹⁰⁴ Loan 700-PAK: *Left Bank Outfall Drain Project (Stage I)*, for \$122.0 million, approved 25 October 1984.

¹⁰⁵ This report was not yet available on the internet when it was received by OED at end January 2007.

forestry law, leading to growth of commercial plantations and the rapid extraction of timber and other forest resources. It was alleged that due to increased private sector investment in forestry, deforestation was contributing to the impoverishment of indigenous Koch and Garos peoples.

112. From these and earlier case studies, it is clear that NGOs have raised many procedural issues and irregularities (insufficient consultation) especially in the older projects, approved before the OM of 2004 was issued. They also questioned some technical assessments and have criticized the insufficient inclusiveness of ADB's safeguard policies. In most cases, the violation of environmental and resettlement policies was stressed more than that of the IP policy. What comes across is that ADB can do a better job of integrated social and environmental assessment as well as subsequent implementation and monitoring. Since similar issues have been identified in some OED reports, including the three safeguard evaluations, the NGO concerns should not be ignored or dismissed out of hand.

D. Staff Experience and Views

113. **Interviews.** The majority of ADB's social development specialists at ADB headquarters were interviewed for this evaluation. In general, there was considerable frustration regarding the inadequate definition of what constitutes an IP in different DMCs and the exacting demands of RSES in carrying out the IP policy. A number felt that (i) formulating IPDPs in areas where IP were in the majority provided little value added, (ii) the requirements for consultations with IP did not give sufficient guidance as to the level and nature of the consultation, and (iii) the policy needed to be streamlined. Some felt that countries like the PRC or India had adequate provisions for IP and had no need for ADB's IP policy. In cases where the most serious impact was on land and resettlement, the issue was raised about whether to respect IP wishes to invest in religious pilgrimages, weddings, funerals, etc., rather than in direct livelihood. Livelihood restoration for affected people is the goal of the IR policy. Some staff had doubts whether enhancement measures taken for IP could ever adequately compensate for the loss of IP culture and social living context in the same way that economic compensation was provided to displaced people. Some worried that IPDPs and the related consultation might create false expectations of significant projects to be implemented as compensation for cultural displacement of IP, when in fact little budget and time was available for such measures. This was a particular concern when EAs were responsible for implementing IPDPs without financial support from ADB. The fact that the IP policy did not yet have a handbook was taken by some ADB staff to indicate that IP was not a high corporate priority for ADB.

114. The written comments received on an earlier draft of this study also make clear that appreciation of the IP policy varies greatly among specialists, not only between those in RSES and those in operations, but also among staff in different departments. There are also different ideas on the appropriateness of the policy and its main instrument, the IPDP. Some highlighted the good progress made with the interpretation and application of the policy over the years, claiming that present-day IPDPs are better than earlier ones. They attributed many problems to the lack of understanding of the policy among nonspecialist staff and a very limited number of experienced IP specialists in ADB. Others felt that with more specialized resources, the policy could be made to work better, and with better consultants and staff, the IPDPs could be better formulated, implemented and monitored.

115. **Questionnaire.** To complement the interviews with specialists, the SES used a questionnaire to gauge overall staff views regarding the three safeguard policies delivered through ADB's online daily magazine. There were 61 responses from the over 600 staff included in the survey population.¹⁰⁶ Fifty, or about 80%, of the respondents had had experience with the IP policy, ranging from some to significant experience. The main views and experience concerning IP are summarized below.¹⁰⁷

116. Over half of the survey respondents declared that they had had little experience with IP before coming to ADB. Sixty percent stated that they had received some training in IP safeguards. Eight of the 26 mission leaders (31%) in the sample indicated they did not have IP specialists in their division and received relatively little specialist advice. Insufficient time and resources to prepare and implement IPDPs was another common complaint. Four factors related to ADB that would contribute most to better IP safeguard policy outcomes were (i) more time taken in IPDP preparation (44%), (ii) streamlined ADB safeguard policies (43%), (iii) more time and staff for project administration (41%), and (iv) more training provided to EAs (35%). Similar feedback was received for the environmental and IR safeguards, although the criticism was less pronounced for IP safeguards, perhaps indicative of the more infrequent nature of the application of the IPDP instrument. Fewer problems were identified than for the other two safeguard policies. However, the view that ADB should streamline its interpretation of the IP policy was expressed more frequently than for the other two safeguard policies. About 30% of the respondents stated that safeguard compliance processes and internal disagreements regarding policy application were contributing to delays in project implementation.

117. Nineteen percent of respondents stated that the IP safeguard procedures had added no value, and 24% gave no answer to this question. Forty-one percent were noncommittal, indicating some value in some cases. Only 17% stated that the IP procedures had added value in all projects where it was applied. Generally, IP value added was felt to be less than for the other two safeguards. Only 17% of respondents felt that the IP policy had added value to improving safeguard project design, as opposed to 38% and 23% for environment and IR, respectively. Smaller numbers also corroborated that the IP safeguards had succeeded in making IP suffer less or benefit more, or providing a demonstration effect beyond the project. The limited reported value added of the IP safeguards is consistent with OED's assessments in Chapter III.

118. In narrative comments added to the questionnaire, several respondents used the term "black box" to describe the IP policy, and asked for clearer direction on how to develop IPDPs. Four countries where the IP policy had led to a declining demand for ADB lending were mentioned: India, Indonesia, Philippines, and Viet Nam. Six countries were reported as declining to borrow from ADB on account of the IP policy on at least one occasion: India, Indonesia, Kazakhstan, Lao PDR, Malaysia, and Viet Nam. A specific explanation repeatedly given was that ADB in-house expertise was "inadequate and confused" in defining IP, and "external consultants' capacity and guidance was much better and added greater value." A respondent complained that the "RSES approach was completely defensive," another that it

¹⁰⁶ Consisting of (i) professional staff in operations departments, RSES, and the Office of the General Counsel in headquarters, and (ii) all operations staff in resident missions.

¹⁰⁷ The quantitative results were tabulated for all three safeguard policies in Appendix 14 of the Special Evaluation Study on Involuntary Resettlement Safeguards.

was “risk averse,” and several that RSES tended to unnecessarily delay and prolong project processing such that it “subtracted value” from the project.

E. DMC Views and Experience

119. **Questionnaire Survey.** Client views were sought through a questionnaire survey of all ongoing ADB supported projects that were registered as having resettlement planning by mid-2006.¹⁰⁸ Sixty-seven of the 137 EAs contacted responded, a response rate of 49%. For IP, there were 24 valid responses, reflecting that the IP policy is perceived to be invoked in relatively few ADB projects. The bias of the survey was toward EAs for infrastructure projects. The significant numbers of education and health projects with IPPs were not covered. Most of the responses came from five countries: Bangladesh, PRC, Lao PDR, the Philippines, and Viet Nam.

120. Eighteen reported that there was an IPDF, with or without an IPDP, and 13 had an IPDP. Almost half of the respondents reported that IPPs for their projects were fairly recent; some were being implemented within the last 6 months. Close to 30% reported that the IPP had been under implementation for more than 2 years. The small number of responses limits the robustness of the conclusions. The tabular results of the EA survey are given in Appendix 14; the main findings are summarized below.

121. **NGO Assistance, ADB Training, Guidelines, and Missions.** Compared with the resettlement or environment safeguards, there were fewer staff working on projects or components with IP. The participation of NGOs, however, was generally higher than for projects with resettlement planning. Sixty percent of EA respondents said either that they were unaware of ADB IP training or that they had not participated in such training.

122. **Pros and Cons of Using the Safeguard Policy.** Sixty percent of respondents reported that the requirements and guidelines were usable. About 40% either were unfamiliar with the guidelines or thought they were unclear or did not resolve IP project issues. Respondents stated that they had experienced delays associated with safeguard implementation, both at ADB headquarters and resident missions, and within their agency. One of the reasons for delays was the difference between country systems and ADB’s IP policy. Only one respondent reported that extra consultant costs were incurred because this safeguard was included in the project operations. More than half of the respondents answered that there were few incremental costs associated with applying safeguards beyond country systems. This finding is not surprising, given that so few IPDPs have budgets, and consultants financed from grant-based project preparatory TAs usually prepared the IPDPs or IPDFs along with other social assessments.

123. Close to 60% of respondents experienced difficulties in meeting additional ADB safeguard requirements; 21% reported that compliance is difficult because they also have to follow the system in their country or agency. More than a quarter believed that the safeguard policy was a reason for the EA’s refusal to pursue ADB financing for a project component. This feedback complements earlier findings from the analysis of the PPRs that in some cases the IP safeguards lead to decisions not to involve ADB financing in some areas.

¹⁰⁸ The executing agency questionnaire was completed in July 2006; the same survey was used as basis for examining EA views for the evaluation study of ADB’s Involuntary Resettlement Policy (1995).

124. The five most important factors related to ADB contributing to better IP outcomes were (i) more training for EA staff (67%), (ii) ADB funding of land acquisition costs¹⁰⁹ (54%), (iii) ADB following country or agency IP systems (42%), (iv) more IP consultants assigned (38%), and (v) more streamlined ADB safeguard policies. The two most important country- or agency-related factors identified as contributing to better IP results were (i) the creation of more capacity in EAs (88%), and (ii) greater availability of EA counterpart funds (67%).

125. **Effectiveness of the Safeguards.** The EA respondents were somewhat more positive than ADB staff about ADB's IP involvement, but still the views were mixed and noncommittal (but the number of responses either way was also low, because so many IPDPs were only in the early stages). Half of the respondents reported that the IP safeguard procedures improved some or all components of the project. Noticeable improvements in projects included (i) more due diligence and transparency (38%), (ii) more experience in EA (38%), and (iii) less adverse effects on the environment and on the affected people than would otherwise be the case without ADB involvement (33%). Almost half of the respondents believed that the IP safeguard policy had been, or was going to be, effective in mitigating adverse impacts on IP. Problems encountered were mainly related to delays in implementation, which were caused primarily by the difference between the ADB and country systems, and a lack of capacity in the EA.

V. COUNTRY SAFEGUARD SYSTEMS AND CAPACITY BUILDING

A. Review of Country IP Safeguard Systems

126. This section briefly reviews the extent to which some country safeguard systems are compatible with the ADB IP policy. This review covers the four case study countries: the PRC, India, the Philippines, and Viet Nam. The review will demonstrate that, given ADB's present IP policy, there may be no DMC system that meets ADB's criteria in all respects and that projects funded by ADB would thus need complementary safeguards of a varying nature in most DMCs.

127. **People's Republic of China.** The PRC's 1954 constitution promotes equality and protects the rights of all minority nationalities to develop and use their own language and characters, and to promote their customs, beliefs, and development. The rights of ethnic minorities have been gradually expanded. By 2003, the PRC had established 155 autonomous governments including five autonomous regions,¹¹⁰ on the basis of the concentration of ethnic minorities in the area. The areas have a higher degree of autonomy in decision making regarding the preferred kind of development, the use of local finances, type of schooling, and ethnic culture. Forty-four out of the 55 ethnic groups and 71% of the IP in the PRC live in the autonomous areas.

128. The Government provides special assistance to support the development of autonomous areas and provides special training for minority cadres.¹¹¹ The assistance includes (i) border affairs allowance, to support infrastructure projects in frontier areas, especially those dominated by minorities; (ii) a special minority development fund to support infrastructure projects; and (iii) poverty reduction funds for minority poverty counties, such as funds for small and medium-

¹⁰⁹ ADB has been allowed to finance land acquisition costs since 2005.

¹¹⁰ Guangxi (Zhuang), Inner Mongolia (Mongolia), Ningxi (Hui), Tibet (Tibetan), and Xinjiang (Uygur).

¹¹¹ The head of the county can appoint a cadre from a dominant minority group in every minority autonomous county.