

ADB

Policy
on Indigenous Peoples

Asian Development Bank

Abbreviations

APEC	-	Asia-Pacific Economic Cooperation
DMC	-	developing member country
NGO	-	nongovernment organization
OER	-	Office of External Relations (formerly known as Information Office)

Introduction

Indigenous peoples¹ can be regarded as one of the largest vulnerable segments of society. While differing significantly in terms of culture, identity, economic systems, and social institutions, indigenous peoples as a whole most often reflect specific disadvantage in terms of social indicators, economic status, and quality of life. Indigenous peoples often are not able to participate equally in development processes and share in the benefits of development, and often are not adequately represented in national, social, economic, and political processes that direct development. While constituting a relatively small part of the population of ADB's region, indigenous peoples and their potential vulnerability must be regarded as significant in ADB's development efforts and interventions.

It is neither desirable nor possible to insulate or exclude indigenous peoples from development. Like dominant or mainstream populations—the group or groups in a country that are politically, economically, and culturally most powerful—indigenous peoples have developmental aspirations. However, indigenous peoples may not benefit from development programs designed to meet the needs and aspirations of dominant or mainstream populations, and may not be given the opportunity to participate in the planning of such development. There is increasing concern in the international development

1 "Indigenous peoples" as used in this paper encompasses a generic concept not easily reflected in a single term. Other terms relating to the concept of indigenous peoples as addressed in the ADB policy include "cultural minorities," "ethnic minorities," "indigenous cultural communities," "tribals," "scheduled tribes," "natives," and "aboriginals." Accepted or preferred terms and definitions vary country by country, by academic discipline, and even by the usage of groups concerned. "Indigenous peoples" is the term used in the United Nations documents, and is used by ADB solely for convenience.

community that indigenous peoples be afforded opportunities to participate in and benefit from development equally with other segments of society, and have a role and be able to participate in the design of development interventions that affect them.

The legislation and policies of most member countries of ADB recognize indigenous peoples as citizens. In practice, however, indigenous peoples often experience disadvantage in interaction with dominant and mainstream populations, especially as relates to development. Beyond not benefiting from development participating in the planning of development, indigenous peoples can be disadvantaged by loss of access to ancestral lands and the natural resources and other sources of income contained in these lands; loss of culture, social structures, and institutions; loss of indigenous knowledge; loss of recognition as indigenous peoples; and a lack of opportunities for effective participation in national, political, and economic processes. Lack of participation in development combined with the loss of access to land and resources have in many cases marginalized indigenous peoples. In some extreme cases, indigenous peoples have suffered physical oppression. In a few cases, indigenous cultures have disintegrated or disappeared.

In its operations, ADB recognizes and respects the sovereignty of its member countries, including national legislation and policy relating to indigenous peoples. However, at the same time, ADB recognizes a responsibility for ensuring equality of opportunity for indigenous peoples and that its operations and assistance in its developing member countries (DMCs) do not negatively affect the welfare and interests of indigenous peoples. If an ADB intervention does affect indigenous peoples negatively, adequate measures must be taken to mitigate the negative impact, or make certain that a compensation plan ensuring that project-affected people are as well off with the project as without it, is prepared and implemented.

ADB's policy on indigenous peoples defines approaches that recognize the circumstances of indigenous peoples and that identify measures toward satisfying the needs and developmental aspirations of indigenous peoples. The policy focuses on the participation of indigenous peoples in development and the mitigation of undesired effects of development. The policy provides a working definition of

indigenous peoples to apply to ADB operations. The policy also addresses laws and international conventions that apply and practices of comparator institutions. Finally, the policy presents a set of objectives and operational approaches and procedures and considers the organizational implications of a formal ADB policy addressing indigenous peoples.

Definition of indigenous peoples

Developing a single, specific definition or identification for indigenous peoples would be difficult. Within the Asian and Pacific Region, individual indigenous peoples' communities reflect tremendous diversity in their cultures, histories and current circumstances. Country by country, the relationships between indigenous peoples and dominant or mainstream groups of society vary.

From the perspective of developing a working definition of indigenous peoples for use in ADB operations, several aspects must be considered. A starting point would be to define indigenous peoples on the basis of characteristics they display. Two significant characteristics would be

- descent from population groups present in a given area, most often before modern states or territories were created and before modern borders were defined;
- maintenance of cultural and social identities; and social, economic, cultural, and political institutions separate from mainstream or dominant societies and cultures. In some cases, over recent centuries, tribal groups or cultural minorities have migrated into areas to which they are not indigenous, but have established a presence and continue to maintain a definite and separate social and cultural identity and related social institutions. In such cases, the second identifying characteristic would carry greater weight.

Additional characteristics often ascribed to indigenous peoples include

- self-identification and identification by others as being part of a distinct indigenous cultural group, and the display of a desire to preserve that cultural identity;
- a linguistic identity different from that of the dominant society;
- social, cultural, economic, and political traditions and institutions distinct from the dominant culture;
- economic systems oriented more toward traditional systems of production than mainstream systems;
- unique ties and attachments to traditional habitats and ancestral territories and natural resources in these habitats and territories.

Indigenous peoples also are described with reference to their ways of life. In many cases, indigenous peoples live in separated communities or cultural or ethnic groupings. Such communities and groupings often are located in areas geographically distant from urban centers and often function at the periphery of the political, social, cultural, and economic systems of the dominant or mainstream society. At the same time, however, it is not unusual to find indigenous peoples' communities on the fringes of urban areas, comprising indigenous peoples who have migrated but remain distinct from the mainstream. Indigenous peoples' communities in a given country can reflect varying degrees of acculturation and integration into the dominant or mainstream society.

A working definition employed in ADB's operations as they affect indigenous peoples is:

Indigenous peoples should be regarded as those with a social or cultural identity distinct from the dominant or mainstream society, which makes them vulnerable to being disadvantaged in the processes of development.

In specific development interventions supported by ADB, the national legislation of the country in which the development intervention is taking place contributes to a basis for defining indigenous peoples. This includes constitutional, statutory, and customary law, as well as international law, including any international conventions

to which the country is a party. It would be necessary that other country-specific considerations be taken into account.

An operational determination of a distinct identity for indigenous peoples would be based in the requirements of applicable national law and the applicability of the definitions and characteristics described above. The application of any definition of indigenous peoples should work to differentiate between indigenous peoples and other cultural and ethnic minorities for which indigenous status is not an issue. The broader protection of vulnerable groups is an issue addressed in other policies and practices of ADB.

Case-specific identification of indigenous peoples affected by ADB operations and approaches to addressing specific indigenous peoples' concerns would be addressed in the process of initial social assessment and the preparation of an indigenous peoples plan (*see pages 17-21 and the Appendix*).

Indigenous peoples and development

As socioeconomic development takes place, many development initiatives are extending farther into geographically remote areas often considered the traditional homelands of indigenous peoples; these areas often offer resources such as forests, minerals, and hydropower potential. Roads, power transmission lines, and other infrastructure development initiatives similarly are extending into the traditional areas of indigenous peoples. In parallel with physical and economic development, dominant and mainstream populations and cultures also are extending themselves into the traditional areas of indigenous peoples.

Protection of indigenous peoples from development or maintenance of a status quo for indigenous peoples should not be a development objective. At the same time, it is not uncommon that interests of indigenous peoples differ from those of the mainstream, and that development policies and approaches addressing the interests of dominant and mainstream communities conflict with the interests of indigenous peoples. What may be in the broad national interest may not be in the specific interests of indigenous peoples, and development emerging from dominant and mainstream community-oriented initiatives may arrive in forms not consistent with indigenous peoples' interests or concerns.

Development, as it most often is pursued, is intended to meet national goals and the interests of dominant and mainstream societ-

ies. Reducing poverty and improving the quality of life of people in general most often are the primary objectives of development. However, it is not always the case that poverty reduction and improvement in the quality of life realized from development extend equally to all segments of society, or that improvement reaches each segment of society. Moreover, in mainstream-oriented economic development policies, indigenous peoples may bear a disproportionate burden of the negative social, economic, and environmental effects that such development projects may bring, without realizing commensurate benefits.

Goals and objectives of development

There may be differences in views between dominant and mainstream societies and indigenous peoples' communities as to the broad goals and objectives that development should pursue. Development viewed from the mainstream often is measured in terms of economic advancement or gain and improvement in a mainstream-based definition of quality of life, and most often places emphasis on economic growth. From the development perspective of indigenous peoples, in addition to economic advancement, there may also be concern for social, cultural, environmental, and community aspects of development—development as a combination of economic advancement and social, cultural, and community development. Indigenous peoples sometimes view the principles and efforts of mainstream development as inappropriate or unsustainable, and as an intrusion into traditional ways of life. The physical intrusions of development interventions into the traditional domains of indigenous peoples, and social intrusions into indigenous cultures, can be viewed by indigenous peoples and others as a violation of rights—human rights, rights to land, and rights associated with the maintenance of culture.

Culture and development

Indigenous peoples' desires to protect their cultural identities and to preserve aspects of culture based in ancestral lands and resources is receiving increasing recognition within the international development community. Increasing recognition is being given to the principle of indigenous peoples determining their own pace and path of

development, and there is increasing recognition that social and cultural diversity is in the interest of society and is not an obstacle to national development or economic stability. There is increasing recognition that there is dignity in all cultures, that there should be equality in opportunity for all segments of society, and that all segments of society deserve opportunities for equal access to both the factors and the benefits of development.

Laws and conventions affecting indigenous peoples

National laws and practices

With a substantial portion of the world's indigenous peoples living in Asia and the Pacific, virtually every country in the ADB's region has an indigenous population. While the effectiveness of provisions may vary, some countries recognize the unique status of indigenous peoples and extend the privileges and protections of citizenship. Few countries have enacted laws that recognize any rights of indigenous peoples to ancestral lands, or that support indigenous peoples regaining and strengthening their social, cultural, and legal institutions. In many cases, enforcement of laws that may exist has been inadequate.

Some countries have experienced conflicts between interests of indigenous peoples and interests of dominant and mainstream communities. These conflicts most often relate to control over and exploitation of natural resources in the areas indigenous peoples claim as traditional domains. Appropriation of ancestral territories or resources in these territories by governments or external interests most often is justified as a part of economic development and growth. Indigenous peoples' sparse occupation of large areas of land and nonintensive use of resources often is characterized by external interests as economic inefficiency or lost opportunity. Indigenous

peoples' land and resource management practices sometimes are viewed as unsustainable or environmentally damaging.

At the national level, in some cases, new laws, policies, and other measures may be necessary to reconcile competing demands and conflicting interests, especially if interests of indigenous peoples are to be protected. In any case, however, ADB must respect the will of governments, including legislation and policy that exists and the power of eminent domain that governments possess. Country programs and project selection will be developed in cooperation with governments. When difficulties are encountered, ADB may be able to provide guidance or assistance through mechanisms such as policy dialogue and technical assistance.

International conventions and declarations

The international community has shown increasing concern for the protection of the rights of indigenous peoples. Conventions and declarations of the international community provide a broad framework, as well as specific statements regarding the protection of indigenous peoples and their interests, cultures, ways of life, cultural survival, and development. It may be noted that some international instruments relating to indigenous peoples have not been ratified by large numbers of the international community.

The United Nations *Universal Declaration of Human Rights* (1948) and *International Covenant on Civil and Political Rights* (1966) have specific significance for indigenous peoples. The Universal Declaration provides a common standard for the human rights of all peoples and all nations, and proclaims the importance of traditional, political, and civil rights, as well as basic economic, social, and cultural rights. The Covenant spells out civil and political rights and guiding principles based on the Universal Declaration.

The 1957 International Labour Organisation (ILO) Convention No. 107, *Protection and Integration of Indigenous and Other Tribal and Semi-Tribal Populations in Independent Countries*, addresses the right of indigenous peoples to pursue material well-being and spiritual development, and was a first international instrument in specific support of indigenous peoples. Largely because of its view that indigenous peoples should be integrated into the larger society, a view that subsequently

came to be seen by many as inappropriate, Convention No. 107 was followed in 1989 by the ILO Convention No. 169, *Convention Concerning Indigenous and Tribal Peoples in Independent Countries*.

Convention No. 169 presents the fundamental concept that the way of life of indigenous and tribal peoples should and will survive, as well as the view that indigenous and tribal peoples and their traditional organizations should be closely involved in the planning and implementation of development projects that affect them. As the most comprehensive and most current international legal instrument to address issues vital to indigenous and tribal peoples, Convention No. 169 includes articles that deal with consultation and participation, social security and health, human development, and the environment. To date, Convention No. 169 has been ratified by only a few countries, and so far by none in the Asian and Pacific Region.

Agenda 21 adopted by the United Nations Conference on Environment and Development (UNCED) in 1992 recognizes the actual and potential contribution of indigenous and tribal peoples to sustainable development. The 1992 *Convention on Biodiversity* calls on contracting parties to respect traditional indigenous knowledge with regard to the preservation of biodiversity and its sustainable use. The *Vienna Declaration and Programme of Action* emerging from the 1993 World Conference on Human Rights recognizes the dignity and unique cultural contributions of indigenous peoples, and strongly reaffirms the commitment of the international community to the economic, social, and cultural well-being of indigenous peoples and their enjoyment of the fruits of sustainable development.

The United Nation's 1993 *Draft Declaration on the Rights of Indigenous Peoples*, developed with the direct participation of indigenous peoples' representatives and currently under consideration within the United Nations, addresses issues such as the right to participation, the right of indigenous peoples to direct their own development, the right of indigenous peoples to determine and develop priorities and strategies for the development or use of ancestral territories and resources, and the right to self-determination. The emerging concern for indigenous peoples prompted the United Nations to declare 1993 as the International Year of the World's Indigenous Peoples and the decade from December 1994 as the Indigenous Peoples' Decade.

Policy objectives, processes, and approaches within ADB

Policy objectives

In its operations, ADB observes a policy and associated strategies and approaches that recognize the potential vulnerability of indigenous peoples in development processes, and that ensure that indigenous peoples have opportunities to participate in and benefit equally from development. ADB's strategies and approaches are designed to avoid negatively affecting indigenous peoples in its operations, and to provide adequate and appropriate compensation when a negative impact is unavoidable. ADB's development efforts work to ensure that development initiatives affecting indigenous peoples are effective and sustainable. Such initiatives should be compatible in substance and structure with the affected peoples' culture and social and economic institutions, and commensurate with the needs, aspirations, and demands of affected peoples. Initiatives should be conceived, planned, and implemented, to the maximum extent possible, with the informed consent of affected communities, and include respect for indigenous peoples' dignity, human rights, and cultural uniqueness.

Strategies and approaches to development that affect indigenous peoples must include clear mechanisms for accurate, objective analysis of their circumstances. Development processes must incorporate transparency and accountability. The policy on indigenous peoples applies to operations in both the public and the private sectors.

The strategies and approaches employed by ADB in relation to indigenous peoples build on the existing strategic framework and operational experience. The policy addressing indigenous peoples complements and supports, and is complemented and supported by other ADB policies. Compliance with a policy on indigenous peoples does not obviate the requirement of compliance with other ADB policies.

Operational processes

Initial social assessment

The first step in addressing indigenous peoples' concerns is through the initial social assessment (ISA). An ISA is required for every ADB development project.² The ISA identifies intended project beneficiaries as well as groups that might be affected adversely. The ISA addresses people's needs, demands, and capacities, as well as the key social dimensions that a project must address, such as involuntary resettlement, poverty reduction, human development, gender and development, and vulnerable groups. As such, indigenous peoples would be a specific concern to be considered in the ISA process. The ISA should be undertaken as early as possible in the project development process, preferably by the time of the project preparatory technical assistance (PPTA) fact-finding or other preparatory studies, to ensure that all relevant social concerns will be addressed in project design.

If the ISA determines that indigenous peoples are likely to be affected significantly by an ADB intervention or that indigenous peoples are disadvantaged or vulnerable in an intervention because of their social or cultural identity, a specific indigenous peoples' plan addressing indigenous peoples and their concerns, that is time-bound and that has appropriate budget provisions, must be developed. This plan would be incorporated as an integral part of project design.

2 For a detailed explanation of the ISA, see ADB's *Operations Manual* (Section 47) and *Guidelines for Incorporation of Social Dimensions in ADB Operations*, ADB, Manila, October 1993, pp. 23-26. For specific approaches to the ISA, including sectoral checklists of relevant concerns, see *Handbook for Incorporation of Social Dimensions in Projects*, ADB, Manila, May 1994.

The ISA would address definition and identification of indigenous peoples in the specific context of the project in question. Such definition and identification would consider all relevant factors, including country-specific considerations and national legislation and policy. The indigenous peoples' plan would focus specifically on indigenous peoples to be affected and specific socio-economic issues that would be significant.

Indigenous peoples' development plan

For an ADB-assisted development project that affects indigenous peoples adversely and significantly, an indigenous peoples' plan acceptable to the Bank must be prepared. Beyond addressing indigenous peoples' populations and relevant social issues, the indigenous peoples' plan must include specific measures and approaches to be taken to address issues affecting indigenous peoples. A project negatively affecting indigenous peoples must be appropriately redesigned to mitigate negative effects, or include an acceptable compensation plan. The provision of compensation should not be a substitute for efforts to avoid or mitigate negative effects a project may have.

The indigenous peoples' plan would form a basis for project implementation and for monitoring and evaluation of how a project deals with indigenous peoples' issues. Specific components or provisions of the plan must be included in the project design; the plan should address questions of sustainability of the proposed project as well as questions of its implementation. The Appendix to this brochure provides key elements to be considered in the creation of such a plan.

The responsibility for preparation of an indigenous peoples' plan acceptable to ADB and for its implementation rests with the government or other project sponsors. ADB staff involved in the processing of a project affecting indigenous peoples must inform the government or other project sponsors of ADB's policy on indigenous peoples. The indigenous peoples' plan should be submitted to ADB by the government or private sector project sponsor preferably along with the feasibility study for the project. As the costs of an indigenous peoples' plan would affect and be part of the overall cost of a project, and as implementation of the indigenous peoples' plan would have effects on the overall implementation schedule of a project,

preparation of the plan must be completed no later than the appraisal stage of a project. ADB would support the efforts of the government or other project sponsors, as necessary and appropriate, through

- assistance in formulating and implementing the indigenous peoples' plan;
- assistance in formulating policies, strategies, laws, regulations and other specific actions related to indigenous peoples;
- providing technical assistance to strengthen the capacity of agencies responsible for indigenous peoples; and
- financing eligible costs of implementing the indigenous peoples' plan, if requested. For any project, the indigenous peoples' plan necessarily must be completed before project appraisal.

The indigenous peoples' plan would include an executive summary, with salient issues of this executive summary preferably to be included in the draft Report and Recommendation of the President (RRP) to be considered in the Management Review Meeting, and in every case in the final RRP for submission for Board of Directors' consideration.

Operational approaches

In development efforts that affect indigenous peoples, it is necessary that ADB integrate concern for indigenous peoples into each step of programming, project processing, and policy development cycles. Beyond program- and project-related considerations, it is likely that structural constraints could affect realization of policy objectives. Such constraints may include a lack of

- an appropriate legislative framework in DMCs;
- necessary capacity or relevant development institutions and agencies;
- detailed and objective knowledge and information about indigenous peoples and their circumstances; and
- accurate and effective representation of indigenous peoples.

In addition to directly addressing the needs of indigenous peoples, strategies to overcome structural constraints should be explored.

Effective approaches to information dissemination and communication with indigenous peoples communities should be identified, especially where conventional approaches to information dissemination and communication may not be effective. It may also be necessary to provide specific consideration to matters such as indigenous women's concerns.

Achievements that have been realized in the implementation of policies addressing indigenous peoples' concerns may form the basis for considering appropriate adjustments in borrowing countries' legislation and institutional channels. In this regard, it would be desirable that indigenous peoples' issues be addressed in project monitoring and evaluation activities, and that indigenous peoples participate in monitoring and evaluation processes. Modalities for policy development could include policy dialogue and other appropriate technical assistance. Ideally, development of necessary strategies would be based on consultations involving ADB, DMC governments, other project sponsors as appropriate, representatives of indigenous peoples, and other stakeholders.

Key issues that should be considered as ADB addresses indigenous peoples matters, and the continuity and development of indigenous peoples' communities, include

- legal recognition of ancestral domain and the traditional rights of indigenous peoples over land and resources;
- recognized legitimacy of the indigenous social and legal institutions of indigenous peoples; and
- recognition of the right of indigenous peoples to direct the course of their own development and change.

Institutional strengthening and capacity building support for indigenous peoples' communities should be provided as necessary and appropriate. Similarly, as necessary and appropriate, institutional strengthening and capacity building support should be provided to relevant government entities when such support would increase the effectiveness and efficiency of such entities.

Organizational implications

The *Office of Environment and Social Development* (OESD) holds primary organizational responsibility for implementation of ADB's policy on indigenous peoples. OESD provides guidance and assistance to other departments and offices on the application of the policy in ADB operations, and consults with these departments and offices on the development of relevant operational practices and procedures.

OESD is be responsible for developing and coordinating operational guidelines for implementation and operationalization of the policy on indigenous peoples. These guidelines are developed with the active input and cooperation of other departments and offices of ADB. On an ongoing basis, OESD gathers and disseminates relevant information to other units of ADB.

OESD has a Social Development Specialist as ADB-wide focal point and resource person to provide specific advice and guidance on matters related to indigenous peoples in ADB's operations. OESD holds responsibility for reporting as required on the implementation and application of an indigenous peoples' policy.

The *Programs Departments* are responsible for applying the policy on indigenous peoples as it relates to country programming, and for incorporating such policy aspects in the development of country strategies and in project and technical assistance identification. This process would be a part of policy dialogue with governments. As country-level programming processes, including those related to the preparation of the Country Operational Strategy, are the initial steps in country-level project identification, concern for indigenous peoples'

matters would have significance in these processes. The Programs Departments consider social development issues as they arise in country programming processes and in economic and sector work. *Resident Missions* are country-level points of contact on matters relating to indigenous peoples and provide advice to Headquarters staff. Headquarters provides necessary support in this regard.

The *Projects Departments* have responsibility for project-specific aspects of indigenous peoples policy, including making governments, project executing agencies, and other project sponsors aware of ADB's policy provisions and requirements. This responsibility will apply to project identification, processing, implementation, and monitoring. The Projects Departments are normally responsible for the initial social assessment process, and for the development of appropriate indigenous peoples' development plans when required.

The *Office of Pacific Operations* holds responsibility for indigenous peoples' policy as it relates to operations in ADB's Pacific DMCs.

The *Operations Evaluation Office*, through its postevaluation function, is responsible for assessing the effectiveness of ADB's operations in implementing and applying the policy on indigenous peoples, and the development of appropriate evaluation criteria.

Policy on indigenous peoples

Policy on indigenous peoples in ADB operations

For development interventions it supports or assists, ADB will ensure that affected populations and persons are at least as well-off as they would have been in the absence of the intervention, or that adequate and appropriate compensation is provided. The policy ensures equality of opportunity for indigenous peoples. The policy ensures the ADB interventions affecting indigenous peoples are

- consistent with the needs and aspirations of affected indigenous peoples;
- compatible in substance and structure with affected indigenous peoples' culture and social and economic institutions;
- conceived, planned, and implemented with the informed participation of affected communities;
- equitable in terms of development efforts and impact; and
- not imposing the negative effects of development on indigenous peoples without appropriate and acceptable compensation.

The policy, together with practices addressing indigenous peoples, applies in parallel with and does not replace or supersede other ADB policies and practices. Each of the elements of the policy and practice addressing indigenous peoples are considered within the context of national development policies and approaches, and the fundamental

relationship between ADB and governments remains the basis for country-specific operations.

The policy on indigenous peoples ensures that the process of initial social assessment mandated in ADB operations includes specific consideration of indigenous peoples as a potentially affected population. If the initial social assessment identifies indigenous peoples specifically as a significantly and adversely affected population, or vulnerable to being so affected, it is required that an indigenous peoples' plan acceptable to ADB be prepared by a government or other project sponsors.

ADB will work to develop necessary and appropriate internal capacities for addressing indigenous peoples' matters in its operational activities.

ADB will work with borrowing member countries as appropriate and necessary to support and assist the development of capacities for addressing indigenous peoples' matters. As necessary and appropriate, specific institutional development and capacity-building support would be provided to both indigenous peoples' communities and to governments, consistent with ADB's policies and approaches addressing institutional development and capacity building.

Appendix

Key elements in an indigenous peoples development plan

1. The responsibility for preparation of an indigenous peoples plan acceptable to ADB rests with the relevant government or project sponsor. ADB will support the efforts of the government or project sponsor as necessary and appropriate. Key elements in ensuring that an appropriate indigenous peoples development plan is prepared include

- (i) preparation, during project design, of a development plan that takes into full account the desires and preferred options of indigenous peoples affected by the project;
- (ii) studies to identify potential adverse effects on indigenous peoples to be induced by the project, and to identify measures to avoid, mitigate, or compensate for these adverse effects;
- (iii) measures to ensure the capacity or the strengthening of the social, legal, and technical skills of government institutions to be responsible under the project for dealing with indigenous peoples;
- (iv) involvement of appropriate existing institutions, local organizations, and nongovernment organizations with expertise in matters relating to indigenous peoples;
- (v) consideration in project design of local patterns of social organization, cultural belief, and ancestral territory and resource use;

- (vi) support for viable and sustainable production systems that are adapted to the needs and local environments and circumstances of indigenous peoples;
- (vii) avoidance of creating or aggravating the dependency of indigenous peoples on project entities, and instead promoting self-reliance among these peoples;
- (viii) capacity building for indigenous peoples communities and organizations to facilitate and support effective participation in development processes; and
- (ix) adequate lead time and arrangements for extending follow-up, especially in dealing with indigenous peoples in remote or neglected areas where little previous experience is available.

Consultation with indigenous peoples groups is key to developing an effective, accurate, responsive indigenous peoples development plan.

2. Indigenous peoples often lack the information, knowledge, analytical and organizational capacities, and political channels and power to influence and direct development processes that directly or indirectly affect their lives. The following basic principles should apply to ADB-supported projects that affect indigenous peoples.

- (i) All development plans for indigenous peoples, including provisions for mitigation measures, should be based on full consideration of the options and approaches, including requirements for consultation, that best meet the interests of individuals and communities affected by projects. Qualified specialists should be involved in the formulation of such plans and mitigation measures, in consultation with the persons affected, both men and women. The development of approaches, plans, and mitigation measures must include consultation with the peoples affected.
- (ii) When it is indicated that a project will have adverse effects on indigenous peoples, it is necessary that the scope and impact of such adverse effects be thoroughly assessed by qualified experts or agencies, and that appropriate mitigation measures are identified in feasibility studies. It is preferable that the net impact

a project will have on indigenous peoples be not only positive, but also be perceived by indigenous peoples as positive. If individuals or communities must lose their social support systems or ways of life so that a project can proceed, they should be compensated appropriately.

- (iii) Project design should take into consideration the social and cultural context of affected peoples, and their skills and knowledge relating to local resource management. Project design should draw upon the strengths of indigenous peoples organizations and communities, as well as traditional social organizations and indigenous knowledge, and as far as feasible should avoid introducing undesirable or unacceptable changes in the way of life of indigenous communities.
- (iv) During project preparation, those preparing the project should promote the formation or strengthening of indigenous peoples' organizations and communications to facilitate their participation in project identification, planning, execution, and evaluation. As needed, provision should be made to train indigenous peoples in project management activities.
- (v) Where previous experience and knowledge of working successfully with indigenous peoples is lacking, pilot-scale operations should be carried out and evaluated prior to the execution of full-scale efforts.
- (vi) If government institutions responsible for interaction with indigenous peoples do not possess the necessary legal, social, and technical capacities, or if their relationship with indigenous peoples is weak, the involvement of experienced local community organizations and nongovernment organizations that can serve as intermediaries and that are acceptable to all parties involved, including governments, should be sought. Consideration should be given to traditional representative institutions. Approaches to developing the capacity of government institutions should be explored.
- (vii) ADB approval of a project should not be based only on the concept and quality of project design, but also on the orientation, capacity, and operational record of the government agencies or other project sponsors concerned in executing the project.