

# Including indigenous peoples in Poverty Reduction Strategies

A Practice Guide  
Based on experiences  
from Cambodia, Cameroon and Nepal

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International Labour Organization  
2008

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# Table of contents

<b>Preface and acknowledgements</b> .....	1
<b>List of abbreviations</b> .....	3
<b>Introduction</b> .....	5
<b>1. The aid architecture: implications and entry points for indigenous peoples</b> .....	9
1.1. Pursuing Harmonization and Aid Effectiveness .....	9
1.2. The overall PRSP principles .....	11
1.3. Main entry points in the PRSP process .....	14
1.4. PRSP review and reporting procedures .....	15
1.5. Main conclusions regarding the inclusion of indigenous peoples' rights in the overall aid architecture .....	16
<b>2. Ensuring indigenous peoples' participation in PRSP processes.</b> .....	17
2.1. Institutional capacity of indigenous peoples: .....	19
2.2. National legislative and policy frameworks .....	22
2.3. The capacity of government institutions .....	24
2.4. Institutional policies of international agencies .....	24
2.5. Disaggregated data collection .....	27
2.6. Relevant indicators .....	29
2.7. Mainstreaming/targeting: .....	31
2.8. Linking planning and budgeting .....	32
2.9. Reporting .....	34

<b>3. Country experiences; Cambodia, Cameroon and Nepal . . . . .</b>	<b>37</b>
3.1. Background, process and objectives . . . . .	37
3.2. Cambodia . . . . .	37
3.3. Cameroon . . . . .	40
3.4. Nepal . . . . .	42

<b>Annexes . . . . .</b>	<b>45</b>
A. Main provisions of the Convention No. 169 and Declaration on the Rights of Indigenous Peoples regarding development . . . . .	45
B. References and suggested readings . . . . .	47

**Tables**

Table 1: Particular risks faced by indigenous peoples in relation to the principles of the Paris Declaration: . . . . .	10
Table 2: Core PRSP principles and opportunities for including indigenous peoples' concerns . . . . .	13
Table 3: Entry point for indigenous peoples in the formulation of the main PRSP elements . . . . .	15
Table 4: Assessment of key aspects of participation in the PRSP processes of Cambodia, Cameroon and Nepal. . . . .	18

## Preface and acknowledgements

The 2005 and 2006 Sessions of the UN Permanent Forum on Indigenous Issues (UNPFII)<sup>1</sup>, discussed the need for a thorough rethinking and adaptation of international and national development strategies to better reflect indigenous peoples' needs and priorities.

The ILO contributed actively to this discussion, inter alia by publishing a review of the inclusion of indigenous peoples' needs in 14 Poverty Reduction Strategy Papers (PRSPs)<sup>2</sup> and case studies of country processes in Nepal, Cambodia, Cameroon, Guatemala and Bolivia.

At the end of its 2006 Session, the UNPFII issued a recommendation for the World Bank, governments, indigenous organizations, UN organizations and bilateral donors to further explore inter-agency mechanisms to support the inclusion of indigenous peoples in national poverty reduction strategies in a number of pilot countries – and to report back to the Permanent Forum on the progress made and the opportunities and limitations encountered, with a view to replicating the initiative in other countries.

In 2007, and in response to the call by the UNPFII, the ILO initiated a one-year process to support the inclusion of indigenous peoples' issues in the PRSPs of three countries; Cambodia, Cameroon and Nepal. The process counted with financial support from the Permanent Mission of Denmark to the UN in Geneva.

The present publication captures the main experiences, conclusions, lessons learned and recommendations emerging from these processes. It is thus the result of collaborative efforts among a large number of organisations and individuals, in particular indigenous and government partners and colleagues in Cambodia, Cameroon and Nepal, including Mr. Sovathana Seng, Mr. Sek Sophorn and Ms. Kirsten Ewers Andersen (Cambodia), Mr. Belmont Tchoumba and Mr. Serge Bouopda (Cameroon), Mr. Bhuban B. Bajracharya and Mr. Krishna B. Bhattachan (Nepal), as well as Ms. Francesca Thornberry and Mr. Timothy Whyte from the PRO 169 team.

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<sup>1</sup> The Permanent Forum on Indigenous Issues is an advisory body of independent experts reporting to the Economic and Social Council on all matters within the mandate of the Council and was established by ECOSOC Resolution 2000/22.

<sup>2</sup> Manuela Tomei: *An Ethnic Audit of Selected Poverty Reduction Strategy Papers*, ILO, 2005.



## List of abbreviations

AECI	The Spanish Agency for International Cooperation
APR	Annual Progress Report
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CERD	Convention on the Elimination of All Forms of Racial Discrimination
D&D	Decentralisation and Deconcentration (Cambodia)
DAC	Development Assistance Committee (of the OECD)
Danida	Danish International Development Assistance
DfID	Department for International Development
DSRP	Document de Stratégie de Réduction de la Pauvreté (Cameroon)
ILO	International Labour Organization
IMF	International Monetary Fund
IPP	Indigenous Peoples Plan
IPPF	Indigenous Peoples Planning Framework (IPPF)
JSAN	Joint Staff Advisory Note
MDGs	Millennium Development Goals
MINAS	Ministère des Affaires Sociales (Cameroon)
MTEF	Medium-Term Expenditure Framework
NDHS	Nepal Demographic and Health Survey
NEFIN	Nepal Federation of Indigenous Nationalities
NFDIN	National Foundation for the Development of Indigenous Nationalities
NLSS	Nepal Living Standards Survey
NORAD	Norwegian Agency for Development Cooperation
NPC	National Planning Commission (Nepal)

*Including indigenous peoples in Poverty Reduction Strategies*

NSDP	National Strategic Development Plan (Cambodia)
OECD	Organisation for Economic Co-operation and Development
PAF	Poverty Alleviation Fund (Nepal)
PIP	Public Investment Programme (Cambodia)
PRS	Poverty Reduction Strategies
PRSP	Poverty Reduction Strategy Papers
SWAps	Sector-Wide Approaches
TYIP	Three-Year Interim Plan (Nepal)
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
UNPFII	United Nations Permanent Forum on Indigenous Issues

## Introduction

Poverty reduction is one of the global Millennium Development Goals (MDGs) and is the overarching aim of most national and international development strategies, including those supported by bi- and multilateral donors and lenders.

Poverty reduction is also a crucial concern for the approximately 350 million indigenous people around the world. Most of them live in developing countries and are disproportionately represented among the poor; they constitute approximately 5% of the world's population, but 15% of those living in poverty<sup>3</sup>.

There are specific considerations that need to be taken into account, when aiming at reducing poverty among indigenous peoples:

- Indigenous peoples are distinct peoples who have their own histories, territories, livelihood strategies, values and beliefs and thus hold distinct notions of poverty and well-being. If indigenous peoples' own perceptions and aspirations are not addressed in Poverty Reduction Strategies (PRS), there is a risk that these will either fail or even aggravate the situation by for example depriving indigenous peoples of access to crucial resources, undermining traditional governance structures or contributing to the loss of indigenous languages.
- Indigenous peoples' poverty is a reflection of their generally marginal position within national societies. This implies that indigenous peoples are also marginalized with regards to participation in the shaping of the PRS and with regards to access to resources aimed at alleviating poverty.
- The overall recommendation is that PRS must take a rights-based approach to address the root causes of the multi-faceted poverty as perceived by indigenous peoples themselves. The UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and ILO Convention No. 169<sup>4</sup> provide the necessary guidance for taking a rights-based approach to including indigenous peoples' rights in the PRS framework.

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<sup>3</sup> World Bank: Implementation of Operational Directive 4.20 on Indigenous Peoples, 2003.

<sup>4</sup> The UNDRIP was adopted by the UN General Assembly in September 2007. The UNDRIP was developed in a participatory process with the full participation of indigenous peoples and is the foremost expression of indigenous peoples' aspirations to date. In some respects, it goes further than the ILO Convention No. 169, which was adopted in 1989 but the two instruments are fully compatible and Convention No. 169 remains the only international legally binding instrument on indigenous peoples' rights, which is open to ratifications.

The intention of this Practice Guide is to move beyond rhetoric and towards practical action for including indigenous peoples' rights and aspirations in PRSs. The Guide is mainly directed at those working to promote indigenous peoples' rights and thus assumes that the reader has a basic knowledge about the identification of indigenous peoples, their rights and aspirations for the development process. For readers who want to familiarise themselves more with indigenous issues in general, a series of references to further reading are included in Annex B.

The Guide does not provide a blueprint model on how to reconcile indigenous peoples with PRS; it speaks about the importance of contextualising approaches to the specific country situations; it speaks about communication gaps and capacity-building needs of all involved actors; it speaks about the importance of applying international standards to national processes; and, beyond technical arguments, it speaks about the difficulties of achieving the commitments of national and international institutions to actually make development more inclusive.

The Guide is based on previous ILO research as well as on practical experiences generated through pilot activities to promote the inclusion of indigenous peoples in the PRS of Cambodia, Cameroon and Nepal. It is thus a result of collaborative efforts of a large and diverse group of people and institutions, including indigenous organisations, NGOs, consultants, government officials, donors and UN agencies who have engaged in the challenging process of bridging the enormous gaps between indigenous communities and international and national development processes.

Perhaps therein lies the most important lesson learned from this process; it is only through sustained dialogue and practical collaboration that we start understanding the implications of diversity and start addressing the enormous implementation gap between international policies and national realities.

### **The Guide is structured in the following way:**

#### **1. The aid architecture: implications and entry points for indigenous peoples.**

This section contextualises the PRSPs within overall development policies concerning donor harmonisation and alignment with national policies. It also provides an overview of both the risks and the opportunities that these processes imply for indigenous peoples.

#### **2. Ensuring indigenous peoples' participation in PRSP processes.**

This section takes a closer look at the various factors that facilitate indigenous peoples' participation in the PRSP processes such as the existence and operationalisation of legislative and policy frameworks and the organisational strength of indigenous peoples. It also offers a series of practical recommendations for enhancing participation, including in poverty diagnostics, planning, budgeting, monitoring and reporting.

**3. Country experiences: Cambodia, Cameroon and Nepal**

This section gives a brief overview of the country processes undertaken to enhance the participation of indigenous peoples in the PRSP processes in Cambodia, Cameroon and Nepal. It thus illustrates the different limitations and opportunities offered in specific country contexts.



# The aid architecture: implications and entry points for indigenous peoples

## 1.1. Pursuing Harmonization and Aid Effectiveness

Over the last few years, there has been a growing recognition that individual and non-coordinated donor requirements related to programming, budgeting, monitoring and reporting have resulted in donor-driven, incoherent and unsustainable development interventions that have generated enormous transaction costs and implied a heavy burden on the limited capacity of partner countries.

Therefore, a large number of multilateral and bilateral development and financial institutions as well as developing countries convened at the High-Level Meetings of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD)<sup>5</sup>. The aim was to discuss and decide upon the general policies that will guide development assistance. This has so far resulted in two major policy documents: the *Rome Declaration on Harmonization* (2003) and the *Paris Declaration on Aid Effectiveness* (2005)<sup>6</sup>, endorsed by more than 100 countries and international organisations<sup>7</sup>.

The Rome Declaration aims at harmonizing the operational policies, procedures, and practices of development agencies with those of partner country systems to improve the effectiveness of development assistance. The Paris Declaration provides a practical, action-oriented roadmap with a number of targets to be met by 2010. Concretely, the Declaration provides 56 partnership commitments that are organised around five key principles: ownership, alignment, harmonisation, managing for results, and mutual accountability. There is no doubt that these reforms provide healthy principles that will

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<sup>5</sup> The OECD has 30 member countries, of which 5 have ratified ILO Convention No. 169 (Denmark, Mexico, Netherlands, Norway and Spain). Four of these are among the 23 member countries of the DAC (Denmark, Netherlands, Norway and Spain).

<sup>6</sup> High Level Forum, *Paris Declaration on Aid Effectiveness*, Paris, 2 March 2005. For the full text, see: <http://www.oecd.org/dataoecd/11/41/34428351.pdf>.

<sup>7</sup> These include 14 countries that have ratified Convention No. 169 as well as institutions such as the World Bank, the United Nations Development Group (UNDG) and the European Commission that all have institutional policies or guidelines on support to indigenous peoples.

**Table 1: Particular risks faced by indigenous peoples in relation to the principles of the Paris Declaration:**

Principles	Some general implications	Specific risks related to indigenous peoples
<p>Ownership: Developing countries exercise strong and effective leadership over their development policies and plans.</p>	<p>Development becomes more State-centred, although civil society should also play a role. The quality of policies and plans will depend on the governance (including corruption) and capacity situation in the given country.</p> <p>The use of donor conditionalities as an instrument for reform is challenged. Instead, donors can focus on policy dialogue in support of changes in the partner countries.</p> <p>In line with the country-driven approach, donors should delegate authority to staff at the country-level.</p>	<p>Many indigenous peoples, particularly in Africa and Asia, have only weak participation in government structures and national decision-making process and therefore risk not being taken into account in policies and plans.</p> <p>Donors may hesitate to engage in policy dialogue on indigenous peoples' issues. Most development agencies face difficulties in ensuring the capacity to address indigenous peoples' issues in their decentralised structures.</p>
<p>Alignment: Donors base their support on developing countries' own policies, strategies and systems.</p>	<p>Donors will no longer define individual country strategies but use the countries' own planning, budget and monitoring frameworks, including arrangements and procedures for public financial management.</p> <p>Donors should help address capacity weaknesses of partner countries' institutions.</p>	<p>Lack of participation by indigenous peoples in decision-making often implies that their needs and priorities are not reflected in national policies, strategies and programmes and they do not benefit from poverty reduction efforts.</p> <p>If the partner country is reluctant, donors may not find ways to comply with their own institutional policies<sup>8</sup> on supporting indigenous peoples.</p>
<p>Harmonisation: Donors coordinate their activities and minimise the cost of delivering aid.</p>	<p>Donors will establish common arrangements at the country-level for planning, funding, disbursement, monitoring, evaluating and reporting and sharing of information.</p> <p>Instead of individual interventions, donor will aim at providing budget support or support to Sector-Wide Approaches (SWAps).</p>	<p>The lack of an overall strategy on support to indigenous peoples (in the context of the commitments stipulated by the Rome and Paris Declarations) may eventually undermine the value of individual donor policies<sup>9</sup> on support to indigenous peoples.</p>
<p>Managing for results: Developing countries and donors orient their activities to achieve the desired results, using information to improve decision-making.</p>	<p>National policies should be translated into prioritised results-oriented operational programmes, reflected in Medium-Term Expenditure Frameworks (MTEF) and annual budgets. This requires strengthening the linkages between planning and budgeting.</p> <p>Donors should rely on partner countries' statistical, monitoring and evaluation systems</p>	<p>Most indigenous peoples do not have the institutional capacity or political leverage to ensure that their needs and priorities are reflected in MTEFs or budgets.</p> <p>In most countries, adequate data on indigenous peoples are not available and national statistical bureaux do not have the capacity to provide disaggregated data.</p>
<p>Mutual Accountability: Donors and developing countries are accountable to each other for progress in managing aid better and in achieving development results.</p>	<p>It is acknowledged that the successful implementation of the Paris Declaration requires continued high-level political support, peer pressure, and coordinated action at global, regional and country levels.</p> <p>Compliance in meeting the commitments will be publicly monitored against 12 indicators of aid effectiveness, developed as a way of tracking and encouraging progress against the broader set of partnership commitments.</p> <p>Both donors and developing countries should increase their accountability towards citizens and parliament.</p>	<p>The agenda set by the Rome and Paris Declarations focuses on the effectiveness rather than the quality and relevance of aid. Consequently, none of the 12 monitoring indicators is related to governance, human rights, participation, quality or inclusiveness of development. In other words, the reformed aid architecture in itself provides no safeguards to ensure that "effectiveness" does not jeopardise the rights-based approach.</p> <p>In many countries, marginalisation with regards to access to education and information excludes indigenous peoples from participating in monitoring and holding governments accountable.</p>

<sup>8</sup> Over the last 15 year, a number of bi- and multi-lateral development agencies have developed policies and strategies to support indigenous peoples. These include: AECL, the European Commission, Danida, Norad, UNDP, and the World Bank.

contribute to reducing the transaction costs as well as the fragmentation and lack of effectiveness and sustainability of development efforts.

So far, the particular situation of indigenous peoples has not been considered in this context and the DAC guidelines on harmonising donor practices<sup>9</sup> are also silent on the subject. However, as indicated in the table below, the approach seems to carry a number of inherent risks for further exclusion of indigenous peoples if specific safeguards are not developed.

## **1.2. The overall PRSP principles**

Within this overall development context, Poverty Reduction Strategy Papers (PRSPs) constitute a particular modality for designing national poverty reduction strategies for the poorest countries.

**Poverty Reduction Strategy Papers (PRSP)** describe a country's macroeconomic, structural and social policies and programs to promote growth and reduce poverty, as well as associated external financing needs. PRSPs are prepared by governments through a participatory process involving civil society and development partners, including the World Bank and the International Monetary Fund (IMF)<sup>10</sup>.

The PRSP approach was introduced in 1999 by the World Bank and the IMF as a precondition for poor countries to qualify for debt relief initiatives<sup>11</sup>. So far,

<sup>9</sup> Harmonising Donor Practices for Efficient Aid Delivery , Volume 1 (2003), Volume 2 (2006).

<sup>10</sup> [www.worldbank.org/prsp](http://www.worldbank.org/prsp).

<sup>11</sup> The Highly-Indebted Poor Country (HIPC) initiative was launched in 1996. The Initiative calls for the voluntary provision of debt relief by all creditors, whether multilateral, bilateral, or commercial – and aims to provide a fresh start to countries struggling to cope with foreign debt that places too great a burden on export earnings or fiscal revenues. The HIPC Initiative was enhanced in 1999 to provide deeper, more rapid relief to a wider group of countries, and to increase the Initiative's links with poverty reduction (conditioning the access to the HIPC initiative to the development of PRSPs). By September 2007, 31 countries had benefited from HIPC debt relief, 22 having reached the completion point, at which debt relief becomes irrevocable, and nine more receiving interim assistance. A further ten countries are potentially eligible for HIPC debt relief, pending the agreement of macroeconomic reforms, poverty reduction strategies, and/or arrears clearance plans. In 2006, the World Bank joined the IMF and the African Development Bank in implementing the Multilateral Debt Relief Initiative, forgiving 100 percent of eligible outstanding debt owed to these three institutions by all HIPC countries reaching the completion point of the HIPC Initiative. In 2007, the Inter-American Development Bank (IADB) joined the World Bank, the IMF and the AFDB in providing 100 percent debt relief on eligible debt to HIPCs upon reaching the completion point. The MDRI will double the volume of debt relief already expected from the enhanced HIPC Initiative ([www.worldbank.org/prsp](http://www.worldbank.org/prsp)).

approximately 70 low-income countries have or are in the process of developing interim or full PRSPs<sup>12</sup> and at least half of these countries<sup>13</sup> have peoples who identify as indigenous, in accordance with international criteria for identification<sup>14</sup>.

Ideally, all development partners will use the PRSP as a common framework for their assistance to a given country. This is in accordance with overall development policies, as expressed in the Rome and Paris Declarations.

The PRSP approach is guided by five core principles<sup>15</sup>, implying that it should be:

- **Country-driven.** It should involve broad-based participation by government institutions, Parliament, civil society and private sector – not only in the analysis and formulation but in all operational steps.
- **Results-oriented.** It should focus on measurable outcomes that benefit the poor.
- **Comprehensive.** It should recognize the multidimensional nature of poverty and the broad scope of interlinked actions needed to effectively reduce poverty.
- **Partnership-oriented.** It should involve the coordinated participation of all development partners (bilateral, multilateral, and non-governmental).
- Based on a **long-term perspective** for poverty reduction, including a long-term commitment to institutional changes and capacity-building and efforts to strengthen governance and accountability<sup>16</sup>.

The PRSP is embedded in the overall context of improved aid effectiveness through harmonization of approaches and procedures as well as alignment with national priorities and systems. It therefore carries the same inherent risks for further exclusion of indigenous peoples, as expressed in the previous section.

However, the PRSP principles, at least in theory, provide a number of opportunities for addressing indigenous peoples' main concerns with regards to development:

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<sup>12</sup> [www.worldbank.org/prsp](http://www.worldbank.org/prsp).

<sup>13</sup> These include but are not limited to Bangladesh, Benin, Bolivia, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, DRC, Republic of Congo, Cote d'Ivoire, Djibouti, Ethiopia, Guinea, Guyana, Honduras, Indonesia, Kenya, Lao P.D.R., Mali, Mauritania, Mozambique, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda, Vietnam.

<sup>14</sup> On page 15.

<sup>14</sup> Convention No. 169, provides the following criteria for identification of indigenous peoples: *peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present state boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions. Self-identification as indigenous (...) shall be regarded as a fundamental criterion.*

<sup>15</sup> [www.worldbank.org/prsp](http://www.worldbank.org/prsp).

<sup>16</sup> Joint WB & IMF 2005 PRS Review, p. 12.

**Table 2: Core PRSP principles and opportunities for including indigenous peoples' concerns**

PRSP core principles	Indigenous peoples' concerns
Country-driven	The focus on participation provides an obligation, in line with fundamental rights stipulated by Convention No. 169 and the UNDRIP, to ensure consultation, consent and full participation of indigenous peoples in development efforts as they affect their lives and communities.
Results-oriented	The focus on results would provide for the targeting of indigenous peoples among other groups with particular needs as well as specific monitoring of the impact of general poverty reduction efforts on indigenous peoples.
Comprehensive	The comprehensive strategy would respond to indigenous peoples' holistic view on development and allow for addressing the structural factors leading to pauperisation, including fundamental issues related to land and resource rights. Furthermore, it would ensure coherence of approaches and results preventing that, for example, transport or environmental policies undermined indigenous peoples' land rights.
Partnership-oriented	This would enable donors and partners to engage in policy dialogue with government and indigenous peoples and use their institutional policies as leverage, and for coordination with regards to indigenous peoples' issues.
Long-term perspective	The long-term perspective is necessary when attempting to reverse long-term processes of exclusion and marginalisation. This would allow for the gradual building of capacity of both government and indigenous institutions to engage in dialogue and ensure the full participation of indigenous peoples in the development process, eventually closing the gaps between indigenous peoples and dominant sectors of society.

### 1.3. Main entry points in the PRSP process

Concerned countries prepare a PRSP every three to five years. The formulation of a PRSP is meant to be participatory and involve a broad range of stakeholders. No fixed format is provided, but the countries should build upon existing strategies and plans at the sectoral and national level, when formulating the first PRSP. In some cases, existing national plans are considered to be the PRSP of the country, as long as these are consistent with the PRSP approach<sup>17</sup>. In any case, a PRSP is supposed to comprise the following main elements<sup>18</sup>:

- A description of the **participatory process**, including an account of the format, frequency, and location of consultations; a summary of the main issues raised by participants; information on the impact of the consultations on the design of the strategy; and a discussion of the role of civil society in future monitoring and implementation.
- **Comprehensive poverty diagnostics:** A good understanding of the poor and where they live, which allows to analyze the macroeconomic, social, structural and institutional constraints to poverty reduction.
- **Clearly presented and costed priorities for macroeconomic, structural, and social policies:** Macroeconomic, structural, and social policies that together comprise a comprehensive strategy for achieving poverty reducing outcomes. Such policies should be costed and prioritized so that they do not become a “wish list.”
- **Appropriate targets, indicators, and systems for monitoring and evaluating progress:** Medium and long-term goals for poverty reduction outcomes (monetary and non-monetary), indicators of progress, annual and medium-term targets.

Ideally, each of these elements provide relevant and adequate entry points for indigenous peoples.

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<sup>17</sup> This, for example, was the case with the Nepalese Tenth Five-Year Development Plan, which was considered to be the country’s PRSP.

<sup>18</sup> [www.worldbank.org/prsp](http://www.worldbank.org/prsp).

**Table 3: Entry points for indigenous peoples in the formulation of the main PRSP elements**

PRSP main elements	Entry points for indigenous peoples
Participatory process	The PRSP should include an account of the specific consultations with indigenous peoples, ensuring that these are appropriate <sup>19</sup> and undertaken through their representative organisations. It should reflect the needs and priorities raised by indigenous peoples and stipulate mechanisms for participation of indigenous peoples in implementation and monitoring.
Poverty diagnostics	The PRSP should include diversified poverty profiles of the distinct indigenous peoples of a given country, reflecting these peoples' own perceptions of poverty and well-being as well as their needs and priorities for poverty reduction.
Priorities for macroeconomic, structural and social policies	Macro-level policies should address the structural factors leading to the pauperisation of indigenous peoples, e.g. their access to land and resources and to adequate education and health services that take into account cultural and linguistic features.
Targets, indicators, systems for monitoring and evaluation	The PRSP should set specific goals and targets for poverty reduction among indigenous peoples and stipulate the mechanisms whereby indigenous peoples will participate in the monitoring and evaluation of progress.

## 1.4. PRSP review and reporting procedures

Countries are supposed to review their PRSPs every three to five years and in the interim years, Annual Progress Reports (APR) are prepared. These are supposed to report about changes in key poverty indicators and key developments on the policy front.

Following the formulation or revision of a PRSP, staff of the World Bank and the IMF prepare a Joint Staff Advisory Note (JSAN)<sup>20</sup> in order to provide feed-back to the country. The PRSP and JSAN are subsequently discussed at the boards of these two institutions. The JSAN should focus on the four core PRSP elements, as outlined above. The guidelines for elaborating JSANs do not specifically mention indigenous peoples but stipulates that staff should assess:

- The involvement of stakeholders in the process, including *ethnic minorities*.
- The existence of disaggregated poverty data by region and *demographic group*.
- Distribution of assets of various types – *especially land*.

<sup>19</sup> i.e. that consultations are undertaken in accordance with the principles of ILO Convention No. 169 and the UNDRIP, for further explanation of appropriateness of consultation processes, see Annex A.

<sup>20</sup> Until 2004, staff were supposed to prepare a Joint Staff Assessment which included a concluding paragraph, recommending whether the PRSP could be accepted as a satisfactory basis for concessional lending. Following criticisms that the Bank/IMF were “signing off” a country’s PRSP ([www.worldbank.org/prsp](http://www.worldbank.org/prsp)).

- Policies with regards to *gender inclusion and social inclusion*.
- Indicators and targets, which adequately capture *disparities by social group, gender and region*<sup>21</sup>.

JSANs are also prepared for the Annual Progress Reports (APR), but in order to underline country ownership, these are no longer presented to the boards of the IMF and World Bank.

## **1.5. Main conclusions regarding the inclusion of indigenous peoples' rights in the overall aid architecture**

The recognition and implementation of indigenous peoples' rights is crucial for the achievement of overall development goals regarding poverty reduction, good governance and inclusive development as well as environmental sustainability. But so far, indigenous peoples' rights have not been considered in the context of the macro-level framework for aid and poverty reduction, as defined by the policies of the OECD/DAC and the PRSPs.

The overall aid architecture, including the efforts for alignment and harmonisation, provides inherent risks of further marginalising indigenous people, if their concerns are not brought to the mainstream of poverty reduction. However, it also provides a number of practical entry points for addressing indigenous peoples at the country-level, including through the PRSPs.

Experience shows that if no coherent high-level policy commitment is made, the inclusion of indigenous peoples' issues remains optional and dependent on individual interpretations and judgment at the country level or within specific sectors. Without strong policy direction, it is also highly unlikely that indigenous issues will be included in the policy dialogue that guides the development assistance to the poorest countries.

As stated in the Paris Declaration itself; reform requires continued high-level political support, peer pressure, and coordinated action at global, regional and country levels. The recent adoption of the UNDRIP provides a unique momentum to raise the concern for the situation of indigenous peoples at the highest level of policy-making and it would seem appropriate that the OECD-DAC, the UNPFII, the IASG and concerned governments could work in partnership on developing guidance to governments and development partners on the inclusion of indigenous peoples' issues in the context of aid effectiveness.

Based on such a high-level commitment, country specific processes for coordinated and systematic inclusion of indigenous peoples' issues into national development and poverty reduction processes should be developed. More detailed guidance for such country-level processes is provided in the following section.

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<sup>21</sup> JSAN Guidelines, p. 5-7.

## Ensuring indigenous peoples' participation in PRSP processes

The right to be consulted and to participate in decision-making in order to determine and control the development process of their communities is among the most fundamental of indigenous peoples' rights. Adequate consultation and participation is the means to ensure that indigenous peoples' needs, priorities and aspirations are adequately taken into account in the PRSP processes.

The overall aid architecture, including the PRSP process, implies a more state-centred mode of participation, led by government officials<sup>22</sup>, although civil society participation is envisaged. However, civil society participation in general has often been “broad rather than deep” and has initially been focused primarily on PRSP formulation<sup>23</sup> and not followed through in monitoring of budgeting, implementation and achievement of results.

A desk review of 14 PRSPs, undertaken by the ILO in 2005<sup>24</sup> revealed that:

“With a few notable exceptions, mainly in Latin America, indigenous and tribal peoples have not been involved in consultations leading to the formulation of the PRSPs. This is due to various factors whose relevance differs according to national circumstances. Some of these include: the “invisibility” of indigenous and tribal issues in national development agendas; the difficulty of finding readily identifiable representative indigenous organizations; the challenge, both in financial and logistical terms, of reaching out to indigenous and tribal communities that are dispersed in remote areas and do not speak the official language; and political circumstances that may introduce restrictive and exclusionary eligibility requirements for participation in consultation processes”.

The World Bank<sup>25</sup> suggests a number of key questions to assess the quality and depth of participatory processes (see table below). An assessment of indigenous peoples'

<sup>22</sup> World Bank PRSP Source Book, p. 258.

<sup>23</sup> Joint WB & IMF 2005 PRS review.

<sup>24</sup> Manuela Tomei: An Ethnic Audit of Selected Poverty Reduction Strategy Papers; p. 57, 2005.

<sup>25</sup> World bank, PRSP Source Book, p.250.

involvement in the PRSP processes of Cambodia, Cameroon and Nepal, as related to these key aspects of participation, reveals a grim but also somewhat differentiated picture:

**Table 4: Assessment of key aspects of participation in the PRSP processes of Cambodia, Cameroon and Nepal.**

Key aspects of participation:	Cambodia	Cameroon	Nepal
<b>Information flow:</b> To what extent are stakeholders informed of the PRS, and the related processes and programmes?	Not at all	Some	Some
<b>Participation experience.</b> What was the extent, scope, level and quality of previous participatory processes?	No previous experience	Some previous experience	Some previous experiences
<b>Poverty diagnostics:</b> Have the poor participated by giving their perception and is this information used in defining poverty profiles and in decision-making for developing strategies?	Not at all	Not at all	To some extent
<b>Budget-making process:</b> What is the extent of participation in priority setting, resource allocation and monitoring?	None	None	Mechanisms being defined (February 2008)
<b>Poverty monitoring.</b> Are participatory approaches used in poverty monitoring and impact assessment of poverty reduction strategies and programmes?	Generally not, but one specific monitoring indicator related to indigenous peoples has been introduced.	No	No
<b>Mainstreaming of participation.</b> Are there mechanisms to institutionalise participation in policy development, programme design, implementation and resource allocation?	No	No	Mechanisms being defined (February 2008)

The diversity of country situations makes it impossible to design a blueprint model for indigenous peoples' participation. However, a number of factors that determine the options for indigenous peoples' participation can be identified and will be further explored in the following sections. These are:

- The institutional capacity of indigenous peoples;
- The existence of national legislative and policy frameworks;
- The capacity of concerned government institutions; and
- The operationalisation of institutional policies of international agencies.

In general, the depth and quality of indigenous peoples' participation in the PRSP processes is far from satisfactory. This reflects an enormous gap between the realities of indigenous communities and the national PRSP processes and underlines the need for special interventions to revert this situation.

### **Guiding principles:**

- It will require special efforts and long-term commitment of local, national and international actors to enhance the quality and depth of indigenous peoples' participation in the PRSP processes.
- Such special efforts must comprise initiatives to define:
  - A public information strategy, targeting indigenous communities;
  - An outcome-oriented participation action plan that will allow indigenous peoples to influence prioritisation and policy-making as well as implementation, monitoring and evaluation; and
  - Institutional arrangements for mainstreaming of indigenous peoples' participation in governance structures.

## **2.1. Institutional capacity of indigenous peoples**

Indigenous peoples' traditional institutions are generally ignored and bypassed in poverty reduction processes, leading to the alteration of community dynamics as traditional leadership declines in the context of new formal administrative and development structures<sup>26</sup>.

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<sup>26</sup> Kristina Chhim, *Indigenous and Tribal Peoples and Poverty Reduction in Cambodia*, ILO 2005: 8.

“Indigenous peoples in Cambodia have a rich tradition of collective decision-making reflected in strong social cohesion in the communal group and often, communal meeting places in the centre of the villages where all affairs related to the village are discussed and decided. However, the absence of broader organisational structures that would comprise all communities of an indigenous group in a certain area or even nationwide, limits indigenous participation to the village level. On the other hand, new administrative structures such as village chiefs, and commune, district and provincial authorities impose different ways of decision-making by transferring instructions and orders from the top down. Indigenous communities often feel this is an unacceptable counter-concept to their own customs. They especially miss the fact that they are not consulted before government decisions that affect their community are made”<sup>27</sup>.

In the context of its national Project for a Rights-Based Approach to Indigenous Peoples’ Development in Cambodia, the ILO has attempted to facilitate the participation of indigenous representatives in national and provincial-level dialogues with government representatives regarding the national PRSP. Although preparatory meetings were organised to allow the indigenous representatives to familiarise themselves with the topics for the dialogue, the final report states that “they have expressed their limitation in understanding the PRSP, which they have never learned about or discussed before, particularly its terminology, meanings, procedure, and implementation. They highlighted the needs to strengthen the capacity of indigenous communities to participate meaningfully in this dialogue”<sup>28</sup>.

In countries where indigenous peoples constitute a numerically small minority of the population and where more development-oriented indigenous organisations are only recently emerging, their institutional capacity to engage with government institutions is weak. National development discussions take place in distant geographical locations and most indigenous representatives are not familiar with the languages or discourses used. Limited access to formal education and high illiteracy may further pose a difficulty for indigenous representatives, and in particular for indigenous women. Although most PRSP documents and reports are publicly available at the World Bank’s website ([www.worldbank.org/prsp](http://www.worldbank.org/prsp)), these are in general not known to indigenous peoples at the country level.

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<sup>27</sup> Ibid: 9-10.

<sup>28</sup> Sovathana Seng: Report of the Seminar on National Strategic Development Plan and Participation of Indigenous Peoples in Cambodia, ILO, 2007.

In countries with a strong indigenous movement, some progress has been seen with regards to participation in the formulation and preparation of the PRSP, but not equally so in the implementation and monitoring. Often, consultation and participation is limited to prominent individuals and does not involve indigenous organisations at the various levels in a more structured and systematic way.

The need to carefully tailor the strategies for participation in the PRSP processes to country circumstances becomes even more evident for conflict-affected states such as Nepal, for example. The political context needs to be carefully assessed and opportunities and limitations must be communicated in order to set realistic goals so as not to raise unnecessary frustrations. It must also be ensured that participatory processes are conflict-sensitive, i.e. involving all stakeholders in the process.

In order to start bridging the gap, the participation of indigenous peoples must be considered at all levels of the development process in a coherent manner, including in the context of local governance and decentralisation, where indigenous communities come most directly in contact with public authorities. Where the gap is particularly deep, national and international NGOs can play a crucial role in facilitating and advocating for indigenous peoples' participation.

### **Guiding principles:**

- The development process will eventually lead to the undermining of indigenous peoples' traditional structures if proactive steps are not taken to inform and consult them and to ensure their participation in decision-making. However, such steps must be carefully designed in order to ensure the appropriateness of language, procedures, timing, representative participation and accountability. In most cases, regional or national indigenous organisations and/or NGOs will be in a good position to facilitate such processes.
- The consultation and participation of indigenous peoples and in particular indigenous women in PRSP processes must be conceptualised and institutionalised as a long-term process, accompanied by long-term efforts for capacity-building. The process must be undertaken at different levels, to assist indigenous peoples in translating the needs and priorities of local communities into identifiable objectives, targets, indicators and budget allocations in the context of the PRSP. Particular attention must be given to the inclusion of indigenous issues in the context of local governance and decentralisation.

## **2.2 National legislative and policy frameworks**

The adoption of the UN Declaration of the Rights of Indigenous Peoples (UNDRIP) by the General Assembly of the United Nations in September 2007, with votes in favour from 143 countries, signals a strong global commitment to the recognition of indigenous peoples' rights. However, the reflection of this recognition at the national level still varies a lot.

Where countries have developed specific legislation or policies in support of indigenous peoples, their needs and priorities are generally better reflected in the PRSP. Also, the ratification of ILO Convention No. 169 enhances the likelihood that indigenous peoples' rights are addressed coherently and consistently<sup>29</sup>.

Nepal ratified ILO Convention No. 169 in September 2007. This reflects a firm commitment to an international legally-binding instrument with institutionalised mechanisms of supervision. Although the Convention only comes into force in September 2008, the Government of Nepal has already taken some important steps to further the inclusion of indigenous peoples in national development and poverty reduction strategies. Nepal's Three Year Interim Plan (TYIP) covering the period from 2008-2010 contains a section specifically on indigenous peoples' development, providing far more prominence to indigenous peoples issues than any of the country's national plans so far. One of the activities mentioned specifically in the TYIP is a review of all state policies and programmes to ensure that they are in line with ILO Convention No. 169.

Another step is the establishment of a national Task Force, which aims at coordinating the implementation of the Convention as a cross-cutting issue, in consideration of the priorities determined by indigenous nationalities and the capacity of the State. The task force comprises representatives of relevant government and indigenous peoples' institutions and have among its tasks to clearly identify the government responsibilities on the basis of the provisions of the Convention; develop and present a detailed Action Plan that identifies activities to be implemented with a view to reform legal, administrative and policy matters and to provide recommendations on establishment of necessary mechanism to coordinate implementation activities at the central and local level.

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<sup>29</sup> See for example Tomei, 2005:56.

In countries where there is no high-level commitment and no comprehensive policy to guide the inclusion of indigenous issues into the PRSP, the attempt to push for indigenous peoples' rights "from below" is a challenge for committed individuals. However, even in such countries, indigenous peoples can easily be identified among the poor and vulnerable groups, for which the PRSP guidelines stipulate a particular concern<sup>30</sup> and targeted approaches.

Moreover, most countries have signed up to a series of international instruments that can help guide the poverty reduction process for indigenous peoples generally, as well as within specific sector. These include the ILO Convention No. 111 on the Elimination of Discrimination in Employment and Occupation<sup>31</sup>, the Convention on the Elimination of All Forms of Racial Discrimination (CERD), the Convention on Biological Diversity (CBD) and the Dakar Framework for Action on Education for All, to mention just a few examples.

### **Guiding principles:**

- The existence of national legislation and policy frameworks to support indigenous peoples indicates a high-level commitment, which greatly facilitates the inclusion of indigenous peoples' issues in the PRSP. Where such policies are not yet in place, these should be developed in the context of the PRSP in order to address the structural causes of indigenous peoples' poverty situation.
- Governments should consider the ratification of Convention No. 169 as it provides a solid commitment to an international legally-binding instrument with institutionalised supervisory mechanisms, which in itself is a resource but also a strong argument for raising additional support from like-minded development partners.
- In countries where governments are still reluctant to develop policies on indigenous peoples' rights, their concerns should be addressed in the context of overall poverty reduction policies as well as within sector-specific policies for health, education, natural resource management, etc. The starting point is the identification of indigenous peoples (and in particular indigenous women) among the poor and vulnerable groups that require special attention and the further identification of pragmatic entry points for addressing their concerns in the various sectors.
- In the context of the implementation of the UNDRIP, the UN Permanent Forum on Indigenous Issues should promote a constructive dialogue with governments on the challenges, achievements and future action that indigenous issues require in each country, e.g. through voluntary periodic reviews of country situations.

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<sup>30</sup> See for example the World Bank PRSP Sourcebook: 238.

<sup>31</sup> ILO: Eliminating discrimination against indigenous and tribal peoples in employment and occupation: A Guide to ILO Convention No. 111, 2007.

### **2.3. The capacity of government institutions.**

Even in many countries with strong national policies there has been only limited progress with regards to actual poverty reduction of indigenous communities<sup>32</sup>. One general reason is the lack of understanding of the practical implications of the recognition of indigenous peoples' rights and low technical capacity of government institutions to implement policies reflecting these rights. Indigenous peoples themselves are often underrepresented in public institutions and many policy-makers and government officials are guided by misperceptions regarding the "backwardness" and "under-development" of these peoples.

Where progress has been seen with regards to implementation, it has often been due to the interest and action of committed individuals who have a limited sphere of influence, thus resulting in limited and incoherent inclusion of indigenous peoples' issues in the PRSP. A more systematic implementation of indigenous peoples' rights will therefore require long-term capacity-building efforts of public institutions, including the development of sector-specific strategies for implementation of indigenous peoples' rights as well as diversification and training of staff.

#### **Guiding principles:**

- Indigenous peoples should have equal access to employment in the public sector. Where this has not been achieved, special measures must be developed to ensure their proportional representation in public institutions.
- Indigenous issues must be addressed in the broader context of governance and public sector reform, including in staff training programmes and in the context of incentives and accountability measures.

### **2.4. Institutional policies of international agencies**

Over the last 15 years, a number of bi- and multi- lateral development agencies have developed institutional policies to support indigenous peoples, but their operationalisation in the context of PRSPs remains weak.

These agencies include AECI, DANIDA, the European Union, NORAD, the World Bank and UNDP among others. Moreover, in February 2008, the UN Development Group (UNDG) finalised its Guidelines for Indigenous Peoples' Issues. These are aimed

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<sup>32</sup> Gillette Hall, Harry Patrinos: Indigenous Peoples, Poverty and Human Development in Latin America: 1994-2004, World Bank, 2005.

at assisting the UN system to mainstream and integrate indigenous peoples' issues into operational activities and programmes at the country level<sup>33</sup>.

Many of these policies share a number of common features: they locate the concern for indigenous peoples within the broader framework of human rights, poverty reduction, good governance and environmental protection; they aim at mainstreaming the concern within respective agencies; they depart from a realization of the need to not only mitigate the negative effects of development on indigenous peoples but to actively support their development needs and priorities through a rights-based approach; and they stipulate a role for the agencies to facilitate dialogue and include the concern for indigenous peoples in the policy dialogue with governments. Some of these institutional policies are explicitly aligned with the provisions of ILO Convention No. 169<sup>34</sup>.

The World Bank's Operational Policy 4.10 (2005) stipulates that an Indigenous Peoples Plan (IPP) should be developed, whenever a screening have determined that indigenous peoples are present in a given project area, and that an Indigenous Peoples Planning Framework (IPPF) should be developed whenever indigenous peoples will be affected by projects that involve annual investment programmes or multiple subprojects.

IPP and IPPF processes involve similar procedural steps, including:

- Screening by the Bank to determine whether indigenous peoples are present in, or have collective attachment to, the project area;
- Social assessment by the borrower to evaluate the project's potential positive and adverse effects on the indigenous peoples;
- A process of free, prior, and informed consultation undertaken by the borrower with the affected communities to fully identify their views and ascertain their broad community support for the project;
- The preparation of an IPP or IPPF that sets out the measures through which the borrower will ensure that (a) Indigenous Peoples affected by the project receive culturally appropriate social and economic benefits; and (b) when potential adverse effects on indigenous peoples are identified, those adverse effects are avoided, minimized, mitigated, or compensated for.

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<sup>33</sup> It is expected that the UNDG as its next step will adopt a medium-term plan of action that will "roll out" these Guidelines, providing concrete support to UN Country Teams on the ground. This seems even more important, considering a recent review of selected CCA/UNDAFs by the Secretariat of the UNPFII which reveals that "the majority of the CCAs and UNDAFs lack evidence and information which could imply that indigenous peoples have been include as active participants in the preparation and design of programmes, implementation and monitoring and evaluation processes", (Integration of Indigenous Peoples' Perspectives in Country Development Processes, Review of Selected CCAs and UNDAFs, No. 3, January 2008).

<sup>34</sup> This is for example the case with AECEI, DANIDA and NORAD.

The operationalisation of the policies of international agencies at the country level varies a great deal, depending among other factors on the knowledge and motivation of staff, the existence of national policies, the organisational strength of indigenous peoples and the existence of institutionalised mechanisms for consultation and participation. In some cases, individual agencies have developed targeted programmes for indigenous communities or have raised the concerns in the context of a particular sector.

However, in most countries, the agencies have not taken their institutional policies into account in their support to the PRSP as such. This is also the case with the World Bank's Operational Policy 4.10, which has not been operationalised in a systematic way with regards to the PRSPs, although the Policy would seem to stipulate that an IPPF should be developed in relationship to the PRSPs in countries inhabited by indigenous peoples.

At the practical level, one of the hindrances for operationalisation of the institutional policies seems to be a lack of experience with the inclusion of indigenous peoples' issues in macro level policies and programming. Another challenge is the delegation of authority to the country level offices, which often do not have the necessary technical capacity to address indigenous peoples' issues. This, again, implies certain reluctance to include indigenous issues in the policy dialogue with governments as the staff is not confident with the policy framework that should guide such dialogue.

Over the last 3 years, the ILO has conducted a series of week-long training courses on indigenous issues for a total of approximately 200 participants, including ILO staff and participants from government, indigenous and development agencies. These experiences have been overwhelmingly positive, contributing not only to enhancing the capacity of individual staff members but also to building networks and foster dialogue.

### **Guiding principles:**

- In the context of donor harmonisation, it is crucial to ensure that donor and UN agencies, multilateral banks and other development partners take proactive and coordinated steps to operationalise their institutional policies in support of indigenous peoples, particularly in countries where the institutional capacity of indigenous organisations is weak.
- A systematic screening to verify the presence of indigenous peoples in partner countries is the necessary first step, which should be followed by compulsory and concrete procedural steps. In this context, the operationalisation of the World Bank OP 4.10 in connection with PRSP processes should be further explored.

- In the context of harmonization, alignment and UN reform, the establishment of coordination groups on indigenous issues would allow the various agencies and institutions to include indigenous issues in the policy dialogue in a more coherent way and seek coordination and synergies at the operational level.
- Training of staff is a necessary investment and could be undertaken as an inter-agency effort at national, sub-regional or regional level, for example in relation to the step-wise application of the UNDG guidelines.
- Agencies should consider collaborating with the PFII to undertake periodic reviews and provide guidance to staff on the systematic implementation of their institutional policies.

## **2.5. Disaggregated data collection**

In many countries, there are no disaggregated data or accurate statistics on the situation of indigenous people and even basic demographic information regarding their numbers and location may be lacking. Therefore, poverty analysis of indigenous communities will often depend on rough estimates or make use of proxies in order to, for example, assess the situation in a particular geographical area that is predominantly inhabited by indigenous peoples. It is even more rare to find disaggregated data that will describe the differentiated situation of distinct indigenous peoples in a given country or within indigenous communities, for example as related to gender and age.

The risk is thus that the specific poverty situation of indigenous peoples, as well as differences between and within indigenous communities, is invisible in national statistics. This also implies that there is no way of monitoring the effects of poverty reduction efforts on indigenous peoples, thus leaving policy makers in the dark when attempting to include indigenous peoples in the PRSP.

In Nepal, the government has officially recognized 59 indigenous nationalities, but the number is disputed as additional groups also claim distinct indigenous identities. The major data sources for monitoring PRSP progress are the Nepal Living Standards Survey (NLSS), the Nepal Demographic and Health Survey (NDHS), and the Population Census. The NLSS and NDHS do not provide information on the poverty situation at the district level and are not designed to obtain disaggregated information for each of the indigenous nationalities. The indigenous peoples in Nepal are quite diverse, and for poverty and capacity building purposes it is particularly important to monitor the situation of the “endangered and highly marginalized indigenous nationalities” as classified by the National Federation of Indigenous nationalities (NEFIN). This initiative has to be taken by the National Planning Commission, in close consultation with indigenous peoples’ organizations, so that disaggregated data are generated in relation to all the indicators for which information are generated at the line ministries through their regular management information system or in certain cases surveys undertaken for the purpose. Also the general Poverty Monitoring and Analysis System needs to be designed to provide information disaggregated by ethnic communities.

Some of the main difficulties with regards to the collection of disaggregated data on indigenous peoples are:

- Controversy over the definition or terminology
- Fluidity of ethnic identity
- Migration, conflicts and wars
- Lack of legal provisions/political acceptance
- Lack of understanding of the importance of disaggregated data
- Weak national capacities for data collection, analysis and disaggregation
- Resistance from indigenous peoples if they are not themselves in control of data collection.

Experience, particularly from Latin America, has shown that overcoming these difficulties is a process, based on dialogue, through which a deeper understanding and respect for diversified indigenous identities is developed.

The three population censuses undertaken in Guatemala between 1981 and 2002 are based on respect for the principle of self-identification but have gradually incorporated a more detailed understanding of indigenous identities, thereby giving more options to the individual than just the bipolar notion of identifying as indigenous or not .

1981 The classification was based on a social estimation of the person in the place he/she was enlisted and there were only two options: indigenous or not indigenous

1994 The person was asked the following questions:

- Are you indigenous? (yes or no)
- In which language did you learn to speak? (5 language options)
- Do you speak a Maya language? (4 language options)
- Do you speak Spanish? (yes or no)
- Do you wear Maya costume? (yes or no)

2002 All inhabitants were asked the following questions:

- Are you indigenous? (yes or no)
- Which ethnic group do you belong to? (27 options)
- What is your maternal language? (27 options)
- Other languages spoken? (27 options)

### **Guiding principles:**

- The streamlining of poverty reduction efforts and monitoring in the overall PRSP context provides a unique opportunity for strengthening the capacity of national institutions, including the national bureaux of statistics as well as line ministries, to gather relevant disaggregated data on the situation of indigenous peoples.
- Such efforts must be undertaken in close dialogue and coordination with indigenous peoples' organisations, in order to ensure acceptance, ownership, feasibility, relevance and sustainability of the undertakings.

## **2.6. Relevant indicators**

The distinctiveness of indigenous peoples' cultures, livelihood strategies and spiritual values also implies that they have their own perceptions of well-being and poverty, which may differ from those of other sectors of society. Also, most indigenous communities have their own poverty reduction strategies, which are largely ignored in the formal development processes. In the worst cases, the poverty reduction of other sectors of the population may aggravate the poverty situation of indigenous peoples, by, for example, undermining their governance structures or leading to loss of land, resources or languages.

There is thus a risk that common indicators of poverty do not capture the specificities of indigenous peoples' perceptions of poverty and well-being and therefore monitor changes that are largely irrelevant for their poverty reduction.

Poverty perceptions are dynamic and change over time. In Cambodia, numbers and quality of bronze gongs, self-woven clothes and blankets along with the extent and quality of traditional body decorations, especially the size of ivory ear studs, were mentioned as indicators of wealth in the past.

In 2005, indigenous peoples indicated the possession of modern means of transport (motorbike, car), gold jewellery, watches and consumer goods as some of the new key indicators of wealth. "Not having enough food for the whole year" was underlined as a new key indicator of poverty, as increasing restrictions on access to land and forests as well as increased dependency on a monetary economy has affected the food security of the communities<sup>35</sup>.

The pastoralist Mbororo of Cameroon distinguish two essential elements in their definition of poverty: the availability of cattle and having access to land adequate to conduct their pastoral activities. Subsequently, their poverty reduction strategies centre around three essential elements: the recognition and protection of their collective rights of access to land; the security of persons and property; and the improvement of grazing conditions. If these three conditions are met, it follows that their education, health, and food security situations will be improved<sup>36</sup>.

Indigenous peoples' perceptions of poverty and well-being will often be closely linked to the recognition and implementation of their collective rights, for example with regards to access to land and resources. In this context, relevant indicators will often be related to structural causes of poverty that are not necessarily addressed in the PRSPs. While most countries have not developed indigenous specific indicators, there are however some positive examples that show the importance of doing so. In Cambodia, a joint donor-government monitoring indicator for the PRSP was developed, relating to legal registration of indigenous communities as well as their user rights to land. The existence of such a specific monitoring indicator constituted a push for the government to develop the required policy.

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<sup>35</sup> Kristina Chhim: *Indigenous and Tribal Peoples and Poverty Reduction Strategies in Cambodia*, ILO 2005: 40-41.

<sup>36</sup> Belmond Tchoumba: *Indigenous and Tribal Peoples and Poverty Reduction in Cameroon*, ILO 2005.

### **Guiding principles:**

- Specific indicators, based on indigenous peoples' own perceptions of poverty and well-being, should be defined and included in the poverty monitoring and analysis systems put in place at the national level. Such indicators must be developed through consultation with indigenous communities and must involve their participation in the monitoring processes.
- In addition, indicators related to the recognition and implementation of indigenous peoples' rights in the context of the PRSP should be developed as an integral part of the monitoring of implementation of the PRSP, in order to assess commitment and progress as well as additional needs for capacity-building and technical assistance.

## **2.7. Mainstreaming/targeting**

There is no doubt that mainstreaming of the concern for indigenous peoples within the PRSP and the related sector programmes, is the most comprehensive and coherent approach. This is also the ultimate goal of most national and institutional policies on support to indigenous peoples. In reality, this is a long-term goal that is still to be reached in most countries. One challenge in this regard is the lack of institutional mechanisms for coordination; another is the weak technical capacity of many government institutions (as also described in section 2.2. and 2.3.). In this context, the importance of mainstreaming indigenous peoples' rights in the context of decentralisation must again be underlined, as this is where indigenous communities most immediately should be able to gain control over their own development path.

Instead of or in addition to mainstreaming, a number of countries also develop targeted programmes for indigenous peoples, either within a specific sector or as multifaceted development programmes. Such programmes can be crucial in achieving concrete results, raising awareness on indigenous peoples' issues and gaining experiences that can later inform more general sector policies and programmes. Often, such programmes are anchored within specific institutions established to promote the development of indigenous peoples. Unfortunately, such institutions are often not adequately equipped or funded and lack the political weight to influence stronger institutions such as for example the Ministries of Planning and Finance.

There are many positive examples of donor agencies, which, at the margin of their general support to programmes under the PRSP, also support targeted interventions to benefit indigenous peoples. Ironically, some of the donors with the strongest institutional policies on indigenous peoples have difficulties in providing such direct support:

- Their policies are ambitious in stipulating that indigenous peoples should be treated as a cross-cutting issue, and

- Their funding and institutional mechanisms do not allow for deviations from the “aid effectiveness modalities” thus giving preference to strengthening the mandate and functioning of government institutions.

Without a certain flexibility in the implementation modalities, such agencies may end in a situation, where the choice between mainstreaming or targeting becomes a “neither nor”. This is a particular risk with donor agencies that have decentralised the decision-making process to the national level, without equipping local offices with the necessary expertise on indigenous peoples’ issues.

### **Guiding principles:**

- Mainstreaming and targeted approaches are not mutually exclusive and ideally, targeted programmes can serve as vehicles for broader mainstreaming approaches.
- The opportunities should be carefully assessed in the specific country contexts and an adequate mix of mutually-supportive approaches should be pursued.
- When attempting to mainstream the concern for indigenous peoples, specific targets and indicators should be defined with the specific sectors to avoid that mainstreaming ends in invisibility.
- Where targeted programmes are considered, special attention should be given to ensuring the sustainability of results, for example by sharing the experiences, good practices and lessons learned in the context of the PRSP implementation.

## **2.8. Linking planning and budgeting**

In spite of efforts to harmonise and align planning and budgeting processes, many public budgets are still fragmented and focused on inputs rather than linked to prioritised outcomes. Due to its highly technical character, public budgeting has traditionally had very little civil society – or even Parliamentary – involvement. In most countries, the linking of planning and budgeting processes remains a challenge and the democratic control with these processes remains weak.

The World Bank stipulates that civil society has an important role to play in the budget process, particularly with regards to influencing decision-makers in setting priorities, providing feedback on budget decisions, sharing information with their constituencies and communities and monitoring the achievement of intended outcomes<sup>37</sup>. Furthermore, it emphasises that “building ownership of budget analysis and advocacy will necessarily involve “democratizing” the capability to understand the budget. This means developing the skills to express in layperson’s terms the budget and

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<sup>37</sup> World Bank PRSP Source Book, p. 259.

any proposed alternate budgets. This also serves to open up a dialogue that has been in the exclusive control of a small number of technocrats”<sup>38</sup>.

This is particularly true with regards to indigenous peoples, whose participation in budgeting processes has been negligible and the reflection of indigenous peoples' priorities in MTEFs and annual budgets has been equally weak. There are numerous examples, where indigenous people have managed to have certain priorities included in the PRSP, particularly in the form of targeted projects, but as these have not received budgetary allocations, they have never been implemented.

Generally, there are three main avenues for including indigenous peoples' priorities in the budget, also relating to the main modalities for either targeted or mainstreaming approaches to indigenous peoples' development (see section 2.7.):

- Through the mainstreaming of indigenous peoples' priorities in sector policies and subsequently in the MTEFs. This would potentially lead to the most comprehensive inclusion of indigenous peoples in the development process of a given country but is also the most technically challenging approach, where the allocation of funds is most difficult to monitor.
- Through earmarking of funds to indigenous communities under the allocations for decentralised development. This approach has a huge potential for giving indigenous communities the direct control over development funds, but is dependent on the development of adequate mechanisms to ensure indigenous peoples' direct participation in local government institutions.
- Through targeted projects. This is probably the modality that indigenous peoples are most familiar with and where they have the most immediate capacity to monitor resource allocations.

In Nepal, targeted projects proposed for indigenous peoples were carried over from one PRSP period to the next. Based on previous experiences, indigenous organisations are concerned that the scope and budget allocations for these interventions will remain inadequate and that the prioritisation of funds is not based on objective criteria, resulting in a disconnect between the planning and the budgeting processes. In the context of limited resources, indigenous people also need to prioritize their needs and requirements for the effective use of available resources.

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<sup>38</sup> Ibid, p.202.

In Cambodia, the intention is that the national Public Investment Program (PIP) will be built from below, through the participatory development of Commune and District-level Investment Programmes. However, there are no guidelines to ensure that the priorities identified at the local level are actually reflected in the PIP and presently, no specific indigenous peoples' interventions form part of the PIP.

In Cameroon, an Indigenous Peoples Development Plan was designed to be linked to the National Programme for Participatory Development, and the Sector Programme for Forest and Environment. However, due to the lack of budget allocation for this programme, its implementation has been seriously delayed, and only one small component of it has begun implementation.

### **Guiding principles:**

- Indigenous issues must be considered within the general efforts to strengthen the linkages between planning and budgeting processes as well as civil society monitoring of the budget.
- The inclusion of indigenous peoples in the budgeting process requires support from actors that have not previously been targeted for training and capacity-building on indigenous issues, including national planning commissions and ministries of finance. There is thus a need to include these institutions in dialogue and capacity-building efforts.
- The strengthening of indigenous peoples' capacity to participate in local development planning and budgeting processes must be strengthened. At the national level, special efforts should be made to build the capacity of indigenous organisations to advocate and monitor the allocation of resources to indigenous peoples' priorities, also in the context of mainstreaming approaches.
- Donors should undertake a systematic audit of their budgetary allocations that benefit indigenous peoples, for example in the context of periodic reviews to assess the operationalisation of their institutional policies.

## **2.9. Reporting**

Generally, Annual Progress Reports (APR) and Joint Staff Advisory Notes (JSANs) do not address indigenous peoples systematically or explicitly, but most of them do include sections that are directly relevant to indigenous issues, assessing issues relating to participation, distribution of assets, social inclusion as well as budgeting. This is an indication of the potential of using the PRSP reporting and review mechanisms to monitor the inclusion of indigenous peoples in poverty reduction efforts.

Cambodia, JSAN, 2006:

*The Participation of non-state actors was the weakest point in NSDP preparation... the NGO community was only involved at later stages; direct consultations with groups amongst the poor (or citizens in general) did not occur<sup>39</sup>.*

Cameroon, JSAN, 2007:

*... [the World Bank and IMD staff] remain concerned that in the absence of strong supervision or tight enforcement of the forestry regulations, community forests and small logging permits may be used to serve vested interests and fuel illegal logging, to the detriment of local communities. The staffs recommend that the government review and clarify all aspects related to the award and use of community forests and small logging permits.*

Nepal, JSAN, 2006:

*The APR analyzes the impact on disadvantaged groups of several GON's programs but recognizes a decrease in spending for targeted programs. Staffs welcome the analysis of the impact of sector programs (e.g. urban projects) on disadvantaged groups. Staff also welcome progress made with the Poverty Alleviation Fund and the development of a monitoring mechanism for some targeted programs. Staffs encourage GON to continue developing the tools to monitor social inclusion and evaluate the impact of public expenditures on various groups within the society.*

Considering the role of World Bank staff in the review of PRSPs and APRs, it would be recommendable that the Bank's policy<sup>40</sup> on indigenous peoples be considered, also in the context of PRSP reporting to assess whether a process of free, prior and informed consultation has resulted in broad community support by the affected indigenous peoples<sup>41</sup>.

### Guiding principles:

- Annual Progress Reports should be used to explicitly assess progress for indigenous people as related to key poverty indicators as well as specific indicators related to the recognition and implementation of indigenous peoples' rights.
- In accordance with the guidelines and the World Bank Operational policy 4.10, Joint Staff Advisory Notes should explicitly address the involvement of indigenous

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<sup>39</sup> JSAN, Cambodia, 2006.

<sup>40</sup> World Bank Operational Policy 4.10, Indigenous Peoples, 2005.

<sup>41</sup> Ibid: article 1.

*Including indigenous peoples in Poverty Reduction Strategies*

peoples in the process, the existence of disaggregated poverty data, the access of indigenous peoples to crucial natural resources and land as well as indigenous-specific indicators and targets.

## Country experiences: Cambodia, Cameroon and Nepal

### 3.1. Background, process and objectives

In each of the three countries, a study was undertaken<sup>42</sup> to assess the needs, priorities and entry points for the integration of indigenous issues into the PRS process, including an analysis of the following elements:

- The content/substance of the PRSP and a mapping of the main programmes, thematic work groups and other initiatives for its implementation, including mapping of donor support
- The main institutional mechanisms, time frame and reporting cycle for the implementation and monitoring of the PRSP
- The main budgetary allocations for the PRSP, including for the main programmes for its implementation
- Awareness and capacity of key institutions with regards to indigenous issues

Subsequently, in each of the three countries, a dialogue seminar was organised in order to discuss recommendations for a national strategy to include indigenous peoples in the PRSPs, including identification of institutional, structural and substantial entry points, needs for institutional capacity building as well as suggestions regarding priority sectors to be addressed.

### 3.2. Cambodia:

There are no official statistics to indicate the number of indigenous peoples in Cambodia but it is estimated that they constitute approximately 1% of the population. It is

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<sup>42</sup> Belmond Tchoumba: DSRP au Cameroun: Etat des lieux et portes d'entrées pour la prise en compte des questions des peuples indigènes et tribaux, ILO, 2008.  
Bhuban B. Bajracharya & Krishna B. Bhattachan: Integration of indigenous issues in the poverty reduction strategy process of Nepal, ILO, 2007.  
Birgitte Feiring, Sovathana Seng and Kirsten Ewers Andersen. National Strategic Development Plan and Participation of Indigenous Peoples in Cambodia, ILO, 2007.

acknowledged that they belong to the most marginalised and poorest section of the population. Indigenous organisations are only recently emerging in Cambodia and they have had no participation in the development of the National Strategic Development Plan (NSDP). Options for indigenous peoples to be consulted and participate are limited partly because of geographical distance and partly because discussions take place in Khmer and English and use a language and discourse with which indigenous peoples are not familiar. In addition, most policy-makers and government officials have only limited understanding of indigenous peoples' issues and are often guided by misunderstandings or misperceptions regarding the "backwardness" of these peoples.

Cambodia is highly dependent on external aid for the implementation of the NSDP. In line with the principles of harmonization and alignment, donors and government have jointly set up a number of mechanisms for "results-based management", including a series of dialogue and coordination fora and the formulation of joint indicators to measure the results of the programmes. There is some scope for the participation of civil society in these processes but while the NGO community has made efforts to raise indigenous peoples' concerns, they have themselves not have access.

So far no coordination mechanism exists that bring together the concerned actors in Cambodia to ensure coordination, coherence and concerted efforts for including indigenous peoples in the NSDP.

The NSDP covers the period 2006-10. In the absence of a national policy on indigenous peoples, their situation is not particularly addressed in the overall objectives and targets of the NSDP. However, the NSDP identifies "*targeted efforts to the most needy and least served people and areas*" as a main priority, which could potentially be used as an entry point for targeting indigenous communities.

While the NSDP outlines strategic goals, targets, indicators and actions at the macro level for all sectors, more specific plans are to be developed for each sector.

Decentralisation and Deconcentration (D&D) is one area that offers obvious opportunities for strengthening indigenous peoples' participation in development. The sub-national levels of province, district and commune are where the indigenous peoples live and participate in commune councils and other local bodies. However, the specificities of such opportunities are yet unknown as a new Organic Law on the decentralised government structure will be enacted in 2008.

*Civil society participation was the weakest point in the NSDP formulation process. This needs to be redressed in implementation, firstly by communicating the key points of the NSDP to civil society in an accessible format and secondly by involving NGOs as channels for feedback on grassroots perspectives of implementation and results*<sup>43</sup>.

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<sup>43</sup> Joint Staff Advisory Note of the Cambodia NSDP, 2006, p. 3.

Ideally, the national Public Investment Program (PIP) will be built from below, through the participatory development of Commune and District-level Investment Programmes. Currently, the PIP is a macro-level plan that only reflects major investments within four broad sectors. There are still no guidelines or directions to ensure that the priorities identified at local level are actually reflected in the PIP and presently, no specific indigenous peoples' interventions form part of the PIP.

*The NSDP outlines links between goals, strategy and patterns of public expenditure, but is more indicative than specific when it comes to spending priorities. Therefore, if the NSDP is to influence the RGC and donor prioritization it is likely to be in the context of policies, institutions and governance arrangements rather than spending<sup>44</sup>.*

From indigenous peoples' own perspective, the land and forest sector is the most important, as it provides the social, economic and cultural basis for their livelihood and survival while illegal land grabbing is a rapidly increasing phenomenon of great national and international concern. It is also in the section on Land Reform that the NSDP makes an explicit reference to indigenous peoples, acknowledging the need for "registration of indigenous people's land rights<sup>45</sup>".

In 2006, a joint donor-government monitoring indicator was developed, related to the drafting of a Policy on legal registration of indigenous communities as well as their user rights to land<sup>46</sup>. In 2007, a specific target was formulated, to have the Policy adopted<sup>47</sup> and to pilot protective measures to safeguard indigenous land in two provinces.

The existence of a specific indicator constituted a push for the government to draft the Policy on registration of indigenous communities. However, numerous organizations have expressed concern about the weakness of the protective measures stipulated in the draft Policy and no indigenous community in Cambodia has yet benefited from legal protection of their communal land rights.

The specific focus on indigenous issues in joint donor-government fora – and the development of a specific indicator – has definitely served as a leverage for raising the attention to indigenous peoples' priorities, although the more tangible results are yet to be seen.

In addition, Danida is providing direct support to the ILO in order to work towards implementing relevant legislation in order to secure land rights for indigenous communities. Through this, the ILO has sought to build the capacity of indigenous peoples

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<sup>44</sup> Joint Staff Advisory Note of the Cambodia NSDP, 2006, p. 3.

<sup>45</sup> Section 4.50 of the NSDP.

<sup>46</sup> *Policy on registration of and (use) right to land of indigenous community in Cambodia*, December 2006, Council of Land Policy.

<sup>47</sup> Although the policy was broadly criticized by civil society and others, and requests for substantial changes were made before its adoption.

so that they themselves are able to engage in the legal processes. Another element of this work has been to play a coordinating role in order to work towards harmonizing the many approaches that are being applied to the registration of indigenous communities' land rights, and to strengthen the official mechanisms for dealing with these issues.

In contrast, not much progress has been made with regards to mainstreaming indigenous peoples' needs and priorities in the implementation of the broader NSDP, and no specific interventions have been developed in priority sectors such as health and education. Generally, the lack of specific data on the situation of indigenous peoples not only impedes the identification of them among the most needy and least served but also makes monitoring of their situation, as well as informed policy-making, impossible.

### **3.3. Cameroon:**

Indigenous peoples in Cameroon are the pastoralist Mbororos and the so-called Pygmies (Baka and Bagyèli), who traditionally have been dependent on forest resources for their livelihood. Numerically, they constitute approximately 1.8 million and 400,000 people, respectively. The indigenous peoples are not protected by any particular legal status although it is widely acknowledged that they belong to the poorest and most marginalized sections of the population.

Cameroon's *Document de Stratégie de Réduction de la Pauvreté* (DSRP) came into place three years ago. The DSRP focuses on 6 strategic "axes" but although a number of macro-economic indicators have improved, it is still difficult to see progress for the 80% of the population that lives below the poverty line. Furthermore, the institutions that are responsible for the monitoring and evaluation of the DSRP are not efficient and the progress reports only give a partial picture of the implementation, as NGO activities are not reflected.

Despite the unusually participatory nature of the process to develop priorities for the current DSRP in Cameroon, indigenous peoples were not appropriately consulted in the elaboration process and their concerns are not addressed either in the strategic lines, or in the sector strategies or the medium-term expenditure framework of the various ministries. Nevertheless, Cameroon is one of the only countries in the African region to have developed specific programmes under the DSRP framework to target indigenous communities. In this case, however, they have a very localized focus. The targeted projects that were developed in some ministries have not received any budgetary allocation and their implementation remains highly hypothetical. The exceptions are a few projects funded by international agencies, for which the government has budgeted with co-funding. However, the projects targeting indigenous peoples in the context of the *Programme National de Développement Participative* (PNDP) and the Programme Sectoriel Forêt-Environnement (PSFE) are insufficient and have limited effect on the beneficiaries.

Since February 2007, Cameroon has been in a process of revising the DSRP, which provides an opportunity for ensuring that the concerns of indigenous peoples are reflected in the implementation and monitoring mechanisms of the second-generation DSRP.

Generally, there is a need to focus on the root-cause of their poverty and not only on mediating the effects. The participation of indigenous peoples in the elaboration of development strategies at all levels is crucial but to ensure this, focused capacity-building programmes need to be implemented, focusing on the strengthening of indigenous peoples' capacity to participate in decision-making processes. Likewise, the government should strengthen the capacity of the government institutions to address indigenous issues. This would also imply undertaking complementary studies and surveys in order to gain a better understanding of indigenous peoples' poverty situation. There are a number of existing experiences and good practices, and research, particularly in the areas of education, capacity building and natural resource management, in Cameroon as well as at the sub-regional level that could be drawn on in order to guide such initiatives in Cameroon.

Thematically, indigenous peoples' priorities are related to access to land and participation in the management of natural resources, access to justice and to culturally appropriate access to basic services such as health and education, and strengthening of their technical and organizational capacities. Some regional bodies, such as the Commission des Forêts de l'Afrique Centrale (COMIFAC), could serve as fora in which indigenous issues could be addressed if adequate sensitization takes place. In order to address the discrimination against indigenous peoples, national employment policies should ensure equality of opportunities, also with regards to access to vocational training. Ratified ILO Conventions such as the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) could be used as a framework for addressing these issues, as well as the recently adopted National Employment Policy.

At the institutional level, the main challenge is to ensure that indigenous peoples are represented in the various institutions or mechanisms that are mandated to implement and monitor the DSRP at local and national levels. Furthermore, there is a need to sensitize those that are working within these institutions and mechanisms on indigenous issues, so they are better equipped to address them.

In its capacity as the main focal Ministry for addressing vulnerable groups, the Ministry of Social Affairs (MINAS) is in the ideal position to ensure consultation with and participation of indigenous peoples in the various steps of planning and elaboration of the Medium-Term Expenditure Framework of the various sector ministries, wherever these are relevant to and have implications for the situation of the communities. MINAS could also play a coordinating role in ensuring the visibility of indigenous issues in a more general sense. This is particularly important for the Ministries of Health, Planning, Primary and Secondary Education, Social Affairs, and Forest and Fauna. In this way, it could be ensured that indigenous issues are addressed and have adequate budget allocations in the context of sector policies and programmes. The new commissions set up to monitor the implementation of the DSRP at department and communal levels, as well as the monitoring committee at the national level, should ensure that indigenous peoples have access to information and participation in the decision-making process.

A comprehensive strategy is needed, if indigenous issues should be included and addressed in the second generation DSRP. Such a strategy should concentrate on four

strategic lines: 1) general integration of indigenous issues in to the DSRP (including increased coordination; using lessons from existing research, experiences and best practices; communication and capacity building for all concerned actors; data collection in specific areas; and reinforcing participation mechanisms; and 2) integration of indigenous issues into specific sectors, in particular education, forest and natural resources, health and employment.

Through the DSRP, the State must recognize that indigenous peoples constitute a particularly vulnerable group that has specific needs for culturally appropriate consultations. Civil society organizations should be even more active and efficiently accompany indigenous peoples in the revision of the DSRP. Donors and other development partners can support both technically and financially and must ensure that they comply with their own principles and policies on support to indigenous peoples in development cooperation.

### **3.4. Nepal:**

Nepal is in an unusual situation, as a recent peace accord ended more than ten years of civil war and a major state reform process is ongoing. Indigenous claims are at the centre of this process. It is widely recognised that marginalisation and exclusion of the 59 indigenous peoples, who constitute approximately 40% of the population, has been among the root-causes of unrest. The indigenous peoples are also very diverse and while most of the groups are lagging behind, a few of the groups are actually above the average population in terms of socio-economic conditions. However, demands for self-governance and rights to language and beliefs are shared among all groups.

In September 2007, Nepal ratified ILO Convention No. 169, in order to use the Convention as a framework for inclusive democracy and development. The Convention provides a comprehensive legal basis for the inclusion of the rights of indigenous peoples in the restructuring of the state and in development and poverty reduction policies.

Nepal's last PRSP (the so-called Tenth Plan) ended on July 16, 2007. With the historical political change and restructuring of the state, it was regarded impractical to formulate a new five-year plan and a Three-Year Interim Plan (TYIP) was prepared to cover the period 2008-10. This period coincides with the one year stipulated for aligning legislation and policies and developing implementation mechanisms as well as with the restructuring of the state through a Constituent Assembly. In this respect, the state reform process, the implementation of Convention No. 169 and the implementation of the TYIP must be aligned and contribute to the same overall goals. However, these processes are all highly dependent on the general political and governance situation, which remains volatile.

Nepal has a strong indigenous movement, most prominently represented by the Nepal Federation of Indigenous Nationalities (NEFIN) but also a number of other

networks and organizations. A fundamental demand of the indigenous peoples has been their proportional representation in the Constituent Assembly. Furthermore, the government has established the National Foundation for the Development of Indigenous Nationalities (NFDIN) as an autonomous government organization that works for the development of indigenous peoples.

Consultations were an important feature of the formulation process of the TYIP and were held at different steps of conceptualisation, formulation, and preparation and at both national and local levels, including with indigenous communities. In addition, a special task force was established to suggest targeted policies, programs and projects for indigenous peoples.

Through these processes, indigenous peoples' needs are well identified. These include (i) conservation and development of their cultures, cultural heritage, and language, (ii) service delivery, (iii) socio-economic infrastructure development, and (iv) affirmative actions for their greater participation in civil service and other public institutions.

Following ratification of Convention No. 169, a specific section on indigenous peoples' development was developed for the TYIP, providing far more prominence to indigenous peoples issues than any of the country's national plans so far. The TYIP contains a critical review of the social, political, economic and cultural situation of Nepal's indigenous communities and a five-point development programme in the following areas:

- State machinery and policy
- Capacity enhancement of traditional and indigenous nationalities' organizations
- Economic conditions
- Social conditions
- Language and culture

One of the activities mentioned specifically is a review of all state policies and programs to ensure that they are in line with ILO Convention No. 169.

The targeted projects proposed for the TYIP are largely carried over from the Tenth Plan but their implementation usually depends on the commitment and sensitivity of government staff with regards to indigenous issues. Based on previous experiences, there are concerns that the scope and budget allocations for these interventions will remain inadequate and that the prioritisation of funds is not based on objective criteria, resulting in a disconnect between the planning and the budgeting processes. Due to the limited resources, the government also has a tendency to distribute resources thinly to numerous projects and programmes demanded by the people. In this context, indigenous people also need to prioritize their needs and requirements for the effective use of available resources.

Issues such as access to natural resources and reform of education programmes require attention and technical knowledge in the ministries and donors, beyond the traditional targeting approach that has defined efforts so far. However, mainstreaming of the concern for indigenous peoples in the implementation of programmes at the local level, remain a challenge. The Tenth Plan/PRSP stipulated that 27 and 12% of the unconditional grants from central government to the district and village-level development committees have to be allocated to the programs directly benefiting the indigenous nationalities and Dalits. Although district plans are formulated with the involvement of local communities, at the moment they are generally not being used for implementation. Representation from the disadvantaged communities, including indigenous peoples, has been made mandatory e.g. in school management committees and forest user groups. However, indigenous peoples' traditional institutions are largely bypassed in the implementation process.

The main data sources available for monitoring TYIP progress do not provide disaggregated data for the different caste, ethnic, linguistic and religious groups. Some indicators provide for gender disaggregated data but these are not further disaggregated by caste/ethnic, linguistic and religious groups.

Donors have formed various coordination groups, related to the sectors or sub-sectors in which they are involved. A Social Inclusion Action Group (SIAG) has been in existence since 2005 but no specific group on indigenous issues has been established among the donors. However, following the ratification of Convention No. 169, the government is planning to set up a Task Force to oversee and coordinate the implementation process.

The government and donors provide only nominal direct financial support to indigenous peoples' organisations. The bulk of the donors' support goes to NGOs for improvement of livelihood and/or awareness of "disadvantaged" or "vulnerable" or "poor" or "excluded" or "marginalized" or "downtrodden" people. These generic categories often exclude indigenous peoples from receiving benefits from such programs.

### **A. *Main provisions of Convention No. 169 and Declaration on the Rights of Indigenous Peoples regarding development***

#### **Self-determined development, consultation and participation in Convention No. 169 and the UN Declaration on the Rights of Indigenous Peoples**

Overall, Convention No. 169 stipulates that indigenous peoples have the right to decide their own priorities for the process of development and to exercise control over their own economic, social and cultural development (article 7).

With regards to participation, Convention No. 169 (article 6) stipulates that governments shall establish means by which indigenous peoples can freely participate at all levels of decision-making in bodies responsible for policies and programmes which concern them.

The Convention (article 6) specifies that governments shall consult with indigenous peoples whenever consideration is being given to legislative or administrative measures, which may affect them directly. The consultation shall be undertaken in good faith with the objective of achieving agreement or consent. Additional provisions specify instances where consultation should take place, in particular in relation to land.

The consultation process shall follow appropriate procedures, be appropriate to the circumstances and take place through indigenous peoples' representative institutions. Governments shall establish means for the full development of indigenous peoples' institutions and initiatives and in appropriate cases provide the resources necessary for this purpose.

The UNDRIP states that indigenous peoples have the right to self-determination and to determine and develop priorities and strategies for exercising their right to development.

With regards to consultation, the UNDRIP (Article 19) stipulates that States shall consult and cooperate in good faith with indigenous peoples through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them. In the Declaration, the concept of free, prior and informed consent is also applicable in specific instances, in particular in relation to land.

Furthermore, indigenous peoples have the right to participate in decision-making in matters that would affect their rights, through representatives chosen by themselves in accordance with their own procedures, as well as to maintain and develop their own indigenous decision-making institutions (Article 18).

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*Including indigenous peoples in Poverty Reduction Strategies*

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