

THE WORLD BANK

STATEMENT BY  
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**STATEMENT ON COOPERATION BETWEEN UN WORKING GROUP  
ON INDIGENOUS POPULATIONS AND THE WORLD BANK  
(Statement made under Agenda Item 7 (a):  
Cooperation with Other UN Bodies)**

Commission on Human Rights  
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learn from the practices of communities it serves so as to leverage the best in global and local knowledge systems and provide expertise and advice to its beneficiaries. For example, a recent World Bank study assesses poverty among Indigenous Peoples in Bolivia, Ecuador, Guatemala, Mexico and Peru. The main finding of the updated study is that income poverty rates changed little for Indigenous Peoples over the course of the decade. Other examples of the Bank research on Indigenous Peoples include studies of rights of Indigenous Peoples in national constitutions, and of poverty and social exclusion of Indigenous Peoples in urban areas.

**World Bank Policy on Indigenous Peoples:** The World Bank's revised policy on Indigenous Peoples (Operational Policy 4.10) was endorsed by its Board of Executive Directors on May 10, 2005. Beginning in 1982, the World Bank introduced a special policy for Tribal People in development projects. Following this, the Operational Directive (OD) 4.20 on Indigenous Peoples of 1991 was introduced, requiring development projects to avoid or mitigate adverse impacts on affected communities, and, more importantly, to provide them with culturally appropriate benefits. The revised World Bank policy, OP 4.10, reflects an increased awareness of the need to promote indigenous participation in development-related activities and to protect Indigenous Peoples' rights to their lands, resources, identities and culture.

The expanded working paper submitted by Mrs. Antoanela-Iulia Motoc and the Tebtebba Foundation of the Philippines to this twenty-third session on "Standard Setting: Legal Commentary on the concept of free, prior and informed consent" (paragraph 24) summarizes the provisions in the revised policy in the following terms. "[World Bank's] new policy on indigenous peoples, OP 4.10 of 10 May 2005, requires obtaining indigenous peoples' broad community support through culturally appropriate and collective decision-making processes subsequent to meaningful and good faith consultation and informed participation at each stage and throughout the life of the project. For projects...without such support, Bank will not proceed with project processing."

Please allow me to cite an additional paragraph of the policy, which pertains to the principal theme of this twenty-third session, namely, "Indigenous Peoples and the international and domestic protection of traditional knowledge." OP 4.10, paragraph 19, reads: "If the [World Bank financed] project involves the commercial development of Indigenous Peoples' cultural resources and knowledge (for example, pharmacological or artistic), the borrower ensures that as part of the free, prior, and informed consultation process, the affected communities are informed of (a) their rights to such resources under statutory and customary law; (b) the scope and nature of the proposed commercial development and the parties interested or involved in such development; and (c) the potential effects of such development on Indigenous Peoples' livelihoods, environments, and use of such resources. Commercial development of the cultural resources and knowledge of these Indigenous Peoples is conditional upon their prior agreement to such development. The [Indigenous Peoples Plan] reflects the nature and content of such agreements and includes arrangements to enable Indigenous Peoples to receive benefits in a culturally appropriate way and share equitably in the benefits to be derived from such commercial development."

Mr. Chair

Before I conclude, please also allow me to comment on the statements made during the twenty-third session calling for standard setting by the UN Working Group on Indigenous Populations on International Financial Institutions and Indigenous Peoples.

Mr. Chair, Distinguished Experts and Members of the Working Group on Indigenous Populations, Indigenous Leaders from around the world and Distinguished Delegates:

The World Bank is honored to participate in this twenty-third session of the UN Working Group on Indigenous Populations, which is reviewing developments pertaining to promotion and protection of the rights of Indigenous Peoples, in particular international and domestic protection of traditional knowledge; deliberating on standard setting issues relating to the concept of free, prior and informed consent; and discussing the draft principles and guidelines on the protection of heritage of Indigenous Peoples.

**The UN Working Group on Indigenous Populations and the World Bank:** As a representative of the World Bank, let me say here that our institution is eager to continue working together with the UN fora. The UN Working Group on Indigenous Populations and the UN Permanent Forum on Indigenous Issues have played a critical role in bringing Indigenous Peoples' issues to the attention of international financial institutions. The World Bank, for its part, has made substantive efforts to ensure that the development process fosters full respect for the dignity and human rights of Indigenous Peoples.

**World Bank strategy of direct engagement with Indigenous Peoples:** Since the mid-1990s, the World Bank has undergone an important strategic shift in working with Indigenous Peoples through a proactive approach that includes engaging directly with Indigenous Peoples and working closely with Indigenous Peoples organizations. Many Indigenous Leaders have entered into dialogue with the World Bank and we are working together to find proactive ways to address Indigenous Peoples' concerns.

*The World Bank Grants Facility*, launched in 2003, has been providing small grants to Indigenous Peoples Organizations and communities from around the world for a range of culturally appropriate pilot projects that build on Indigenous Peoples' culture, identity, knowledge, natural resources, intellectual property and human rights. Indigenous Peoples' leaders are in the voting majority on its Board. The extraordinary response to the call for proposals in the first two years is a clear indication of the great need for, as well as strong interest in, the small grants that the Grants Facility provides. Additionally, the World Bank has been mobilizing trust funds for a variety of small projects involving Indigenous Peoples, particularly for capacity building programs. Currently, it is extending financial support to the Fondo Indígena to implement a multiple year capacity building program for Andean Indigenous Leaders.

*The World Bank is currently financing 237 investment projects involving Indigenous Peoples, with some 97 additional projects under preparation.* These are either self-standing Indigenous Peoples projects or projects and programs with strong emphasis on benefits tailored to Indigenous Peoples. The majority of investment projects, which are the most important World Bank mechanism for targeting Indigenous Peoples as project beneficiaries, have been successful. Many projects have achieved their dual goals of human development and biodiversity protection, while others have faced difficulties. Review of recent projects in Latin America showed that consistent application of the Indigenous Peoples policy strengthened project effectiveness by facilitating Indigenous Peoples' participation as partners and principals in conservation actions.

*The World Bank is an acknowledged leader in social and economic development research, data collection, and knowledge dissemination.* In this role, it endeavors to

The World Bank is engaged in direct dialogue with the global Indigenous community and through the UN fora and will continue this dialogue. The standing arrangements between the UN system and the World Bank call for close coordination and extensive information sharing. It is the World Bank's Board of Executive Directors that endorses the policies and programs which are binding on the institution. Whenever the Bank supports, assists or finances a program jointly with another international entity, it must reach specific agreement prior to implementation of such a program.

Once again, I would like to thank you for this opportunity to address the twenty-third session of the UN Working Group on Indigenous Populations, reiterate our support to the UN Working Group and summarize the World Bank's current position on the important issue of Indigenous Peoples' traditional knowledge.

Thank you.