

# INDIAN LAW RESOURCE CENTER

CENTRO DE RECURSOS JURÍDICOS PARA LOS PUEBLOS INDÍGENAS

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Informative Note - July 14, 2021

## IMPLEMENTATION GUIDELINES FOR THE I.D.B. GROUP'S RECENTLY ADOPTED ENVIRONMENTAL AND SOCIAL POLICIES AND THE AMAZON BIOECONOMY FUND



The Indian Law Resource Center is a non-profit law and advocacy organizations established and directed by American Indians. The Center provides legal assistance without charge to Indian and Alaska Native Nations and other Indigenous communities in the Americas that are working to protect their lands, resources, human rights, environment, and cultural heritage. Our principle goal is the preservation and well-being of Indian and other Native Nations and tribes.

In this Informative Note, we will inform you about important developments regarding the new environmental and social policies of the I.D.B. Group, which includes both the I.D.B. and the I.D.B. Invest, as well as what you can do to ensure that these new policies offer the strongest safeguards measures possible in accordance with international human rights standards and that all future Bank-funded projects are implemented with respect for the environment and the human rights of indigenous peoples as a development strategy.

### What are the I.D.B. Group's implementation guidelines and why are they important?

The implementation guidelines are internal documents that explain to borrowers how the new environmental and social policies should be implemented. These guidelines include the I.D.B. Invest's Implementation Manual and the I.D.B.'s Guidelines for Environmental and Social Performance Standards.

In July 2020, the I.D.B. Invest published the first draft of the Implementation Manual with the intent to provide guidance on how to implement the new [Environmental and Social Sustainability Policy](#), which was adopted in April 2020. Specifically, the Implementation Manual seeks to advise private sector borrowers on how risks may be consistently identified and managed in consideration of different factors, as well as to help them realize their environmental and social governance potential and associated benefits and to achieve better overall project results. Most importantly, the Implementation Manual discusses accountability mechanisms for individuals and groups who feel the project may affect them or the environment adversely, including project-level grievance mechanisms, access to remedy managed by the client, and engagement with the I.D.B. Invest through its various accountability mechanisms.

A virtual public comment period regarding the Implementation Manual was held from September 14 to October 14, 2020. After the comment period, the I.D.B. Invest reviewed and incorporated the feedback received and prepared a revised version of the Implementation Manual. In December 2020, the revised version was approved and made public. Then, in February 2021, the I.D.B. Invest held a virtual meeting with civil society organizations to present the revised version of the Implementation Manual and to explain how the I.D.B. Invest took the feedback into consideration. The meeting addressed issues relating to the entire Environmental and Social Sustainability Policy, not just indigenous issues. As such, there were no "new" policy implementation issues to discuss, other than the new safeguard protecting indigenous peoples in isolation, which is so clear that does not provide room for any misunderstandings or erroneous interpretations. Click [here](#) to view the Implementation Manual.

In June 2021, the I.D.B. published the first draft guidelines for the ten Environmental and Social Performance Standards that make up the new [Environmental and Social Policy Framework](#), which was adopted in September 2020. As such, each Performance Standard has its own draft guideline. Along with the stated objective of advancing the I.D.B.'s commitment to the principle of "do good beyond do no harm," these draft guidelines are important because they will guide borrowing countries on how to properly apply and implement the Performance Standards to Bank-funded projects and the requirements necessary to avoid adverse impacts on potentially affected communities and the environment. For example, Performance Standard 7 Indigenous Peoples includes, for the first time, safeguards that will address the no-allotment of collectively held indigenous lands and the use of indigenous peoples' consultation protocols. It also expands safeguard protections for indigenous peoples in isolation and endorses the use of free, prior, and informed consent.

The draft guidelines are now available for a virtual public comment period until **July 23, 2021**. Please click [here](#) to access the draft guidelines. We strongly encourage you to download each draft guideline - especially the draft guideline for Performance Standard 7 Indigenous Peoples - and submit your comments and suggestions to [bid-mpas@iadb.org](mailto:bid-mpas@iadb.org). Now more than ever, it is critical to ensure that the draft guidelines do not lower the level of protections covered by the Performance Standards, particularly any new or expanded safeguard measure.

## **What is the I.D.B. Amazon Bioeconomy Fund?**

Within the framework of the I.D.B.'s annual meetings this year, I.D.B. President Mauricio Claver-Carone announced the creation of the Amazon Bioeconomy Fund (the Fund), a proposed program to support sustainable development in the Amazon Basin as an opportunity to transition to a sustainable bioeconomy and nature positive model where conservation and restoration are drivers of economic growth rather than extractive industries. The I.D.B. is committed to providing \$20 million in seed capital to the Fund, and it is expected that there would be another \$1 billion in private capital for the Fund.

Overall, the Fund seeks to mobilize private investment in bio-business, nature-positive economy, and forest management by providing financing and incentives to promote the value of natural capital and sustainable forest assets in Brazil, Bolivia, Colombia, Ecuador, Guyana, Peru, and Suriname. Based on four thematic pillars of bioeconomy: sustainable agriculture, livestock and forest management, human capital development, and sustainable infrastructure, it is also expected that the Fund will contribute to Nationally Determined Contributions under the Paris Agreement, promote a more resilient post-COVID-19 recovery, regenerate ecosystems, and diversify production of natural resources through a more efficient and sustainable model.

On May 17, 2021, the Indian Law Resource Center (the Center) participated in a meeting held by the I.D.B. to inform NGOs, indigenous peoples, and conservation organizations, among others, about the Fund. At this stage, only dialogues with different stakeholders are planned. Neither the criteria nor the financial and project infrastructure have been developed yet. We plan on monitoring this process and will inform you as more details become available.

While establishing this Fund and pledging seed and capital to protect and conserve the Amazon Basin is welcome development, there are fundamental issues that need to be addressed. These include, but are not limited to, how the Fund is structured, how it will be implemented, and underlying interests. So far, we have not seen any serious effort by the Bank to seek feedback from the indigenous peoples and other traditional communities that inhabit the Amazon Basin. The Fund seems to be the outcome of discussions held with country-level policy makers from the Amazon countries and some private sector actors. No discussion has been held on what the Bank would do to prevent the Fund from harming the rainforest and indigenous peoples. The Bank seems to be heavily relying on the private sector and underestimating the risks associated with large scale infrastructure projects. Surprisingly, no information has been provided on what the Fund's stance would be regarding collectively held indigenous lands in the Amazon Basin. Promoting bioeconomy and sustainable agriculture without addressing and prioritizing land rights and tenure is very worrisome. Failing to do so increases the risks of the Fund's failure.

## **Do you need more information?**

The Center is committed to ensuring that the rights of indigenous peoples are protected by strong safeguard measures and that indigenous peoples are properly included and consulted on such policies and all development activities that could potentially affect them, as well as mobilizing advocacy efforts and engaging indigenous leaders and organizations and other civil society organizations to guarantee proper implementation of the new environmental and social policies of the I.D.B. and I.D.B. Invest. If you would like to join our I.D.B. Group listserv to receive regular updates on the I.D.B. Group's policy review processes, please send a request to [dcoffice@indianlaw.org](mailto:dcoffice@indianlaw.org).

For more information about our work to hold multilateral and national development banks accountable for their environmental and social impacts and to establish new, legally binding human rights standards specifically applicable to these financial institutions, please visit our website at <https://indianlaw.org/projects/mdb>.