

INDIGENOUS PEOPLES

and Sustainable Development

DISCUSSION PAPER



IFAD 1978–2003

Origins

The agreement to establish IFAD in 1976 resulted from the 1974 World Food Conference organized by the international community in response to the persistence of widespread hunger and malnutrition in the world. The conference recognized that hunger and food insecurity should not be associated solely with shortfalls in food production and supply at national or international levels. Rather, they should be understood as products of deep-seated structural problems associated with underdevelopment and poverty, especially as these affect rural poor people. IFAD approved its first loan for a project in 1978.

Mandate

Thus the Fund's mandate – *to combat hunger and rural poverty in developing countries, especially low-income, food-deficit countries, and to improve the livelihoods of rural poor people on a sustainable basis* – defines hunger not just as a food production and supply issue, but also as a livelihood issue.

Emergence of a Specific Role

In responding to this mandate, IFAD has realized that rural poor people can enhance their food security and increase their incomes only if project designs and activities are built upon their production systems and livelihood strategies, and resources allocated accordingly. To be effective, therefore, investments to reduce

poverty must be linked to a proper understanding of poverty processes and how they affect different groups of poor people, and women as compared with men.

To this end, IFAD has increasingly collaborated with local stakeholders in developing its operations. It has designed and implemented projects and programmes in a wide range of natural, socio-economic and cultural environments, in remote regions and with the poorest and most marginalized sectors of rural populations. Through its experience, the Fund has acquired a wealth of knowledge of the processes that contribute to the generation and perpetuation of poverty. It has also gained valuable insights about what works or does not work to foster the conditions in which the rural poor can enhance their productivity, output and incomes.

IFAD's Contribution

IFAD's contribution to rural poverty reduction has long been based on its recognition that the economic empowerment of rural poor people will not happen simply as a result of the 'trickle-down' effect of macro or sectoral investments. Action must address the obstacles faced by rural poor men and women and facilitate their opportunities, in their different and specific circumstances and activities. In addition, since in many low-income countries the majority of the poor and extremely poor (those with incomes below one dollar a day) live in

HISTORICAL AREAS OF INTERVENTION

- access to productive resources (especially land and water)
 - sustainable agricultural production, including fisheries and livestock
 - water management and irrigation (mainly small-scale)
 - rural financial services, including microfinance
 - rural microenterprises
 - storage/processing of agricultural produce
 - marketing and access to markets
 - research/extension/training
 - small-scale rural infrastructure (feeder roads, etc.)
 - capacity-building for small producer groups and organizations
-

VOLUME OF OPERATIONS

■ Number of projects:	628 in 115 countries and territories
■ Total IFAD investment:	USD 7.7 billion
■ Domestic resources mobilized:	USD 7.9 billion
■ Cofinancing mobilized:	USD 6.6 billion
■ Total value of projects:	USD 22.2 billion
■ Beneficiaries:	an estimated 250 million

rural areas, helping poor producers to increase their output is often the most effective, and in some cases the only, way to bring about more rapid overall growth. IFAD has therefore advocated for broad-based economic growth, built upon an explicit focus on the initiative and capacity of poor rural producers. Such an approach acknowledges the consumption needs of the poor, but it also emphasizes to their social capital and their economic potential as *producers and working people*. This, in turn, has necessitated an in-depth understanding of the complexities of rural livelihoods and the different roles of women and men within these livelihoods. It has also required careful targeting of interventions at people and their activities – as farmers, agricultural labourers, fisherfolk, hunters and gatherers, pastoralists and small rural entrepreneurs.

IFAD's experience over the last 25 years unequivocally shows that rural poor people are fully capable both of integrating themselves into the mainstream of social and economic development, and of actively contributing to improved economic performance at the national level – provided that the causes of their poverty are understood and conditions are created that are conducive to their efforts. No amount of national or international assistance will radically improve the rural situation unless such transformation is based on the aspirations, assets and activities of rural people – and unless poor people own the change process. Major efforts need to be made to remove the critical material, institutional and policy obstacles that prevent the rural poor from seizing opportunities for improved livelihoods. Development cannot be done for them. What can be done is to create the conditions that empower the poor to become agents of change.

IFAD's New Strategic Directions

The Millennium Development Goals represent a commitment by the entire international community to take all necessary action, first and foremost, to reduce by half the proportion of people who live in extreme poverty by 2015. The *Strategic Framework for IFAD 2002-2006* is the Fund's response – a statement both of the crucial issues to be addressed and of the areas that IFAD will focus on as part of that broader international effort.

The strategic framework draws on the Fund's years of experience and reflection, and recasts IFAD's mission in a very simple statement: *enabling the rural poor to overcome their poverty*. Concretely, this mission translates into three strategic objectives upon which IFAD is concentrating its investments, research and knowledge management efforts, policy dialogue and advocacy:

- strengthening the capacity of the rural poor and their organizations;
- improving equitable access to productive natural resources and technology; and
- increasing access to financial assets and markets.

The strategic framework also recognizes that IFAD must expand its engagement beyond the immediate impact of 'its' projects and programmes to influence the direction and content of national and international poverty-reduction processes. Thus it emphasizes building complementary partnerships and broad alliances to maximize IFAD's contribution to the international community's larger poverty-reduction effort.

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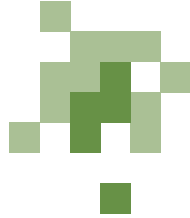


TABLE OF CONTENTS

3	ABSTRACT
5	INTRODUCTION
7	IFAD'S EXPERIENCE AND LESSONS LEARNED
	Main Issues
	Measures in Support of the Sustainable Development of Indigenous Peoples
	Crucial Elements of a Programme Approach
12	INITIATIVES BY THE INTERNATIONAL COMMUNITY
14	INDIGENOUS PEOPLES IN A CHANGING WORLD
	Aspirations of Indigenous Peoples
	Opportunities and Challenges
16	THE WAY FORWARD
19	Annex: Important Milestones Related to Indigenous Issues
21	Endnotes
23	References

INDIGENOUS PEOPLES AND SUSTAINABLE DEVELOPMENT

ABSTRACT

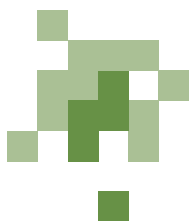
IFAD's mandate is to reduce poverty by "enabling the rural poor to overcome their poverty". Further, the Strategic Framework for IFAD 2002-2006 emphasizes the need to enhance the resilience of the poor by reducing their marginalization and vulnerability. The majority of indigenous peoples¹ are poor. Particularly in Asia and Latin America, they constitute a significant proportion of the rural poor, and are among the most vulnerable and marginalized of this category.² IFAD can play an important role in reducing global poverty by addressing indigenous peoples' development needs. Helping them to overcome their poverty in ways that protect their environment would also make a major contribution towards preserving the world's environment. The geographical overlap between ongoing conflicts and the areas inhabited by indigenous peoples suggests that ending their marginalization would help to promote the stability needed to foster sustainable development.

This paper highlights the problems and challenges faced by indigenous peoples. Based on IFAD's past experiences, it also makes suggestions on how to expand and deepen partnerships with governments and others in order to protect and promote indigenous peoples' rights. As most indigenous peoples live in marginal areas where property rights are ill-defined, secure access to land, forests and water is necessarily a major issue. It is also important to address indigenous peoples' basic human rights to food, health, education, culture, dignity and peace. The rights-based approach that IFAD has initiated in some countries recognizes that sensitivity to indigenous cultures and languages and respect for their knowledge systems are important to build/strengthen ownership, and hence sustainability, of development initiatives.

To assist indigenous peoples in overcoming their poverty and to contribute to sustainable development, IFAD supports interventions in three different areas: field operations, sharing of knowledge, and policy advocacy. In terms of field operations, IFAD's projects in this area focus on assisting indigenous peoples in strengthening or recovering their ancestral rights to land and related resources. This includes supporting the participatory mapping of territorial boundaries, assisting in the preparation and implementation of land management plans and providing the required capacity-building, while ensuring, in a culturally sensitive way, gender balance in the control of resources. It also includes support in revitalizing traditional knowledge systems and blending them with modern technology; promoting cultural expression, conflict prevention and peace building; strengthening existing indigenous peoples' organizations and governance systems; promoting inclusion of the most marginalized groups (e.g. women and youth); and empowering indigenous women so that they can meet both their practical and their strategic needs. Developing the Fund's knowledge of indigenous peoples will require improving its ability to learn from its implementation experience in this area, establishing effective monitoring and

evaluation systems, working closely with cooperating institutions to improve supervision and impact assessment, and strengthening its partnerships with a range of different players (including other donors, non-governmental organizations and the private sector). IFAD will also work with other partners at the national, regional and international levels to promote a global policy environment that recognizes the rights of indigenous peoples and enables them to play their role of stewards of the environment.

The crucial role of indigenous peoples for rural poverty reduction and sustainable development has only recently received the attention it deserves in the development arena. Although much progress has been made, much remains to be done in this area. Building on its past experience, IFAD is committed to investing more in support of indigenous peoples.



INDIGENOUS PEOPLES AND SUSTAINABLE DEVELOPMENT

INTRODUCTION

About 1.2 billion people in the world today live on less than one dollar a day. Recognizing that such levels of poverty are unacceptable, the international community made a commitment at the United Nations Millennium Summit in September 2000 to achieve the Millennium Development Goals (MDGs), which include halving the proportion of people living in extreme poverty by the year 2015. The *Strategic Framework for IFAD 2002-2006* recognizes that rural poverty must be given priority if the poverty-reduction goal is to be met.³ This is because some 900 million people, 75% of the world's extremely poor, live in rural areas.

Indigenous peoples constitute an important group of rural poor. According to available estimates, worldwide there are about 300 million indigenous peoples living in more than 70 countries, and the majority of them are poor.⁴ For example, in Guatemala, Mexico, Peru and Bolivia, some 86.6%, 80.6%, 79% and 64.3% of the indigenous peoples are poor.⁵ They are also among the most vulnerable and marginalized of the rural poor. Helping them to overcome their material poverty would make a major contribution towards the goal of reducing rural poverty. It is the Fund's perception that the majority of indigenous peoples do not want to be insulated from development interventions but seek to benefit from them while safeguarding their cultures, values and institutions. Since indigenous peoples include very diverse groups of peoples with differentiated poverty levels and other characteristics, further work is needed to capture and analyse indigenous and ethnic minority characteristics in statistical data, thus allowing development interventions to be better targeted.

The potential of indigenous peoples as 'stewards' of national and global natural resources and biodiversity is increasingly acknowledged. The World Summit on Sustainable Development (WSSD) in Johannesburg, for instance, recently reaffirmed "the vital role of indigenous peoples in sustainable development".⁶ Indigenous peoples in general and indigenous women in particular have rich traditional knowledge systems (ecosystem management and technologies, medicinal plants, local crops) that are increasingly attracting the attention of commercial interests, yet they rarely get a share of the benefits.⁷

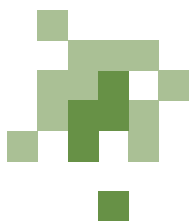
Indigenous peoples usually live in isolated areas, outside the mainstream of national economies and development support. The areas they inhabit are even more likely to lack infrastructure such as roads, schools and health posts. Development interventions in their favour have been rare, and are not usually guided by their own priorities. Indigenous peoples are often ill-equipped to cope with the consequences and the opportunities of economic liberalization and globalization. Further, as they become aware that their rights are being ignored, they are increasingly frustrated by their lack of access to development. The geographical overlap between ongoing conflicts and the areas that indigenous people inhabit suggests that ending indigenous

communities' marginalization would help promote the stability needed to foster sustainable development.

This paper draws on IFAD's experience in the Asia and the Pacific and Latin America and the Caribbean regions, where the Fund has explicitly identified indigenous peoples as a major target group. It does not include examples from Africa, because IFAD defines its target groups there in terms of vulnerability and poverty rather than ethnicity. While working with the rural poor, the Fund has implemented a number of projects and programmes supporting indigenous peoples in parts of Asia and Latin America, accumulating valuable experience and learning important lessons in these two regions. However, the situations in which indigenous peoples live and the policy environments facing them vary widely across countries. In some countries, for example, government policies on indigenous peoples are elaborate, whereas in others they are less detailed or non-existent.

In Asia and the Pacific, the Fund's regional strategy focuses on women and marginalized minorities (indigenous peoples and other excluded groups). It recognizes that the incidence of poverty is very high among indigenous peoples. In Latin America and the Caribbean, IFAD has found that the majority of the extremely poor live in indigenous communities. It sees its main opportunities in: (i) supporting indigenous groups in securing land rights to the territories in which they live and work; (ii) providing technical and financial support to enable indigenous peoples to participate effectively in markets; (iii) supporting the mobilization of public investments to improve the currently very poor levels of education, health, housing and local physical infrastructure; and (iv) strengthening indigenous organizations to enable them to participate effectively in natural resource management programmes.⁸

Thus far in these two regions, IFAD has invested USD 736 million for projects in support of indigenous peoples, roughly 20% of the total loans in these regions. Indeed, IFAD is practically the only international financing institution to provide investment financing specifically targeted at the areas inhabited by indigenous peoples in Asia and Latin America. Although a comprehensive evaluation has yet to be carried out, a recent desk review⁹ finds evidence of significant progress. In particular, it underscores how IFAD has gradually developed an ability to address issues of crucial importance to indigenous peoples: securing their access to their lands; empowering them through capacity-building and genuine participation; valuing and revitalizing indigenous knowledge and culture; promoting intercultural awareness; supporting bilingual and cross-cultural education; enhancing indigenous identity and self-esteem; promoting women's capacity for autonomous action in the face of constricting social sanctions and structural inequalities; strengthening indigenous peoples' institutions and fostering apex organizations with a view to building indigenous peoples' coalitions. The review highlights a number of lessons, which are summarized below.



IFAD'S EXPERIENCE AND LESSONS LEARNED

MAIN ISSUES

The central role of securing indigenous peoples' land rights. IFAD-supported initiatives have increasingly recognized the importance of helping indigenous peoples to secure collective rights to their ancestral territories and the corresponding natural resources, including land, water, forests and minerals. IFAD has gained a great deal of experience in helping indigenous peoples to secure their land rights, especially in Asia and Latin America (Box 1). Its efforts have focused mainly on policy dialogue and the financing of relevant activities. Provision of legal defence funds under some projects are reducing the transaction costs of legal cases. In an innovative 'rights-based approach', indigenous men and women in Nepal will be provided with information and training on their rights and then helped to assert those rights themselves.

This approach is likely to enhance sustainability as it gives indigenous peoples themselves a better awareness of what kind of claims that they can make and how to go about making them. The benefits are likely to spill over into domains unrelated to land. The lessons learned by IFAD with regard to indigenous peoples' land rights may be summarized as follows:

BOX 1: Securing Indigenous Peoples' Rights

- IFAD's Sustainable Rural Development Project for the Ngobe-Buglé Territory and Adjoining Districts (Panama) launched a process that led to the adoption of laws defining territorial borders and restoring the land rights of indigenous communities. The project provided financial and logistical support both to local enabling partners and to indigenous leaders involved in formulating the laws. To ensure informed participation, it also provided funds for information campaigns and conferences to build broad-based awareness of the laws. Community leaders' capacities were enhanced through training in planning and administration skills. The second phase of the project covers a larger area and focuses on natural resource management based on traditional practices. It is expected to stimulate intercultural relations and improve access to markets.
- The Western Uplands Poverty-Alleviation Project (Nepal) was the first IFAD project to adopt a rights-based approach. Its aim is to reduce the high level of discrimination towards ethnic minorities and women by: (i) sensitizing communities and civil servants on human-rights issues; (ii) offering financial incentives to communities that meet specific social objectives; (iii) raising awareness of constitutional rights through studies and information campaigns; (iv) furthering policy dialogue by reporting human-rights violations, training people on rights issues, and funding policy reviews and measures promoting dialogue with community organizations; and (v) establishing a legal fund to defray the costs of legal action.

- It is essential to initiate a *dialogue on indigenous rights* with governments and to exploit any treaties that governments may already have ratified. International Labour Organization (ILO) Convention No. 169 is a particularly useful framework, but, depending on the country concerned, other, more indirect instruments may also exist (e.g. the Convention on Biological Diversity, the Convention of the Rights of the Child, etc.).
- *Participatory mapping of territorial boundaries* is consonant with the principle of self-determination, which in turn is a precondition for building ownership and hence sustainability. The process should entail: (i) three-dimensional mapping, with the indigenous peoples themselves seeking consensus on which community 'owns' what; (ii) ground surveys using state-of-the-art technology (including the global positioning system) to ensure accuracy and minimize costs; and (iii) delineation of ancestral territories.¹⁰ Funds must also be allocated for technical and financial assistance, and for capacity-building so that indigenous peoples themselves can control demarcation and negotiation processes.
- *Legal recognition of demarcated land* lays the groundwork for the participatory preparation and implementation of land management plans incorporating indigenous knowledge systems. Again, the process must be supported by substantial assistance, including capacity-building at all levels.
- Although heavily involved in forest management, agriculture and other livelihood activities, *indigenous women often lack ownership of land and production resources*. Significant awareness-raising is needed to change the status quo in a culturally sensitive way.
- The struggle to assert land rights often generates important spin-off benefits in apparently unrelated spheres, as formerly powerless, submissive men and women develop the mindset and skills to play a meaningful role in decision-making on matters that concern them. The struggle for land rights can be an entry point for promoting the sort of empowerment needed for sustainable development. Appropriate support must be given to these unplanned initiatives, even when they are not directly related to production.

Indigenous knowledge and cultural systems. IFAD has acquired considerable experience in revitalizing traditional knowledge systems and blending them with modern technology in a broad range of areas: soil and water conservation, crop and livestock husbandry, participatory research, handicrafts and even traditional medical practices (Box 2). These activities boost the productivity and enhance the resilience of the concerned indigenous communities. More importantly, the simple fact that their own knowledge systems were the starting point enhances their self-esteem. Blending indigenous and modern technologies enhances the ecological sustainability of the results, leading to production increases, better-quality products and new products.

There is growing awareness that the recognition and strengthening of local cultures not only preserves cultural diversity, but also enhances a sense of identity and social cohesion. This is particularly true with indigenous peoples. Culturally sensitive approaches to addressing the specific needs of indigenous peoples have shown that strengthening cultural identity and promoting sustainable socio-economic development are mutually reinforcing, rather than mutually exclusive, objectives. Past efforts favouring increased social integration of indigenous peoples into the mainstream

BOX 2: Improving Indigenous Peoples' Knowledge Systems

- Under the Andhra-Pradesh Tribal Development Project (India), research on gum *karaya* – an adhesive obtained from tree sap – resulted in the development of four new value-added products (powder, granules, cream and gel). Thanks to training in improved tapping processes, the tribals quickly improved product quality, triggering prices increases of up to 250%. New products were also developed from *aram* (also called the cleaning nut, *Strychnos potatorum*), including a water-purifying agent as effective as alum. All new products are being patented to protect indigenous knowledge.
 - The Western Uplands Poverty-Alleviation Project (Nepal) includes a pilot initiative aimed at reviving and strengthening indigenous women's traditional health systems based on the use of local medicinal plants. Funds are provided to finance the establishment of community-based medicinal herb gardens and to upgrade the skills of the women who will manage them.
 - The Ha Giang Development Project for Ethnic Minorities (Viet Nam) is incorporating traditional medicinal knowledge into training manuals for voluntary health workers. A booklet has been compiled entitled "Traditional Medicinal Herbs at Home".
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BOX 3: Strengthening Grass-Roots Institutions for Peace Building

In the early 1980s, violent strife hit Quiche department and Las Verapaces in Guatemala – two areas that for some time had had the lowest socio-economic indicators in the country. Programmes are being carried out by the government coordinating agency responsible for implementing the peace agreement. The agency's operations are decentralized through local government, and its flexible and phased approach is designed to build trust and confidence among the vulnerable populations and to strengthen the capacity of grass-roots organizations to undertake their own development planning and implementing activities. Service-delivery tasks are entrusted to local non-governmental organizations (NGOs) in order to forge stronger links between the public sector and civil society. The Verapaz Union of Community Organizations has received a grant from the Popular Coalition to Eradicate Hunger and Poverty to strengthen members' negotiating capacity for the resolution of land disputes.

society have failed mainly because they were not built on indigenous peoples' cultural strengths and did not entail their active participation.

Conflict prevention and peace building. As mentioned earlier, a strong geographical correlation exists between conflict and the areas inhabited by indigenous peoples. IFAD has gained some experience (e.g. in Guatemala) in peace building by promoting multi-stakeholder participation and involving women as peace brokers (Box 3). A critical step in post-conflict situations is to help the rural poor to 're-establish' themselves as independent producers. It is essential to recognize that time is needed to rebuild trust among stakeholders. A strong gender focus is also necessary not only because the number of woman-headed households usually increases during and after periods of strife, but also because women can act as effective peace brokers. Finally, reconciliation at the community level is best fostered by enabling a genuine decentralization process that helps grass-roots organizations to undertake fully transparent and demand-driven community development actions. IFAD has found that allowing the communities themselves to control how their living conditions will be improved can foster a powerful process for consolidating peace.

MEASURES IN SUPPORT OF THE SUSTAINABLE DEVELOPMENT OF INDIGENOUS PEOPLES

In addition to the measures mentioned under in the Main Issues section of this paper, IFAD has had positive experiences with the following:

- *The provision of small local development funds managed directly by indigenous communities and common-interest groups.* When associated with appropriate capacity-building support, this measure not only enhances local ownership of the activities undertaken, but also increases indigenous peoples' managerial capabilities and provides them with skills that are also applicable to other activities. Partner agencies that have provided funds directly to indigenous communities include the Inter-American Development Bank (IDB), the United Nations Development Programme and the World Bank (Box 4).
- *Strengthening existing indigenous peoples' organizations and governance systems.* Institution strengthening is crucial for sustainable development. Moreover, substantial spin-off benefits are generated by reinforcing the participation of the communities themselves in decision-making processes and in negotiations with outside parties, whether local, national or international authorities; the private sector or development agencies. IFAD's experience clearly indicates that it takes time to enable the degree of institutional strengthening needed to generate meaningful impact.
- *Genuine inclusion.* This is also crucial for the kind of broad-based development needed to reduce poverty. Although indigenous societies are often more egalitarian than mainstream ones (especially in Asia), even their institutions tend to be elitist and dominated by men. Where the governance structure does not guarantee adequate representation of women, a particularly strong focus on awareness-building and sensitivity training is essential to encourage – always in a culturally sensitive manner – local institutions to become more representative.

BOX 4: Regional Programme in Support of Indigenous Peoples in the Amazon Basin

IFAD's Regional Programme in Support of Indigenous Peoples in the Amazon Basin is funded through a technical assistance grant. The programme's objective is to assist indigenous communities in designing and implementing their own small-scale economic and cultural development projects; identifying cofinancing opportunities; and forging alliances based on common interests. The community projects funded so far have focused on territorial demarcation and recognition of land rights, ecotourism, crafts, education, arts and culture, and microenterprise management. In addition to exchange visits and publications, intercultural understanding is promoted through the annual Anaconda Festival where indigenous peoples from eleven countries present videos on their own lifestyles, problems and aspirations. The prize-winning videos are projected at international festivals and on national cultural television channels, broadening awareness and understanding of Latin American indigenous cultures. Policies in some countries have already been influenced. For example, one project presented – an ecotourism project in Mapajo, Bolivia, that started as a community income-diversification project – has been adopted as a model for increasing income, improving living conditions and ensuring environmental protection in indigenous territories throughout the country. Proposals for bilingual and intercultural education developed under another project – the Ticuna Teachers' Training Project in Brazil – have been incorporated into the national curriculum for primary schools.

CRUCIAL ELEMENTS OF A PROGRAMME APPROACH

There is ample evidence that demand-driven and participatory approaches emphasizing empowerment are needed, so that indigenous groups can undertake their own development. Clearly time is needed for such approaches to achieve impact, but their impact is also likely to be substantial and sustainable. ‘Programme’ rather than ‘project’ support is thus required. IFAD’s experience to date highlights the need for adaptive planning and learning, and considerable flexibility during implementation (in terms of scope, sequence and administrative arrangements). In particular:

- Programmes are more likely to be appropriate if they take an integrated view of indigenous peoples’ livelihood systems, without discriminating against any activity.
 - Sensitivity to local culture and use of local languages are key elements for strengthening indigenous identity and self-esteem. They require, among others, the production of training materials in indigenous languages, support to multicultural education and the provision of intercultural sensitivity training for non-indigenous stakeholders.
 - Capacity-building and training, including activities to strengthen collective-action capabilities, have proven to be essential programme components.
 - Grant financing for innovative activities, such as peace building, or to enhance indigenous culture has been a useful complement to loans.
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INITIATIVES BY THE INTERNATIONAL COMMUNITY

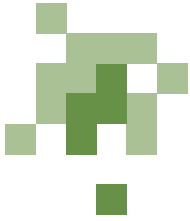
The last decade has witnessed a worldwide acceleration in awareness of indigenous concerns due to a combination of factors, including the mobilization of many indigenous peoples themselves and the provision of international and bilateral support at political and technical levels. Major milestones that have provided impetus to this growing awareness are listed in the annex to this paper.

Although indigenous peoples are not referred to specifically in the MDGs or in the Millennium Declaration, a report of the United Nations Secretary-General to the General Assembly in September 2001 on follow-up to the Millennium Summit¹¹ mentions the need to pay special attention to the rights of minorities and indigenous peoples. In fact, progress in reaching the MDGs will also require sensitivity to indigenous perspectives. For example, in programmes related to universal primary education, the issues of the language, content or purpose of that education need to be addressed. The imposition of a single, nationwide educational system is often viewed as a continuation of past policies forcing indigenous peoples to assimilate into the dominant culture. Also, the indicators used to measure progress need to reflect indigenous peoples' values. A major constraint in measuring progress among indigenous peoples is that national and project statistics are rarely disaggregated by ethnicity.

Since the early 1990s, several international agencies and member countries of the Organisation for Economic Co-operation and Development have formulated specific policies and guidelines in support of indigenous peoples: the World Bank in 1991; The Netherlands in 1993; Denmark, Germany and IDB in 1994; Spain in 1997; the European Union in 1998; and the Asian Development Bank in 1999. The Development Council Resolution of 30 November 1998, building on the Guidelines of the Commission Working Document, laid the groundwork for a comprehensive European Union policy on support to indigenous peoples.¹² The resolution reflects the high degree of consensus within the European Union about the need to build partnerships with indigenous communities, and to integrate concern for these communities into all relevant policies and programmes. The European Union has reported progress towards realizing these objectives. Specific guidelines for mainstreaming concern for indigenous peoples have been incorporated into Commission regulations, policy statements and practical handbooks. Procedures have been formulated to train Commission staff on specific indigenous rights issues, and the coordination of information within the Commission has been enhanced. The European Union has promoted the rights of indigenous peoples in international forums and in its dialogue with partner countries, including in the negotiation of country strategies.

In 2002, the European Commission, in collaboration with the International Alliance of Indigenous-Tribal Peoples of the Tropical Rainforests and with the Rainforest Foundation, organized a conference that provided the opportunity for dialogue between the European Commission and indigenous peoples' delegates from around the

world.¹³ The conference made a number of suggestions on how the European Union could implement its resolution on indigenous peoples more effectively. It called upon the European Union to recognize indigenous peoples as political entities, as peoples and actors with authority over their own development. The importance of participatory mapping of indigenous territories was emphasized so that indigenous peoples could be more clearly identified, and their political identity recognized. The conference recommended that the European Commission take steps to ensure that indigenous peoples can fully participate in all stages of the project cycle, from design and planning, to implementation, monitoring and evaluation. Further, it stressed that implementation must be carried out in a participatory manner but with flexibility so that issues important to the indigenous peoples can be incorporated in projects. The conference also recommended that indigenous peoples' concerns be included in country and thematic strategies, and that indigenous representatives participate in national assessments in support of indigenous peoples.



INDIGENOUS PEOPLES IN A CHANGING WORLD

ASPIRATIONS OF INDIGENOUS PEOPLES

The aspirations of indigenous peoples, defined at many meetings and conferences over the past decade, may be summarized as follows:

- *Recognition and respect of indigenous peoples' rights.* The most important issue for indigenous peoples is respect of their rights – all of their rights, not just their land rights. They want legal recognition of their collective, intergenerational rights to the territories that they have always inhabited and the natural resources that they have always used. For them, land is not only an asset for livelihood security but also the context supporting their continuing existence as indigenous peoples.
- *Respect of indigenous culture and knowledge systems.* Indigenous peoples are often proud of their diversity, their languages and their belief and knowledge systems. The validity of many of their beliefs and practices are increasingly recognized by non-indigenous peoples. Having suffered deprivation, whether through outright discrimination or benign neglect, indigenous peoples are demanding respect for their own value systems and ways of life in the context of development initiatives. They want a say in what is done on their lands and a fair share of the benefits generated through the exploitation of their knowledge systems.¹⁴
- *Right to meaningful participation.* Indigenous peoples want the right to participate both as contributors to and beneficiaries of their countries' development. For their participation to be meaningful, they want to have access to key information and to be actively involved in decision-making processes. More and more indigenous peoples are seeking international recognition and the right to participate in defining international agreements that address matters of interest to them, such as global warming, intellectual property rights, and human rights. Their presence at the negotiation table as part of national governments or as NGOs can ensure that their rights and perspectives are taken into account, and can give legitimacy to their struggle for the recognition of their rights. Indigenous peoples feel that they can contribute meaningfully to addressing the social and ecological challenges facing the world today. Many non-indigenous peoples share that conviction.
- *Autonomy of action.* Indigenous peoples also want more autonomy in managing their own affairs, including some decisional authority over activities undertaken on their lands. They want the right to recognition like any other local community and the ability to select their own paths to development within their national frameworks.¹⁵ They want to work through their own local institutions, their own organizations and leadership structures, using their own decision-making processes and customary law whenever a matter concerns only themselves. Indigenous organizations are increasingly demanding an active role in national policy dialogue on development issues so that indigenous concerns can be addressed in the context of national reforms and poverty-reduction strategies.

OPPORTUNITIES AND CHALLENGES

Despite their often-marginal soils, the territories inhabited by indigenous peoples frequently have great opportunities for economic development as sources of water, power, biological diversity, minerals, and local resources not found elsewhere. Investment opportunities include the collection and sale of timber and non-timber forest products (e.g. mushrooms and medicinal plants) and the production of high-value items such as organic foods, handwoven fabrics, and fine wool and silk. Thanks to globalization, strong niche markets are opening up for indigenous products throughout the world. The ability of indigenous peoples to enter these markets is constrained by inadequate roads, weak marketing infrastructure and the lack of linkages with potential markets.

The territories inhabited by indigenous peoples are often located in the world's most pristine natural settings, which are eminently suitable for ecotourism. These territories have remained unspoiled largely because of indigenous peoples' historical marginalization – a situation that has to be reversed to reduce their poverty. In the process, every effort must be made to preserve these assets. Indigenous peoples have an intimate knowledge of the rich resources in the territories that they inhabit, but lack control over them. There is increasing awareness of the need to compensate indigenous peoples for their 'stewardship' role and to assist them in exploiting their resources in a sustainable way.

In some instances, the territories inhabited by indigenous peoples are undergoing a process of degradation, as populations – and the corresponding pressure on scarce and fragile land resources – rise. Many IFAD projects have succeeded in stopping, and even reversing, these processes by developing and extending 'regenerative' agricultural and forestry practices, and by identifying and supporting non-agricultural activities. Much of this success is attributable to the Fund's strong emphasis on helping indigenous peoples to obtain secure rights to their territories and the corresponding natural resources.

The increasing use of legal mechanisms to acquire monopolistic rights to indigenous knowledge systems is a matter of growing concern. These manipulations are compromising the prospects for sustainable development not only of the indigenous peoples concerned but also of national and global economies. The patenting of life forms is a fairly recent phenomenon, and applications increased after 1995 when the World Trade Organization (WTO) established the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement. Critics of TRIPS argue that the agreement allows the patenting of things that either already exist (i.e. that are not inventions) or that have been part of the public domain of local communities for generations (i.e. that already have rightful holders). These patents give private companies a monopoly on the benefits of commercial uses.

The unique features of the marginal areas inhabited by indigenous peoples – limited accessibility, fragility and diversity – generally require diversification of resource use and production. But opening up external markets promotes narrow specialization in a few products, and encourages resource-use intensification and exploitation of niche opportunities, with little concern for their environmental and socio-economic consequences.¹⁶ This has frequently led to over-extraction of timber, minerals and herbs, with, inevitably, a negative environmental impact. Also, the process of opening up markets is so rapid that indigenous communities lack sufficient lead time and capacity to adapt.



THE WAY FORWARD

Since indigenous peoples represent a significant proportion of the world's poor, reducing their poverty would contribute greatly to attaining the MDGs. Moreover, as they are the stewards of biodiversity in many environmental hot spots, assisting them would help protect the global environment. More strategic interventions and more effective advocacy are therefore urgently needed in order to place indigenous peoples' concerns before decision-makers at all levels.

IFAD has gained some experience in building pro-indigenous peoples partnerships, both through advocacy campaigns and participation in events highlighting poverty and environmental concerns. In the World Summit on Sustainable Development, for example, IFAD participated actively both in the Fourth Preparatory Committee Meeting in Bali and at the summit itself. The Fund has also created an informal inter-agency forum in Latin America.

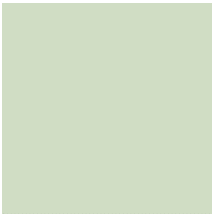
Based on this experience, IFAD can collaborate in establishing a broad-based partnership with like-minded stakeholders, linking to indigenous peoples' organizations and to the development community, governments and civil-society organizations, both in the North and the South. The process of establishing this partnership can involve joint reflection and experience-sharing, with valuable outcomes at national, regional and global levels.

In addition, on the basis of its experience primarily in Asia and Latin America, IFAD can replicate and, in collaboration with governments and other donors, scale up innovative projects in the following three important areas:

- *Strengthening or recovering indigenous peoples rights to their ancestral lands and related resources.* Based on its experience in countries such as Panama, IFAD can, in close collaboration with the Popular Coalition to Eradicate Hunger and Poverty and other partners, expand its programmes aimed at assisting national governments in implementing reforms that restore the rights of indigenous peoples to their traditional territories and the corresponding natural resources. This would involve support for participatory demarcation, legal recognition and titling. In collaboration with the Popular Coalition, the Center for International Forestry Research and others, IFAD can also engage in a programme for improving forest governance as a means of conflict prevention or resolution.
- *Supporting the preparation and implementation of land management plans incorporating indigenous knowledge systems.* In collaboration with other partners, IFAD can help indigenous communities to establish a process to document indigenous knowledge systems in natural resource management. This documentation could also provide the basis to further indigenous peoples' claims to their knowledge systems and practices. This work would systematize the information they require to draw up and implement environmentally sound indigenous management plans for their territories, including – where advisable – the blending of

local and modern technologies in the context of participatory research and development.

- *Working out innovative mechanisms for compensating indigenous peoples for the environmental services they provide to the global economy.* In Asia, IFAD, in collaboration with the International Centre for Research in Agroforestry and a consortium of national and international partners, is supporting a regional initiative aimed at assessing and developing mechanisms to compensate indigenous peoples for the environmental services (carbon sequestration, watershed protection and bio-diversity) that they provide to the world at large. These mechanisms will use market instruments to assign a value to environmental services. Based on the experience gained from this innovative initiative, IFAD will collaborate with governments and other partners to ensure that indigenous peoples benefit from these and other financing mechanisms – to be developed by both developing and developed countries – in order to pursue, simultaneously, the goals of poverty reduction, sustainable natural resources management and environmental services delivery.
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ANNEX

IMPORTANT MILESTONES RELATED TO INDIGENOUS ISSUES

Convention No. 169 concerning Indigenous and Tribal Peoples in Independent Countries, adopted by ILO in 1989, was the first international instrument to deal with protecting multiculturalism by ensuring indigenous peoples' rights over their legal status, lands, internal structure and development model. The convention entered into force in September 1991 and has been ratified by 17 countries, 13 of which are in Latin America and the Caribbean (Argentina, Bolivia, Brazil, Colombia, Costa Rica, Dominica, Ecuador, Guatemala, Honduras, Mexico, Paraguay, Peru and Venezuela). The other countries are Denmark, Fiji, The Netherlands, and Norway. Finland, Germany, The Philippines, Sweden and Switzerland are considering ratification.

The World Conference on Human Rights (1993) explicitly highlighted the international community's commitment to promoting the economic, social and cultural well-being of indigenous peoples. It exhorted states to take concerted positive steps to ensure respect for human rights, recognizing the value of the diversity of the distinct identities, cultures and social organizations of indigenous peoples.

In 1994 the Sub-Commission on Prevention of Discrimination and Protection of Minorities (now named the Sub-Commission on the Promotion and Protection of Human Rights) approved the draft United Nations declaration on the rights of indigenous peoples, which, inter alia, emphasizes indigenous peoples' right to determine their own development on their territories and the obligation of states to obtain prior informed and free consent to any project affecting them.

The United Nations General Assembly proclaimed the International Decade of the World's Indigenous Peoples, 1995-2004 (following the international year dedicated to indigenous peoples). The aim of the decade is to strengthen international cooperation in areas such as human rights, environment, development, education and health, in partnership with indigenous peoples.

The United Nations Programme of Action from the 1992 Rio Declaration, Agenda 21, recognizes indigenous peoples as a "major group" and includes a chapter on their situation (chapter 26) stating that efforts to implement sustainable development should recognize, accommodate, promote and strengthen the role of indigenous peoples and their communities.

The Convention on Biological Diversity, in its article 8j, addresses the question of indigenous peoples and intellectual property rights. The United Nations Framework Convention on Climate Change calls for sustainable management of forests as carbon sinks and reservoirs of greenhouse gases. Finally, articles 16g and 17c of the Convention to Combat Desertification, which calls for the protection of traditional technologies, practices and knowledge, are of special relevance to indigenous peoples.

The Permanent Forum on Indigenous Issues, an advisory body of the United Nations Economic and Social Council, was established in 2000 and inaugurated in May 2002 in New York. It has a mandate to discuss indigenous issues relating to economic and social development, culture, the environment, education, health and human rights.

ENDNOTES

- 1 The United Nations has adopted as its working definition of “indigenous peoples” the widely accepted definition used by José Martínez-Cobo, the Special Rapporteur to the then Sub-Commission on Prevention of Discrimination and Protection of Minorities, in his study of discrimination against indigenous peoples: “Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from the other sectors of societies now prevailing in those territories, or parts of them. They form at present non-dominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal systems.” (United Nations document E/CN.4/Sub.2/1986/87). The Asian Development Bank, the World Bank and other international organizations use the term indigenous peoples to refer to those with a social and cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in development processes.
- 2 Deruyttere, R., 1997; Plant, R., 1998 and 2002.
- 3 IFAD, 2002a.
- 4 United Nations, 2002; Davis and Patridge, 1994; Plant, 2002; McCaskill and Kampe, 1977; Singh and Jabbi, 1996.
- 5 Patrinos and Psacharopoulos, 1994.
- 6 WSSD, 2002, paragraph 25.
- 7 United Nations, 1995.
- 8 IFAD, 2002b.
- 9 IFAD, 2002c
- 10 These exercises have proven to be powerful visual instruments for discussing and reflecting on concerns pertaining to gender, inclusiveness and intergenerational equity. They are also valuable tools for establishing both community land-management plans and workplans and budgets for implementing them.
- 11 United Nations, 2001.
- 12 Commission of the European Communities, 2002.
- 13 Rainforest Foundation, 2002.
- 14 Notably, the World Indigenous Conference, Kari-Oca, Rio de Janeiro, 25-30 May 1992; and the Indigenous Peoples International Summit on Sustainable Development, Kimberly, South Africa, 20-23 August 2002.
- 15 Several governments, including Bolivia, Canada, Colombia, Guatemala, India and The Philippines, have adopted measures to integrate decentralized local government entities with traditional indigenous peoples’ power structures and community authorities.
- 16 Jodha, 2001.

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