Ms. Chair,

Congratulations on the re-election.

Although indigenous or tribal peoples comprise a significant sector of the world's population, and often possess sophisticated environmental knowledge, they have largely been at the losing end of the development process. It is the great diversity of indigenous peoples -- in terms of their cultures, languages, ecological adaptations, and historical situations -- which poses the greatest challenge to development institutions and planners. How is it possible to incorporate such diversity into development planning?

One answer is an emerging approach which recognizes the right of indigenous peoples to participate actively in the planning of their own futures. This participatory approach to indigenous development is contained in the programs of most contemporary indigenous organizations, as well as in several international statements and resolutions. It is also reflected in the World Bank's Operational Directive on Indigenous Peoples, and in recent statements on the subject by the aid agencies of such countries as Canada, Holland and Belgium.

While the idea of indigenous participation is now accepted by many donor agencies, it is surprising how few development projects actually fit the needs of indigenous peoples. The reasons for this
include: (a) policy and legislative frameworks which do not recognize indigenous land and natural resource rights or provide for the participation of indigenous peoples; (b) prejudices against indigenous peoples and their cultures on the part of government personnel; (c) the tendency of many NGOs to control rather than assist indigenous peoples in designing and managing their own development projects; and (d) a lack of skills or preparedness on the part of many indigenous peoples to participate in a self-managed process of development.

Successful development with indigenous peoples demands a change of attitudes and perspectives on the part of several actors: donor agencies, national legislators and policy makers, government institutions and officials, non-governmental organizations and indigenous peoples themselves.

In the following, some critical issues which must be considered in the design of development projects in which indigenous peoples are primary stakeholders or beneficiaries are considered.

**Devising Appropriate Consultation Procedures**

In some ways, the consultation process with indigenous peoples is no different than that of other groups who are poor and marginalized. However, there are some special aspects which do make their situation different from that of other groups. These aspects include their distinct languages, their traditional social structures and leadership patterns, and their generalized mistrust of outsiders including representatives of the government and other ethnic or social groups. More than anything else, these factors need to be taken into account in the design of consultation procedures with indigenous peoples.

The language issue is central, because most indigenous peoples do not speak the national language, or if they do, they speak it in only a rudimentary fashion. Therefore, it is imperative that
consultations with indigenous peoples be held in the vernacular languages with skilled interpreters provided.

Within indigenous communities, often there are strong traditional institutions and leadership patterns, such as councils of elders or traditional chiefs, which may not be readily observable to outsiders. There may also be factions within indigenous communities, between more traditional and modernizing elements of the local society or between different kin groups. Local politics among indigenous peoples—like local politics everywhere—are complex and the best advice in setting up consultative or participatory processes is to be aware of the dynamics and nuances of the situation and not assume that first impressions are correct.

Perhaps, the major factor which determines whether or not consultative procedures with indigenous peoples will be successful is the element of trust. Through historical experience, indigenous peoples have learned to be cautious of "benevolent outsiders" whether they be missionaries, government officials, teachers, development agencies, or anthropologists. Those individuals or organizations which have been able to gain the trust of indigenous peoples, usually have done so through long years of contact, through the learning of indigenous languages and through a deep respect for indigenous cultures and traditions. If such individuals or organizations can be brought into the project preparation process, there is a much greater chance that consultative and participatory mechanisms can be introduced which are culturally appropriate and acceptable.

**Recognizing Land and Natural Resource Rights**

Most colonial powers viewed the lands and natural resources possessed by indigenous peoples as being "unoccupied" and therefore subject to their own claims without prior recognition or compensation, and these concepts and practices were carried into the post-independence period. Thus, we find today that in many parts of
the world, there is still relatively little legal recognition of indigenous land rights.

Because of this adverse legal situation and the economic demand for indigenous resources, many of the development programs with indigenous peoples must deal with the question of land tenure security and natural resource rights. The Bank and other international observers now realize the close relationship between indigenous participation and the recognition of indigenous land rights; and that, without the former, most legal and political frameworks will not address the needs of indigenous peoples.

The Bank has some experience in improving the institutional capacity of agencies responsible for the identification, demarcation and titling of indigenous lands. One of the major lessons learned from this experience is that land regularization programs for indigenous peoples are most successful when they include the participation of indigenous communities in the process of territorial delineation and protection. Most indigenous peoples have a sophisticated knowledge of the physical and cultural landscapes where they live, and this knowledge can be put to great use in the legal regularization of their homelands.

**Building Upon Subsistence Lifestyles**

The recognition of indigenous land tenure should be accompanied by measures to maintain and reinforce subsistence lifestyles. Under relatively isolated conditions and low population densities, these peoples are able to maintain a balance with their environment, while satisfying basic human needs for food and subsistence.

Indigenous peoples are not against change, and they do not wish to foresake the benefits which they might receive from Western ideas, tools and economies. However, many development programs are introduced at the price of the loss of their traditional livelihoods.
and lifestyles. These programs often lead to declines in food security, with its negative effects on health and nutrition.

Participation only makes sense when it takes place in a culturally recognizable framework. In the economic sphere, this means building upon what people already know, including their traditional knowledge of the environment, technologies and modes of subsistence.

**Using Indigenous Institutions**

Indigenous communities also possess a variety of forms of social organization and institutions which can serve as the building blocks of participatory development strategies. At the most basic level, these include nuclear and extended families, local lineages, and larger units such as clans and tribes. Villages may also be organized into neighborhoods, age-grades, religious associations, secret societies, and the like. Politically, decision-making powers may rest with village headmen, elder's councils, longhouse authorities or traditional chiefs.

Instead of creating new institutions to deal with specific development tasks, existing indigenous institutions should be taken as a starting point, making them the locus of development activities.

Social assessment analysis is fundamental to understanding the local institutions and networks of social relationships upon which participatory development strategies can be based. Indigenous peoples should participate in such social assessments, not as informants but as equal partners in an attempt to adapt traditional or existing institutions to new development realities.

**Investing in Culture and Communication**

The oral transmission of culture is one of the defining characteristics of indigenous cultures and, in great measure,
distinguishes it from the sorts of cultures which are transmitted through the printed word and electronic media.

Participatory development strategies should be based upon these cultural means of transmitting knowledge and values. This is not to say that indigenous peoples are not interested in obtaining more formal means of education, such as Western-style literacy and schooling.

Media such as songs, drama, proverbs, story-telling, etc. may be more appropriate in an indigenous context than the conventional approaches to rural health, education and agricultural extension. Thinking about communication is therefore an important ingredient in designing culturally appropriate education strategies.

**Strengthening Local Capacity**

Participatory development also implies the use and strengthening of the local capacity of indigenous peoples and their organizations to solve their own problems and define their own course of development. Government agencies and NGOs can play a crucial role in this area by providing indigenous peoples and their organizations with training in such basic areas as numeracy, accounting, management, project design and budgeting. They also can be an invaluable source of technical assistance in such areas as topography and land demarcation, forestry and natural resource management, land-use planning, agriculture, and the like.

Capacity strengthening means cooperating with indigenous peoples in defining their own development strategies. Capacity strengthening also means obtaining the skills to analyze and evaluate different development paths or options and ensuring that those which are chosen actually contribute to indigenous values and welfare.

The choice of which projects to pursue should arise out of a process of internal discussion and planning among indigenous peoples, rather than from outside agencies. In this way, indigenous
peoples can truly determine their own development, rather than always be subject to the whims of governments, missionaries, donors or NGOs.

**Financing Indigenous Development**

Lastly, participatory development with indigenous peoples, as with other population groups, demands financing. This issue has been left to the end of the exposition because there are so many matters which need to be addressed prior to the financing of indigenous development projects. There has been a tendency to "throw money" at indigenous communities, without systematically setting the groundwork in terms of consultation, institutional development, capacity building, and cultural communication. Therefore, some people have argued that the real funding needs of indigenous organizations and communities are for capacity building and pre-investment activities, rather than for the financing of actual projects.

Furthermore, the effectiveness of funding in large measure depends upon whether it is controlled by indigenous peoples themselves. Many of the first generation Bank projects with indigenous peoples, for example, tended to allocate funds to national government agencies. Typically, these projects increased the amount of staff, vehicles and infrastructure available to the indigenous affairs departments, but did little to better the conditions of indigenous peoples.

Hence, the challenges are: (a) to prepare indigenous communities and organizations to use funds effectively in terms of their actual needs and values and, (b) to ensure that those funds go directly to them. Sometimes intermediaries, such as non-indigenous NGOs or government agencies, will be needed, but the long range goal should be the control and management of funds by indigenous peoples themselves.
Some of the experience of the Bank and other institutions with "group-based lending" has particular relevance to financing development projects with indigenous peoples. The idea of joint liability is fundamental to the moral principles and social sanctions which underlie most indigenous or tribal societies.

The Role of the Bank

What can the Bank do to promote indigenous participation in the development process? Obviously, one thing which the Bank can and must do is to ensure that the projects which it finances do not adversely affect the capacity of indigenous peoples to participate in development, if they so wish. The Bank has introduced mandatory Environmental Assessment procedures which can identify potential social and cultural impacts on indigenous peoples early in the project cycle. Similarly, the revised OD on indigenous peoples looks toward the mitigation of potentially adverse effects through the mandating of Indigenous Development Plans.

But, what about the broader issue of participation— that is, the right of indigenous peoples to participate in the design and implementation of their own development projects? Here again, the Bank has a potentially important role in convincing governments to create an adequate policy framework that respects indigenous peoples and enables them to participate as distinct peoples in the development process. Here, it is important for the Bank to discuss more candidly with its Borrowers what positive attributes indigenous peoples bring to the development process, e.g., in the areas of environmental knowledge, livelihood strategies, traditional forms of social organization and governance, and perhaps most importantly, moral concerns and spiritual values.

The Bank can also play a vital role by more systematically sharing its experiences in this area with other actors, such as national governments, other donor agencies, and NGOs. There is relatively little known about how to do participatory development
with indigenous peoples, and perhaps the Bank could serve as a clearinghouse of sorts in generating more dialogue, discussion and empirical case materials on this vital issue.

Finally, the Bank can assist indigenous peoples themselves through the support of their initiatives in terms of capacity building and technical assistance. Furthermore, when conditions exist, it can also provide financing to indigenous development efforts, either directly to indigenous organizations and communities through such things as group-lending arrangements or through intermediaries, such as indigenous NGOs or responsible government agencies.

Indigenous peoples have historically been at the losing end of the development process. From the point of view of the Bank and its Member Borrowers, promoting the participation of indigenous peoples makes good economic as well as social and environmental sense. Poverty alleviation strategies must take into account the special needs and cultures of these peoples. Furthermore, the international community is coming to recognize the special rights of indigenous peoples, to such things as ancestral lands and natural resources, and the important role of their environmental knowledge in the design of more sustainable development paths.