

# IFAD Policy on Engagement with Indigenous Peoples



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Indigenous peoples, living in rural areas of developing countries and facing high levels of poverty and food insecurity, are an important constituency for IFAD. In working with them, we have learned the importance of recognizing the diversity and distinctiveness of peoples and rural communities and of valuing and building on their cultural identity as an asset and economic potential. Thirty years after IFAD made its first loan in support of indigenous peoples, we are better equipped to strengthen our links with these communities.

Within their lands and territories indigenous peoples maintain 80 per cent<sup>1</sup> of the planet's biodiversity, so most of the world's

370 million indigenous peoples are also guardians of the world's natural resources. With their deep and locally rooted knowledge of the natural world, indigenous peoples have much to share about how to live, how to work and how to cultivate in a sustainable manner that does not jeopardize future generations. Yet they suffer from economic, social, political and cultural marginalization and need support for their efforts to shape their own destinies.

## Issues and challenges

The main issues and challenges indigenous peoples face are:

- **Poverty and well-being.** Indigenous peoples are overrepresented among the world's poor people, comprising 15 per cent of people living in poverty but only 5 per cent of the world's population.

- **Territories and resources.** Indigenous communities face intensifying pressures on traditional economies, resulting in increasing erosion of territories and resources. Climate change threatens their very survival.
- **Discrimination and exclusion.** Poverty and the loss of territories and resources due to unsupportive policies or regulations are compounded for indigenous peoples by frequent discrimination in labour markets and marginalization from the political process.
- **Poverty reduction strategies and the Millennium Development Goals.** Indigenous peoples were invisible in the formulation of the Millennium Development Goals, and there is increasing concern that they are being left behind or hurt by the pursuit of aggregated country targets.

<sup>1</sup> According to the World Resources Institute, indigenous peoples maintain within their lands and territories 80 per cent of the world's agro-biodiversity. See: Sobrevila, C. (2008), The Role of Indigenous Peoples in Biodiversity Conservation: The Natural but Often Forgotten Partners. World Bank, Washington, D.C.



### **IFAD's partnership with indigenous peoples**

IFAD has financed around US\$1.5 billion in loans in support of indigenous peoples since 1979. Our Strategic Framework (2011-2015) specifically identifies indigenous peoples as an important target group. This background informs our Policy on Engagement with Indigenous Peoples, which aims to improve IFAD's development effectiveness as we engage with these communities. We understand that reaching them requires tailored approaches that respect their values and build on their strengths.

The policy sets out the principles IFAD will adhere to in its engagement with indigenous peoples as well as the instruments, procedures and resources we will deploy to implement them. It stems from numerous international consultations, including those with indigenous peoples' leaders, the United Nations Permanent Forum on Indigenous Issues and the Inter-Agency Support Group on Indigenous Issues.

### **Principles of engagement**

Nine principles of engagement underscore IFAD's policy:

1. **Cultural heritage and identity.** IFAD will assist communities in taking full advantage of their traditional knowledge, culture, governance systems and natural resources, all of which form part of their tangible and intangible heritage.
2. **Free, prior and informed consent.** In working with Member States on projects targeting or affecting indigenous peoples, IFAD shall support the participation of indigenous peoples' communities in determining priorities and strategies for their own development. IFAD shall consider this consultation and consent as a criterion for project approval.



3. **Community-driven development.**

IFAD will follow and enhance community-driven development approaches that are well suited to the holistic perspectives of indigenous peoples.

4. **Land and resources.** IFAD will promote equitable access to land and territories by indigenous peoples and enhance their tenure security, by strengthening their capacity to manage their territories and resources in a sustainable way.

5. **Indigenous peoples' knowledge.**

IFAD will value indigenous peoples' knowledge and practices in investment projects. We will also build on these assets by supporting research that blends traditional knowledge and practices with modern scientific approaches.

6. **Environmental issues and climate change.** IFAD will support indigenous peoples in enhancing the resilience of the ecosystems in which they live and in developing innovative adaptation measures.

7. **Access to markets.** Indigenous peoples' societies have begun to join the market economy, which brings both opportunities and challenges. IFAD will explore these opportunities and enable indigenous peoples' communities to engage in markets on more profitable terms.

8. **Empowerment.** Empowerment is essential for poor and marginalized populations to improve their livelihoods in a sustainable way. IFAD will support the empowerment of indigenous peoples by providing resources for capacity-building so they can secure and manage their resources and lead their own development processes.

9. **Gender equality.** Indigenous women often experience triple discrimination – as women, as members of indigenous peoples' communities and as women within those communities. In continuing to incorporate a gender focus in our programmes, IFAD will make a special commitment to improve the well-being of indigenous women.



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## Implementing the policy

IFAD will deliver the policy by implementing these principles when formulating country strategies and projects and through policy dialogue. In particular we will make concerted efforts to:

- Reflect indigenous peoples' issues in country strategic opportunities programmes
- Include representatives of indigenous communities in all stages of design and implementation of IFAD-supported projects
- Continue funding research and knowledge creation on indigenous peoples' issues, including through grants
- Strengthen the Indigenous Peoples Assistance Facility, which provides small grants for grass-roots projects that are designed and implemented by indigenous peoples' communities
- Advocate with national governments and other partners, aiming to bring indigenous peoples' representatives and other relevant partners into consultative processes
- Promote systematic dialogue with indigenous peoples and promote their participation in outreach and learning events. Beginning in February 2013, an indigenous peoples' forum will take place at IFAD every other year in conjunction with our Governing Council meeting.



IFAD is an international financial institution and a specialized United Nations agency dedicated to eradicating poverty and hunger in rural areas of developing countries.

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