



Madam Chair, Members of the Permanent Forum and Distinguished Delegates:

May I first congratulate you on your election as the chair of the 4<sup>th</sup> session of the UN Permanent Forum on Indigenous Issues.

The World Bank is honored to participate in this session of the Permanent Forum, which is examining the impact of the Millennium Development Goals on Indigenous Peoples.

The World Bank has made substantive efforts to ensure that the development process fosters full respect for the culture, dignity and uniqueness of Indigenous Peoples, in particular through our strategy for engagement and alliance-building with Indigenous Peoples' communities, as countries implement the Millennium Development Goals.

The World Bank recognizes the real possibility that, while countries or regions may be able to achieve MDGs, the benefits may not always reach the Indigenous Peoples in these countries or regions. There are approximately 250 million Indigenous Peoples in the developing world, a majority of them poor and excluded. Indigenous Peoples continue to lag behind in many key socio-economic development indicators. Even with global achievement of the Millennium Development Goals, many Indigenous Peoples may remain among the poorest. We need to ensure that the programs to achieve MDGs are designed in ways that meet the aspirations of Indigenous Peoples for "development with dignity." For example, Indigenous Peoples seek not only greater access to education but also education that recognizes their distinct culture and language. And we take serious note of the "Statement of the Inter-Agency Support Group on Indigenous Issues regarding Indigenous Peoples and the Millennium Development Goals, October 1, 2004," "...the effort to meet the targets laid down for the achievement of the MDGs could in fact be harmful to indigenous and tribal peoples or even accelerate the loss of the lands and natural resources on which indigenous peoples' livelihoods have traditionally depended or the displacement of indigenous peoples from those lands." We should not let this happen.

The World Bank recognizes that Indigenous Peoples must be afforded a greater role in formulating and implementing strategies for attaining the MDGs. Working with governments and others, development agencies must help strengthen Indigenous Peoples' networks and their existing social and cultural organizations. In this way, Indigenous Peoples' wealth of social, biological, and cultural diversity can be protected, while livelihood options and access to healthcare, education, and security are expanded.

**On our strategy of direct engagement:** Since the mid-1990s, the World Bank has made an important strategic shift in working with Indigenous Peoples. We have become proactive rather than reactive. This proactive approach includes direct engagement with Indigenous Peoples and working closely with Indigenous Peoples organizations. A growing number of Indigenous Leaders, including the members of the Permanent Forum, have entered into dialogue with the World Bank and we are working together to find proactive and constructive ways to address Indigenous Peoples' concerns.

Aspects of our engagement include the Grants Facility for Indigenous Peoples, our investment projects, and our work in expanding the global knowledge base on Indigenous

Peoples' issues and our recently approved policy on Indigenous Peoples. I would like to turn to each of these now.

**The World Bank Grants Facility**, launched in 2003, has been providing small grants to Indigenous Peoples Organizations/communities from around the world for a range of culturally appropriate pilot projects that build on Indigenous Peoples' culture, identity, knowledge, natural resources, intellectual property and human rights. Indigenous Peoples' leaders are in the voting majority on its Board, whose members will also include representatives from the Permanent Forum, governments, donors, Civil Society Organizations, the private sector and the World Bank. The extraordinary response to the call for proposals in the first two years is a clear indication of the great need for, as well as strong interest in, the small grants that the Grants Facility provides. The Government of Norway is co-financing the Grants Facility and interest has been expressed by Canadian government officials to support the program. Thus far, we have approved 56 grants under the Facility. The World Bank team will make a separate presentation on the Grants Facility later in the 4<sup>th</sup> session.

**Investment Projects.** The World Bank is currently financing 237 projects involving Indigenous Peoples, with some 97 additional projects under preparation. These projects are located in all of our regions. Examples include capacity building for Indigenous Peoples organizations; educational and health programs that are tailored to Indigenous Peoples' needs, legal and judicial reforms that address Indigenous Peoples' rights; conservation and biodiversity that build on Indigenous Peoples' knowledge, and sustainable livelihoods that directly address the poverty among Indigenous Peoples.

**Knowledge.** In our role in knowledge management, learning, research and data collection, we endeavor to learn from the practices of communities so as to leverage the best in global and local knowledge systems and provide expertise and advice to its beneficiaries. For example, findings of earlier World Bank studies on poverty among Indigenous Peoples were recently updated in the World Bank study, *Indigenous Peoples, Poverty and Human Development in Latin America: 1994-2004*, which assesses evolution of social conditions of Indigenous Peoples in Bolivia, Ecuador, Guatemala, Mexico and Peru during the last decade. The World Bank will organize a side event on May 24, 2005 on the results of the study.

**World Bank Policy on Indigenous Peoples:** The World Bank's revised policy on Indigenous Peoples, recently endorsed by its Board of Executive Directors, reflects an important strategic shift towards working with Indigenous Peoples. The Indigenous Peoples policy is a key instrument to ensure that the voices of Indigenous Peoples are heard, and that projects address their interests. In 1982, the World Bank became the first multilateral financial institution to introduce a special policy for the Tribal People in development projects. At that time, this policy was considered by many to be one of the most progressive of its kind, requiring development projects to avoid, and if this was not feasible, to minimize or mitigate adverse impacts on affected communities, and, more importantly, to provide them with culturally appropriate benefits. But it was a policy that was rooted in a philosophy of mitigating impact.

Our new policy reflects an increased awareness of the need to proactively promote Indigenous Peoples participation in development-related activities and to protect Indige-

nous Peoples' rights to their lands, resources, identities and culture. For all proposed projects that affect Indigenous Peoples, the World Bank will provide financing only where free, prior and informed consultation results in broad community support for the project by the affected Indigenous Peoples. Existing requirements have been strengthened and new ones added on commercial use of natural resources on lands owned, or customarily used by, Indigenous Peoples, and the commercial use of cultural resources, including indigenous knowledge.

The World Bank's approach is reinforced by our overall Social Development strategy, which places vulnerable groups such as Indigenous Peoples at the center of development, helping them to have control over their own future by encouraging greater levels of cohesion, participation and accountability. In particular, we encourage governments to create space for direct engagement of all vulnerable people, including Indigenous Peoples, in the policy dialogue that underwrites the Poverty Reduction Strategy Papers (PRSPs).

**The Permanent Forum and the World Bank:** As the Permanent Forum assumes a greater role in bringing Indigenous Peoples' issues to the attention of the international community, the World Bank will continue working to transform its relationship with Indigenous Peoples into a partnership to discuss, plan, and move forward on a mutually agreed upon agenda and in cooperation with host countries' governments. To continue our work together, I would like to make three suggestions on behalf of the World Bank for consideration by the Permanent Forum.

1. That the World Bank host a workshop on "Indigenous Peoples and Poverty" in calendar year 2006.
2. That the World Bank facilitate a meeting of selected Permanent Forum members with the Multilateral Financial Institutions – Working Group on Environment in the Fall of 2005.
3. That I invite selected representatives from the Permanent Forum to discuss future collaboration.

Madam Chair, thank you for this opportunity to address the 4<sup>th</sup> session of the Permanent Forum.