

Permanent Forum on Indigenous Issues  
Fifth Session- May 2006  
Agenda Item:

4 (g) The Second International Decade of the World's Indigenous Peoples

## **Promoting Indigenous Peoples' Rights within International Financial Institutions**

### **Collective Statement by:**

FAIRA, Saami Council, Forest Peoples Programme, International Indian Treaty Council, Tebtebba Foundation, Indian Law Resource Center, Programa Indigena del Centro de Asistencia Legal Popular (CEALP), Wara instituto indigena Brasileiro, de Brasil, Enlace Continental de Mujeres Indigenas Region Sudamerica, Comision de Juristas Indigenas en la Republica Argentina (CJIRA), Almaciga, Netherlands Centre for Indigenous Peoples (NCIV)

The adoption of the Second International Decade of the World's Indigenous Peoples renews the commitment of the United Nations to promote and protect the rights of indigenous peoples. One of the primary objectives of the Decade includes promotion of the full and effective participation of indigenous peoples in decisions which directly or indirectly affect their lifestyles, traditional lands and territories, cultural integrity, or any other aspect of their lives, in conformity with the principle of free, prior and informed consent.

Achieving the Millennium Development Goals for indigenous peoples must also be based on a recognition and promotion of the collective rights of indigenous peoples, particularly their right to self-determination and their right to determine the use and disposition of their lands, territories, and natural resources. When evaluating achievement of the MDGs as they relate to indigenous peoples, specific attention should be given to the impact of the policies and practices of international finance institutions (IFIs). IFIs initiate and promote policy reforms and finance many projects, including large infrastructure or extractive industry projects, which have profound impacts on indigenous peoples and their lands. Nevertheless, these institutions often finance such initiatives and projects without assuming any explicit legal responsibilities for upholding human rights norms despite the great dangers many of those projects pose to the environment and well-being of indigenous peoples.

Some IFIs – such as the World Bank, International Finance Corporation, Inter-American Development Bank, and the Asian Development Bank, have recently reviewed or approved new operational policies on indigenous peoples. Although these operational policies help establish a minimum set of safeguards, the substance of these policies continue to fall below international human rights standards applicable to indigenous peoples. To address substantive deficiencies in these policies, and to promote indigenous peoples' own development priorities, it is critical that an ongoing dialogue be maintained with IFIs regarding the nature in which their policies and practices impact indigenous peoples.

'While the operational policies are technically binding on staff members, they are regularly disregarded by the IFIs themselves since no external mechanisms exist to hold IFIs accountable.

Since IFIs are largely immunized from the consequences of their actions, the IFIs can act with impunity with regard to social and environmental risks and consequences.

To begin to systematically address this situation, we call on the Permanent Forum as a follow-up to the meetings that the Permanent Forum held with IFIs in November 2005 to:

- **Request ECOSOC to approve a Decision that authorizes an international expert seminar meeting to be held on “Indigenous Peoples and International Financial Institutions”. The decision would read:**

*The Economic and Social Council decides to authorize a three day international expert group meeting on **International Financial Institutions and Indigenous Peoples** with the participation of representatives of the United Nations system, and three members of the Permanent Forum on Indigenous Issues, and invites other interested intergovernmental organizations such as the Multilateral Development Banks, the Organization for Economic Co-operation and Development’s Export Credit Division and its Working Party on Export Credits and Credit Guarantees; private banks and investors; the European Commission; experts from indigenous organizations; and interested Members States to participate as well, and requests that the results of the meeting be reported to the Permanent Forum at its sixth session in May 2007.*

Recommendations:

- **The UN Permanent Forum on Indigenous Issues invites the Special Rapporteur on the Rights and Fundamental Freedoms of Indigenous People to study and prepare a report on indigenous peoples’ rights and International Financial Institutions;**
- **The UN Permanent Forum on Indigenous Issues invites the Secretary General’s Special Representative on Human Rights and Transnational Corporations and other business enterprises, in carrying out his mandate, to actively consult with indigenous peoples’ representatives with a view to ensuring that their issues and concerns are fully addressed.**
- **The PFII recommends that the Committee on Economic, Social and Cultural Rights develop and adopt, with the participation of indigenous peoples, a General Comment on indigenous peoples that includes treatment of IFI- and MDG- related issues**