

THE WORLD BANK OPERATIONAL MANUAL

Indigenous Peoples

(Draft OP 4.10, March 09, 2000)

INTRODUCTION.

1. The Bank's policy¹ towards indigenous peoples contributes to its wider objectives of poverty reduction and sustainable development. Indigenous peoples are commonly among the poorest segments of society and, in many countries, have not benefited from development policies and programs. Experience has shown that unless special measures are adopted that pay due attention to their rights, distinct languages, cultures, organizations, and modes of livelihood, indigenous peoples may be excluded from the benefits of development projects or be adversely affected by them. For this reason, the Bank² has developed a policy³ to ensure that indigenous peoples benefit from development operations that affect them.

POLICY OBJECTIVES

2. The broad objective of this policy is to ensure that the development process fosters full respect for the dignity, human rights and cultures of indigenous peoples. To achieve this objective where Bank operations involve or affect indigenous peoples, the Bank requires:

- a) meaningful consultations with, and informed participation of, indigenous groups throughout the project cycle;
- b) identification of any potentially adverse impacts, and mechanisms to avoid or minimize and mitigate them; and
- c) provision of benefits which are culturally compatible with and tailored to the needs and priorities of indigenous groups.

In addition, and in partnership with Governments and indigenous peoples, the Bank is prepared to support a wide range of other initiatives to identify the development needs and priorities of indigenous peoples and to provide the resources and enabling environment to achieve them.

IDENTIFICATION OF INDIGENOUS PEOPLES

3. The terms "indigenous peoples," "indigenous ethnic minorities," "tribal groups," and "scheduled tribes" describe social groups with a social and cultural identity distinct from the dominant society that makes them vulnerable to being disadvantaged in the development process. Many have a social and economic status that restrict their capacity to assert their interests and rights in land and other productive resources.

¹ The OP/BP applies to all projects for which a PID is first issued after [month/date/year].

² "Bank" includes IDA, "loans" include credits and guarantees, and "projects" include projects under adaptable program lending, learning and innovation loans and projects or components funded under the Global Environment Facility

³ This policy should be read together with the following other relevant Bank policies: *Environmental Assessment* (OP 4.01), *Natural Habitats* (OP 4.04), *Safeguarding Cultural Property in Bank-assisted Projects* (OP 4.11), *Involuntary Resettlement* (4.12), and *Forestry* (4.36).

4. Rather than seek a single universal definition for the term "indigenous peoples," the policy applies where people in a particular geographical area possess, in varying degrees, the following characteristics:

- (i) close attachment to ancestral territories⁴ and natural resources;
- (ii) presence of customary social and political institutions which are different from those of the larger society;
- (iii) often, use of a language different from the national language; and,
- (iv) self-identification and identification by others as members of a distinct cultural group.

5. To expedite the processing of specific operations, the Borrower and the Bank normally agree on the groups to be covered by this policy on a country-wide basis. When questions of application arise in a project or country context, the Borrower uses a process to identify those social groups to which the policy applies. This process may include:

- (a) a review of the constitutions, laws (including customary law), and other legislation, as well as relevant international conventions to which the country is a party;
- (b) consultations with national, regional, and local indigenous peoples organizations and communities on their criteria for identifying such groups; and
- (c) consultations as appropriate with government agencies, non-governmental organizations (NGOs) and experts who know the ethnic composition of the county.

The results of this process are discussed and agreed with the Bank (refer to BP 4.10, Paragraph 3).

NATURAL AND CULTURAL RESOURCES

A. Natural Resources

6. The economies, identities and forms of social organization of indigenous peoples are often closely tied to land, water and other natural resources. Therefore, where projects may potentially affect the natural resources of indigenous people, particular attention is given in project selection and design to:

- (a) the cultural, religious and sacred values that they attribute to land and other resources;
- (b) their individual, communal and collective rights to use and develop the lands that they occupy, and to be protected against encroachment;
- (c) their natural resources management practices; and
- (d) their sustained use and access to natural resources vital to their material subsistence cultural reproduction and future development.

This is done with a view to avoiding, where feasible, or minimizing adverse impacts.

7. When Bank-assisted projects involve the exploitation of natural resources (including forest mineral, and hydrocarbon resources) on lands owned, occupied or used by indigenous peoples, Bank policy requires that the indigenous peoples:

- (a) are informed about their rights;
- (b) are informed about the potential impacts on their livelihoods and use of natural resources;
- (c) are consulted prior to planning of such projects and involved in decisions which affect them; and
- (d) are provided with benefits under the project

⁴ The term "indigenous peoples" does not necessarily imply that such groups were present in an area before the majority population, although in many regions this is the case.

8. Upon request from its Borrowers, the Bank is also prepared to provide assistance in establishing legal recognition, including demarcation, of the traditional territories and land tenure and water use systems of indigenous peoples. In addition, the Bank is prepared to assist in strengthening the capacity of those institutions responsible for carrying out such recognition. Where lands, waters and other natural resources formerly under traditional tenure have been brought by law into the domain of the state, the Bank is prepared to support Borrower initiatives to ensure that indigenous peoples have permanent or long-term renewable rights of custodianship and use.

B. Indigenous Peoples' Knowledge and Culture

9. The knowledge and cultures of indigenous peoples are vital to sustainable development. The continuity of such knowledge and cultures is related to the identities and aspirations of indigenous peoples and the future development of their communities and their countries. Recognizing their value in the development process, Bank-assisted projects respect, build upon and enhance indigenous peoples' knowledge and culture. When a project envisions the commercial exploitation of cultural resources, including the knowledge of indigenous people, Bank policy requires that they are consulted and derive benefits from the commercial use of such resources. In collaboration with the Borrower, the Bank is also prepared to assist in establishing and protecting the intellectual property rights of indigenous peoples.

POLICY IMPLEMENTATION FRAMEWORK

A. Social Assessment

10. To ensure that policy objectives are met, the Borrower introduces a process that includes prior and meaningful consultation with, and informed participation of indigenous groups in project design and implementation. Where indigenous people are involved, a social assessment is carried out to:

- (a) provide the framework for meaningful consultations and informed participation;
- (b) identify any potentially adverse impacts which may result from the proposed project,
- (c) define opportunities for promoting indigenous peoples' development and well-being; and
- (d) ascertain any other pertinent issues that may affect the project design and implementation.

B. Consultation and Participation

11. Meaningful consultation is a process, which occurs during project identification and includes:

- (a) establishment of a framework for dialogue with the indigenous peoples, including adequate gender and generational representation;
- (b) provision of relevant information on the proposed project in a timely and culturally-appropriate manner;
- (c) Where indigenous peoples have their own representative organizations, involvement of such organisations or institutions; and
- (d) organization of fora where the Views of indigenous peoples can be aired.

The results of these consultations are taken into account in making the decision whether or not to proceed with the project.

12. Informed participation of the indigenous peoples occurs throughout the preparation and implementation process, This involves:
- (a) systematic information flows throughout the life of the project
 - (b) participation in decision making during design and implementation; and
 - (c) participatory monitoring and evaluation.

Where indigenous peoples have their own representative organizations, such organizations may be the channels for communicating local preferences.

C. Indigenous Peoples Action Plans and Strategies

13. Where the Social assessment indicates that adverse impacts may occur, the Borrower prepares an Indigenous Peoples Action Plan (IPAP) as a condition of project appraisal. The IPAP contains specific measures and actions to avoid or minimize potential adverse impacts, and to provide development opportunities to affected groups.

14. Where the social assessment indicates that indigenous peoples are among the intended beneficiaries of the proposed project, the Borrower develops an explicit strategy reflected in project design and documents, to ensure that the project reflects their needs and priorities and is tailored to their particular social and cultural circumstances.

15. In the case of sector investment loans, financial intermediary loans, and Bank-assisted projects with multiple sub-projects that may affect indigenous peoples, the Bank requires that the project implementing agency review the policy implications and screen specific sub-projects to be financed by the Bank to ensure their consistency with this Policy. For each sub-project, which may involve indigenous peoples, the Bank requires an IPAP or a strategy. The scope of these varies with the scale and intensity of impacts.

16. In Bank-assisted projects which involve indigenous peoples who move to urban areas, migrate for wage labor in agriculture or industry, or are displaced from their homelands by natural disasters or conflict, it is good practice to consult with such people or groups on their needs and priorities and to tailor interventions to their specific cultures and circumstances. This must be done flexibly and pragmatically to avoid creating unnecessary distinctions or inequities between indigenous peoples and other poor and marginal groups in the same area. Where indigenous peoples comprise part of mixed communities in urban or rural areas, preference should be given to solutions for helping all who are poor and vulnerable.

D. Resettlement of Indigenous Peoples

17. The policy of the Bank is to avoid involuntary relocation of indigenous people, or in exceptional cases where it is unavoidable, to minimize it, exploring all viable alternative project designs. When resettlement activities take place in Bank-financed projects, they are conceived and executed as development programs, offer opportunities for displaced peoples to participate in their planning and implementation and assist displaced persons in their efforts to improve their livelihoods and standards of living or at least to restore them. To achieve these objectives, the Bank pays particular attention to the needs of vulnerable groups including indigenous peoples.⁵

18. When resettlement of indigenous people is unavoidable, the results of the social assessment, and the proposed mitigation measures should be consistent with the objectives of this policy and with those of the Bank's Policy on *Involuntary Resettlement* (OP 4.12). If questions arise, the project should be referred to the Bank's Social Safeguard Policies Committee for guidance on further processing of the project.

⁵ For the Bank policy on the need to avoid or minimize involuntary resettlement, see Policy on *Involuntary Resettlement* (OP 4.12, Paragraphs 1 and 6).

19. Indigenous peoples displaced from land based livelihoods are provided with an option of replacement land acceptable to them.

20. In cases where livelihoods of indigenous peoples are adversely affected due to restrictions imposed on their access to legally designated parks and protected areas, they should be assisted in their efforts to improve or at least restore their livelihoods in a manner that maintains the sustainability of the respective parks and protected areas and is compatible with their culture and ways of life. In such cases, the borrower prepares a process framework acceptable to the Bank, as described in the Policy on *Involuntary Resettlement* (OP 4.12, Paragraph 6).

ROLES AND RESPONSIBILITIES

21. The borrower is responsible for putting in place a process that is in accord with this policy. Taking into account different national and regional contexts and legal frameworks, this includes appropriate measures for identifying indigenous peoples and their development needs and providing enabling conditions for their participation in the planning, implementation and monitoring and evaluation of the Bank-assisted projects. The Borrower is responsible for carrying out the social assessment on potential impacts as well as preparing and implementing the IPAP or strategy. The Borrower also ensures that the indigenous peoples benefit from the project and that any adverse impacts are minimized.

22. In addition to providing investment assistance, the Bank is also prepared to assist the Borrower by:

- (a) preparing profiles of indigenous peoples and communities to understand indigenous peoples institutions, cultures, religious beliefs, production systems and resource utilization patterns;
- (b) assessing Borrower policies, strategies, and legal frameworks relating to indigenous peoples;
- (c) assisting indigenous peoples organizations and communities to strengthen their capacity to prepare, implement, and monitor and evaluate development programs;
- (d) financing technical assistance to strengthen the capacity of agencies responsible for providing development services to indigenous peoples; and
- (e) financing freestanding projects, components and other initiatives aimed supporting indigenous people's development

23. The Bank also encourages partnerships among private sector actors, governments, and indigenous peoples for promoting indigenous peoples development This may include:

- (a) capacity building of indigenous organizations and communities;
 - (b) actions to maximize benefits to indigenous peoples, such as affirmative hiring programs, technical and professional training; and
 - (c) investment in indigenous peoples' enterprises and initiatives. Where file Bank co-finances private sector operations, government and private sector responsibilities must be clearly delineated in the IPAP or project strategy.
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