

Sector and Thematic Evaluation

Implementation of the Strategy for Indigenous Development

Lessons from the portfolio review

ABSTRACT

The Inter-American Development Bank's involvement in indigenous issues dates from the mid-1980s. Its support became formalized with the definition of the Operational Policy on Indigenous Peoples and the Strategy for Indigenous Development in 2006. Bank action in accordance with the strategic focuses of the indigenous development strategy shows that its operations have generally focused on improving access to, and the quality of, social services and economic development opportunities.

The most significant findings on the Bank's work with indigenous peoples include the following: (i) indigenous issues are less prevalent in country strategies from 2006 onward; (ii) the instrument most used to address indigenous issues is technical cooperation, followed by loan operations; (iii) there is limited evidence of a mainstreaming approach to the integration of indigenous issues in Bank operations; (iv) the number of loans with a proactive approach declined after approval of the Strategy for Indigenous Development; (v) the evaluability of operations related to indigenous issues is low; and (vi) the review period was marked by major institutional changes in the unit responsible for indigenous issues at the Bank.

The recommendations of the Office of Evaluation and Oversight focus on three levels: (i) ensure that analytical work is of high quality in those countries where the development of indigenous peoples represents a major challenge; (ii) strengthen the Bank's existing information systems, to ensure effective monitoring of the its work on indigenous issues and fulfillment of the IDB-9 commitments; and (iii) strengthen research and evaluation in priority sectors for indigenous peoples, to identify good practices and standards.

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Strategy for
Indigenous
Development
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OFFICE OF EVALUATION AND OVERSIGHT, OVE



Inter-American Development Bank

November 2012



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Office of Evaluation and Oversight
1350 New York Avenue, N.W.
Washington, D.C. 20577
www.iadb.org/evaluation

ACRONYMS

ACKNOWLEDGEMENTS

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* Available at <http://www.iadb.org/document.cfm?id=37074685>

ACRONYMS

CAN	Country Department Andean Group
CCB	Country Department Caribbean Group
CELADE	Latin American and Caribbean Demographic Center
CESI	Environmental and Social Impact Committee
CID	Country Department Central America, Mexico, Panama and the Dominican Republic
CMA	Comité de Medio Ambiente [Environmental Committee]
CSC	Country Department Southern Cone
ECLAC	Economic Commission for Latin America and the Caribbean
ESG	Environmental Safeguards Unit
GCI-9	Ninth General Capital Increase
GDI	Gender and Diversity Unit
IDB-8	Eighth General Increase in the Resources of the IDB
IDB-9	Ninth General Increase in the Resources of the IDB
IDS	Strategy for Indigenous Development, or “Indigenous Development Strategy”
ILO	International Labour Organization
IND	Indigenous Peoples and Community Development Unit
IPP	Operational Policy on Indigenous Peoples, or “Indigenous Peoples Policy”
LAC	Latin America and the Caribbean
MDGs	Millennium Development Goals
MIF	Multilateral Investment Fund
OPUS	Operations Update System
OVE	Office of Evaluation and Oversight
PCR	Project completion report
PMR	Progress monitoring report
PPMR	Project performance monitoring report
TC	Technical cooperation

This evaluation was led by Michelle Fryer, under the general direction of Cheryl W. Gray. The evaluation team consisted of Carla Calero, Salomón García, Ursula Quijano, Patricia Sadeghi, and Sebastián Vargas.



Among other priorities, IDB's Indigenous Development Strategy seeks to: provide greater visibility for indigenous peoples and their specificity; improve access to, and quality of, social services; enhance economic development opportunities and promote rights, regulations, and legal safeguards.

Photo: Willie Heinz, 2000

Executive Summary

Indigenous peoples constitute one of the region's poorest and most disadvantaged groups. Although the last decade was marked by progress in terms of poverty reduction, better educational outcomes, expanded delivery of basic water and sanitation services, and greater political participation, indigenous peoples continue to face difficulties, and their situation remains critical.

The Inter-American Development Bank's involvement in indigenous issues dates from the mid-1980s. Its support became formal with the definition of the Operational Policy on Indigenous Peoples (or "Indigenous Peoples Policy (IPP)") and the Strategy for Indigenous Development (or "Indigenous Development Strategy (IDS)") in 2006. The IPP establishes the long-term objectives and the conditions for implementing the strategy. The IDS defines the Bank's lines of action as seeking to: (i) provide greater visibility for indigenous peoples and their specificity; (ii) strengthen governance; (iii) improve access to, and quality of, social services; (iv) enhance economic development opportunities; and (v) promote rights, regulations, and legal safeguards.

Although several of the challenges facing indigenous peoples are correlatives of their poverty, others are exclusive to these peoples. It is thus important that interventions consider their specific characteristics. In this sense, the IDS adopted a multidimensional approach to address the factors that have had an impact on the disadvantaged and marginalized conditions in which these populations live.

A review of country strategies approved between 2000 and 2011 reveals the Bank's explicit intention to address indigenous issues, particularly in countries with the largest indigenous populations. Nonetheless, these issues became less visible in the country strategies approved, and approval of the IDS in 2006 had no positive influence.

Analysis of the portfolio related to indigenous peoples shows that the tool used most often to address these issues is technical cooperation (TC), followed by loan operations. Most loans mention indigenous peoples in the section on beneficiaries and risks, without including a clear and explicit intention. In addition, they do not provide for specific activities, budgets, targeted actions, or performance indicators.

Bank action in accordance with the strategic focuses of the IDS shows that its operations have generally focused on improving access to, and the quality of, social services and economic development opportunities. Loan operations have also supported the area of enhancing governance while TCs have addressed efforts to provide greater visibility for indigenous peoples and promote their rights.

Loan operations can be divided between a proactive approach (operations directly impacting indigenous peoples) and a reactive approach (safeguard operations that include measures to mitigate an operation's adverse impacts on indigenous peoples). There have been fewer operations using the proactive approach since approval of the IDS, and the number of operations using a reactive approach was the same both before and after it was introduced. This means that approval of the IDS did not reflect greater efforts on the part of the Bank to more actively address the issues. In addition, most operations do not include assessment metrics, making it impossible to measure the scope of initiatives targeting indigenous peoples.

The review period was marked by significant changes in the IDB unit responsible for indigenous issues. As part of the Bank's realignment process, the Indigenous Peoples and Community Development Unit (IND) became part of the new Gender and Diversity Unit (GDI).

A proactive agenda for the development with identity of indigenous peoples would require knowledge and application of the IDS among those involved in these issues. However, the survey and interviews of Bank staff conducted by OVE show that there is limited knowledge and use of the IDS within the Bank. These conclusions form the basis for the following recommendations:

- **Ensure that analytical work is of high quality in those countries where the development of indigenous peoples represents a major challenge,** as a basis for policy and technical dialogue with the government during country strategy formulation and the programming process with the country. Among other actions, the Bank should ensure that staff are sufficiently knowledgeable about the Strategy for Indigenous Development, Operational Policy, and Implementation Guidelines.

- **Strengthen the Bank's existing information systems**, to ensure effective monitoring of its work on indigenous issues and fulfillment of the IDB-9 commitments. Specifically, the following needs to be done:
 - Create a classification (category and subcategory) within the OPUS system to identify all operations related to the indigenous population.
 - Make the necessary modifications to the monitoring and results systems (PMRs and PCRs) to effectively monitor and report on the Bank's work on indigenous issues and the IDB-9 commitments.
 - Ensure that project teams take responsibility for collecting and reporting output and outcome indicators disaggregated by ethnic origin for operations related to indigenous peoples, as well as those indicators identified in the IDB9 results framework.
 - Ensure that these indicators are reported at the same level as the corporate indicators.
 - Designate responsibility for monitoring, supervision, and corporate reporting within the Bank, and provide sufficient incentives and resources.

- **Conduct evaluations in priority sectors for indigenous peoples** that contribute to the identification of good practices and serve as standards for the design, execution, and evaluation of this type of project. Evidence on Bank projects that adapt the cultural values and norms of indigenous peoples is very limited.



1

Indigenous peoples are characterized by their distinctive language and culture, as well as by their attachment to the land, all deriving from the fact that their ancestors constituted the region's original pre-Colombian societies.

Photo: IDB, 2011

1 Introduction

This report presents the portfolio review of operations related to indigenous issues in the context of implementing the Strategy for Indigenous Development (document GN2387-5),¹ approved in 2006. This review was conducted by the Office of Evaluation and Oversight (OVE). The objective is to analyze the Bank’s strategic approach and operational efforts in terms of: (i) their relevance to the main needs of indigenous peoples in Latin America and the Caribbean (LAC); and (ii) their application in the Bank’s strategic and operational processes.

The Strategy for Indigenous Development (or “Indigenous Development Strategy (IDS)”) and the Operational Policy on Indigenous Peoples (or “Indigenous Peoples Policy (IPP)”) were approved after a two-year process of consultation with governmental institutions, representatives of indigenous organizations, and other interested parties. The analysis focuses primarily on the IDS inasmuch as it frames the Bank’s work on indigenous issues.

The second chapter presents the challenges faced by indigenous peoples, based on a review of household surveys and the existing literature. To establish the context of the study, the third chapter examines the Bank’s historic engagement in indigenous issues and presents the methodology used.

The fourth chapter analyzes the implementation of the IDS and its relevance in terms of the challenges faced by indigenous peoples. It also examines the extent to which the objectives of the IDS are reflected in the Bank’s strategic and operational output. The analysis focused on a review of all country strategies approved during the period 2000-2011, as well as nonfinancial operations and outputs related to indigenous peoples. It also briefly discusses the Bank’s institutional guidance on addressing indigenous issues. Lastly, the conclusions and recommendations of the document are presented in the final chapter.



2

Studies reveal that indigenous peoples have lower coverage from basic services, and that infrastructure investment in areas where they live is deficient.
Photo: Salomón García, 2011

2 Challenges of Indigenous Peoples in Latin America and the Caribbean

Indigenous peoples represent one of the region's poorest and most disadvantaged groups. The evidence shows that despite their ethnic and linguistic diversity, indigenous peoples share a common history of discrimination and inequality. The data on poverty measured by income generally show that indigenous peoples are worse off than that of the rest of the population.

Similarly, indicators related to education, health, the labor market, access to basic services, and other factors systematically show that, despite advances in the last decade, indigenous peoples have seen less progress compared to the nonindigenous population. This section draws on information from household surveys² (Annexes 1, 2, and 3) and reviews the literature on the evolution of current conditions for indigenous peoples in terms of various social and economic dimensions.³

Cultural diversity. Indigenous peoples are characterized by their distinctive language and culture, as well as by their attachment to the land, all deriving from the fact that their ancestors constituted the region's original pre-Colombian societies. According to various estimates,⁴ between 28 million and 43 million indigenous people live in LAC, representing between 6% and 10% of the region's total population.⁵ In addition, 420 indigenous languages are reported to be in use. In relative terms, the five countries with the largest indigenous populations are: Bolivia, Guatemala, Belize, Peru, and Panama. As seen in Table II.1, the presence of indigenous peoples varies considerably from one country to another in the region. Whereas in Bolivia and Guatemala indigenous peoples represent more than 40% of the total population, in Venezuela, Uruguay, and El Salvador, they represent less than 1%. In absolute terms, Mexico has the largest number of indigenous people, with 6.1 million⁶ and recognizes 56 peoples with 62 distinct indigenous languages.⁷ In most Caribbean countries, however, national censuses do not gather information on indigenous peoples or languages and almost the entire population is Afrodescendent.

TABLE II.1: INDIGENOUS POPULATION IN LATIN AMERICA AND THE CARIBBEAN, 2000-2011 (NATIONAL CENSUSES)

	Country	Indigenous Population (%)
More than 40%	Bolivia (2001)	62.5
	Guatemala (2002)	41.2
From 10% to 40%	Belize (2000)	16.6
	Peru (2008)	13.9
	Panama (2000)	10.2
From 3% to 10%	Guyana (2001)	9.1
	Honduras (2001)	7.1
	Ecuador (2001)	6.7
	Mexico (2000)	6.5
	Nicaragua (2005)	5.7
	Chile (2002)	4.7
	Colombia (2005)	3.3
Less than 3%	Paraguay (2002)	1.8
	Costa Rica (2000)	1.8
	Trinidad and Tobago (2000)	1.7
	Argentina (2001)	1.6
	Surinam (2006)	1.5
	Venezuela (2001)	0.9
	Uruguay (1996)	0.4
	Brazil (2000)	0.4
	El Salvador (2007)	0.2

Source: UNICEF and FUNPROEIB Andes 2009 for Argentina, Belize, Colombia, El Salvador, Guyana, Nicaragua, Peru, Surinam and Trinidad and Tobago. CELADE for Bolivia, Brazil, Costa Rica, Chile, Ecuador, Honduras, Guatemala, Mexico, Panama and Paraguay. World Bank for Uruguay and Venezuela.

Poverty. Household surveys show that, although the incidence of poverty measured by income has trended downward over the last decade, the percentage of the population that is poor remains much higher in the case of indigenous peoples (Figure II.1). At the country level, although Chile has the lowest incidence of poverty, 20% of indigenous people are below the poverty line. In Ecuador, Guatemala, Mexico, and Nicaragua, more than half of the indigenous population has less than US\$2.50 per day (Annex 4).

To a large extent, the poor and disadvantaged condition of indigenous peoples is associated with limited accumulation of human capital⁸ and other assets, geographical characteristics, low economic growth, historical discriminatory relations, and high inequity in the region (Annex 5). According to Hall and Patrinos (2006), if a person is indigenous, the increased probability of being poor ranges from 11% in Peru to 30% in Mexico.

It should be noted that this type of measurement has been criticized since it fails to capture the indigenous worldview and the complexity of the various situations with which indigenous people must contend (Renshaw and Wray, 2004). It has therefore been suggested that the monetary measurements of poverty should be supplemented with others that reflect core values of indigenous peoples and are consistent with their concept of development with identity, such as the quality of natural surroundings, legal safeguards, access to natural resources, social capital, and others (see document GN-2387).

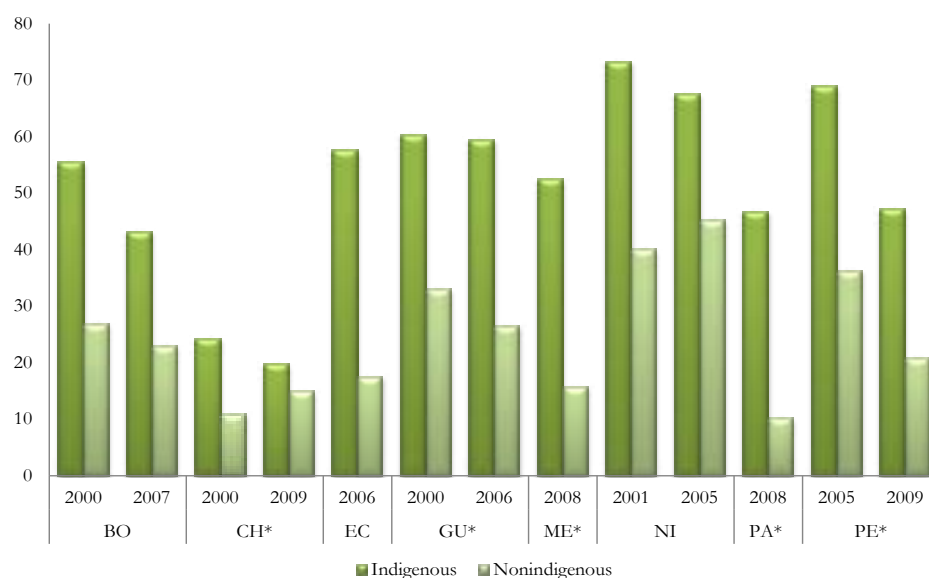


FIGURE II.1

Incidence of Poverty

*Preliminary Data
Source: MECOVI Household Surveys Databank

Health. All available health studies and statistics show that conditions are worse for indigenous peoples. In their study, Mayer-Foulkes and Larrea (2007) show that indigenous peoples, besides their poorer health status compared to the nonindigenous population, face greater barriers (cultural, linguistic, geographic, economic, and others) in terms of access to health services. According to figures from the Latin American and Caribbean Demographic Center (CELADE) on 11 Latin American countries, the infant mortality rate for indigenous peoples is higher than the rate for the nonindigenous population (Annex 6). For Colombia, Bernal and Cárdenas (2007) show that the differences found in health conditions⁹ between indigenous and nonindigenous groups are probably associated with differences in their income levels, access to formal employment, unemployment rates, and geographic location, as well as other factors. However, when studying the determinants of the prevalence of chronic malnutrition among Guatemalan children under the age of five, Marini and Gagnolati (2003) found that, after controlling for individual, household, and income level characteristics, the ethnic group variable continues to be significant.

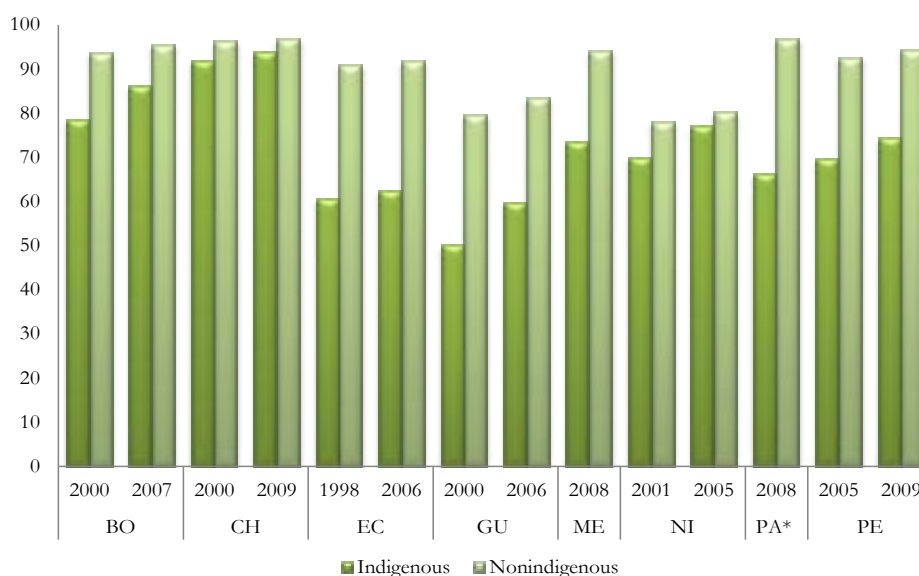
Education. Education is one of the factors affecting poverty reduction. Even so, indigenous peoples systematically demonstrate lower educational achievement compared to the nonindigenous population.¹⁰ Even though education indicators

such as the literacy rate and average years of schooling showed a positive trend over the last decade, significant gaps persist between the two groups (Figure II.2). While inequality has been declining in terms of literacy and enrollment in some countries (Chile, Nicaragua), it holds steady in other countries (Ecuador, Guatemala), reflecting inequitable access to the educational system (Annex 7).

FIGURE II.2

Literacy Rate (> age 15)

*Preliminary Data
 Source: MECOVI Household Surveys Databank



Various studies show that school quality and household characteristics play a fundamental role in the differences in school performance between indigenous and nonindigenous students. Hernández-Zavala et al. (2006) found that household-related variables explain much of the difference in the scores obtained in Mexico, Peru, and Guatemala. Considering fixed effects for the schools, McEwan and Trowbridge (2007) reported that in rural areas in Guatemala, between 50% and 69% of the gap could be explained by differences in schools and between 24% and 45% could be attributed to household characteristics.

Linguistic barriers. Linguistic barriers are also an important factor in the persistence of social exclusion. In Mexico, Parker (Robles 2009) found that low school performance among indigenous peoples could be related to low outcomes for monolingual students. In contrast, bilingual children showed outcomes similar to their nonindigenous peers. Similarly, Grigoli and Sbrana (2011) reported that in Bolivia speaking Spanish correlates positively with the likelihood of being enrolled and attending classes.

Labor market. The evidence presented in the surveys also shows that there are large differences in the conditions under which indigenous peoples enter the labor market (Annex 8). Generally, they have fewer years of education, are employed in menial low-skilled jobs (agricultural sector), and receive lower wages than the nonindigenous population (Figure II.3). For Bolivia, Hall and Patrinos (2006) found that the indigenous population earns 25% less than the nonindigenous population.

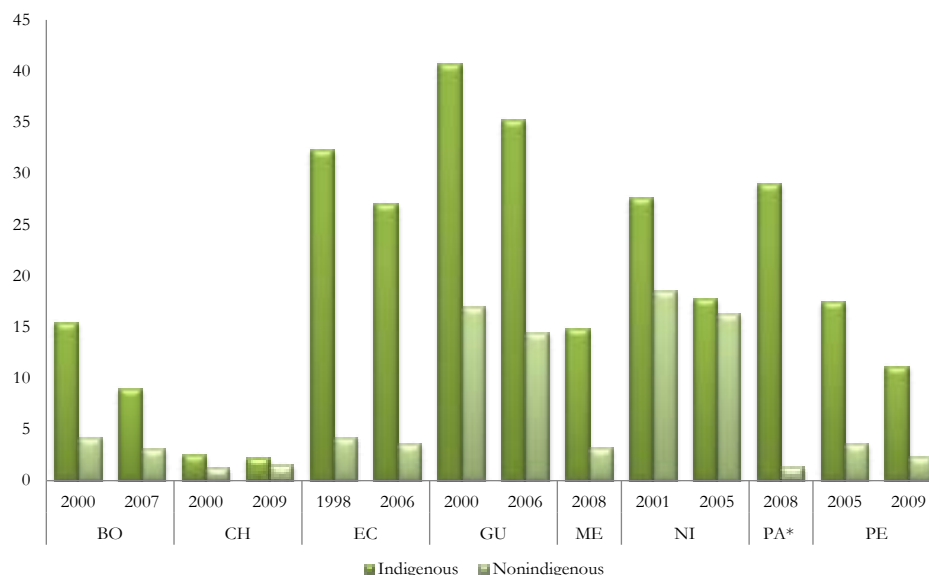


FIGURE II.3

Incidence of Poverty

*Preliminary Data
 Source: MECOVI Household Surveys Databank

Regarding this last point, a series of research studies using decomposition techniques (Atal et al., 2009; Gandelman et al., 2007) found that not all of the salary gap can be attributed to observable characteristics such as education but that other nonobservable factors such as racial **discrimination** are involved as well. The percentage of the differential that cannot be explained amounts to 58% in Peru, 45% in Ecuador, 42% in Mexico and Guatemala, and 26% in Bolivia (Hall and Patrinos, 2005). According to Zoninsein (2004), the gross domestic product of Bolivia, Brazil, and Guatemala would increase by 36.7%, 12.8%, and 13.6%, respectively, if the gaps in human capital and labor productivity based on ethnic and racial origin were eliminated.

Access to land. Indigenous peoples have limited access to physical assets (land). Their lands are generally smaller, and agricultural quality is low. For example, in Ecuador the size of land indigenous peoples is eight times smaller than land held by the nonindigenous population. In the case of Peru, it is two times smaller. In Guatemala, the nonindigenous population has been occupying more and more land with better productivity, displacing indigenous peoples (Patrinos et al., 2007).

Importantly, indigenous peoples frequently possess systems for the communal tenure and administration of the land and natural resources that constitute the basis for their subsistence, as well as social and cultural structures for the physical and cultural survival of the community. The right to communal land tenure, its legal recognition, and delimitation of traditionally occupied territories are at the heart of the concept of “development with identity.” This right has been unanimously recognized in international forums and in ILO Convention 169 on Indigenous and Tribal Peoples.

Access to basic services. Studies reveal that indigenous peoples have lower coverage from basic services, and that infrastructure investment in areas where they live is deficient. This relates more to geographic location than to issues of ethnic

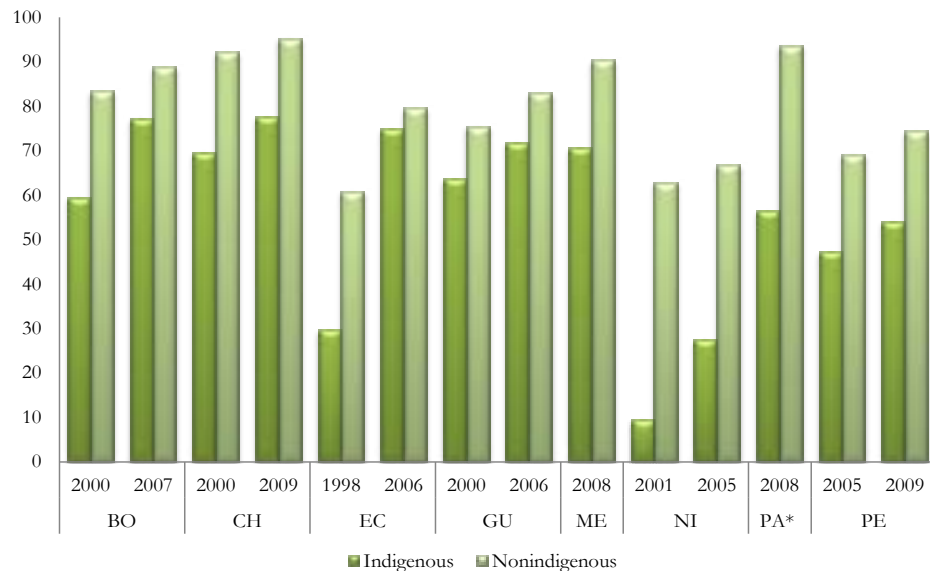
discrimination (Gandelman et al., 2007; Patrinos et al., 2007). In Ecuador, for example, Ponce (2006) showed that poor access to drinking water, sanitation, and electricity among indigenous peoples may be linked to their settling in remote rural areas, which makes the delivery of basic services difficult. The evidence presented in 2000 by the Economic Commission for Latin America and the Caribbean (ECLAC) reveals that low access to basic services affects indigenous women to a greater extent.

According to the estimates from household surveys, at the country level, the largest differences between the indigenous and nonindigenous population in terms of access to public water systems are seen in Nicaragua and Panama, while in Ecuador access became more equitable at the end of the last decade (Figure II.4). Chile and Mexico have more egalitarian electricity coverage, but in Panama the difference in access between indigenous peoples and the nonindigenous population exceeds 60% (Annex 9).

FIGURE II.4

Access to Public Water Systems

*Preliminary Data
Source: MECOVI Household Surveys
Databank



Political participation. In Latin America, indigenous peoples began to gain political visibility mainly during the 1990s, after having been historically sidelined from the political arena. Their presence has been evidenced by increasing political participation, which has varied from country to country and between types of representation.¹¹ In response to this greater participation, some governments have implemented legal reforms recognizing the political, social, and cultural rights of the indigenous peoples. For example, several countries have reformulated their constitutions to recognize the communal right of indigenous peoples to land, and according to Ruiz (2003, page 23), Bolivia, Mexico, Ecuador, and Paraguay have recognized *the multicultural nature of States and the existence of indigenous peoples as singular entities with their own cultural and linguistic attributes and with specific rights*. Other countries have strengthened the indigenous communities system, giving the indigenous population a certain degree of authority and selfmanagement within their own territories. Bolivia and Ecuador

have recognized traditional indigenous authorities and their jurisdiction, authority to settle disputes, and access to natural resources. Nearly all the region's countries have promoted bilingual and intercultural education. Nonetheless, as mentioned in the IDS, limitations persist¹² that prevent this enhanced political role from being reflected in better living conditions for indigenous peoples and in greater decision-making freedom.

In summary, although the last decade was marked by progress in terms of poverty reduction, improved educational results, expanded provision of basic water and sanitation services, and greater political participation, indigenous peoples still face many hardships, and their situation remains critical. They generally display lower educational achievement, higher levels of poverty, poorer health conditions, and less access to land and basic services than the nonindigenous population. In some countries, the gap between indigenous peoples and the nonindigenous population between 2000 and 2011 has shown a favorable trend, while in others there is limited progress, and even an increase, in certain disparities (Annex 10).¹³ Consequently, *“there is a growing concern among poverty analysts worldwide that countries with significant vulnerable populations—such as indigenous peoples—may not meet the Millennium Development Goals”* (Hall and Patrinos, 2012).



The Bank has throughout the period given priority to the issue of improving access to, and the quality of, basic services, as well as enhancing opportunities for economic development of indigenous peoples.

Photo: Ursula Quijano, 2011

3 Frame of Reference

A. THE BANK AND INDIGENOUS ISSUES

The Bank's involvement in indigenous issues dates from the mid-1980s when the potential adverse impacts of Bank-financed projects on indigenous communities began to be considered. As part of environmental quality controls, procedures were adopted in 1990 by the Environmental Committee (CMA) to prevent, mitigate, or offset those effects.

Until 1994, the Bank's support for indigenous peoples was reactive and limited to mitigating or preventing the adverse impacts of its operations. However, the mandate of the Eighth Replenishment (IDB-8, document AB-1704),¹⁴ in the context of poverty reduction and social equity enhancement, gave the Bank a proactive role in promoting development among the indigenous peoples. It explicitly recognizes that the indigenous population is one of the groups facing the direst poverty, such that *"project design and execution mechanisms must strengthen indigenous groups' capacity for undertaking and executing development projects."*¹⁵ In addition, it states that the Bank *"will intensify its efforts to obtain additional financing for programs benefiting the aforementioned groups so as to adequately meet their needs."*¹⁶

During the Bank's restructuring under IDB-8, the Indigenous Peoples and Community Development Unit (IND) was created and given responsibility for normative and thematic aspects in four areas: (i) indigenous peoples; (ii) involuntary resettlement; (iii) consultation and participation; and (iv) sociocultural aspects of development. In addition, indigenous issues were formally included in the mandate of the Committee on Environment and Social Impact (CESI, formerly CMA).¹⁷ These measures encompassed changes in project design and the inclusion of components to address risks faced by indigenous peoples as the result of Bank-financed projects.

The Action Plan for Combating Social Exclusion due to Race or Ethnic Background (document CS3362)¹⁸ was approved in 2001, seeking to promote the social inclusion of indigenous groups in the Bank's operational activities. A second phase¹⁹ was launched

a year later establishing the goals for the period 2002-2003 and specifying activities and commitments with respect to the institutional framework, project development, research and technical assistance, and internal and external dissemination.

In subsequent years, the Bank carried out several initiatives designed to more fully build indigenous issues into the institution. The Gender Mainstreaming Action Plan (document GN-2249)²⁰ was approved in 2003. This plan also includes the commitments assumed at the First Summit of Indigenous Women, actions aimed at improving the situation of region's indigenous women. In addition, in 2004, the Strategy for Promoting Citizen Participation in Bank Activities (GN-2232-5)²¹ emphasized the need to strengthen the negotiation and communication skills of indigenous peoples in participatory processes.

In 2006, the Bank formalized its support for the development of indigenous peoples²² by establishing the Operational Policy on Indigenous Peoples (OP-765, document GN2386-8)²³ and the Strategy for Indigenous Development (GN23875).²⁴ The purpose of both the policy and the strategy is to “*enhance the Bank's contribution to the development with identity of indigenous peoples*”²⁵ by including issues specifically directed to indigenous peoples in the Bank's strategic and operational processes. This principle focuses on recognition that indigenous peoples are the ones who must determine their process of development based on their worldview and culture.²⁶ Due to their crosscutting nature, both instruments apply to all sectors of the Bank (Table III.1).

The **Operational Policy on Indigenous Peoples** (or “Indigenous Peoples Policy (IPP)”), as a binding document of the Bank, defines the long-term objectives and conditions for implementation of the strategy. Its guidelines focus on: (i) **supporting the development with identity of indigenous peoples** by incorporating specifically indigenous issues in national development agendas through independent operations, and including the specific character of indigenous peoples in operations with a general approach;²⁷ and (ii) **establishing safeguards** “*designed to prevent or minimize exclusion and adverse impacts*”²⁸ of Bankfinanced operations (Annex 11).

The **Strategy for Indigenous Development** (or “Indigenous Development Strategy (IDS)”) presents the vision for the Bank's medium-term work. It also defines the five strategic focuses and lines of action where the Bank must focus its support: (i) **provide greater visibility for indigenous peoples and their specificity**: pursue the systematic and relevant inclusion of indigenous issues in country development agendas and in the Bank's strategic and operational processes; (ii) **strengthen governance**: strengthen, restore, and promote the conditions necessary to allow indigenous peoples to determine their own future and participate in political processes; (iii) **improve access to, and the quality of, social services**: reduce barriers to access to social services (education and health, and others) and consider the variable of cultural relevance in the services provided; (iv) **enhance opportunities for economic development**: create the means

necessary for indigenous peoples to participate on equal footing in economic activities; and (v) **promote rights, regulations, and legal safeguards:** guarantee legal safeguards and the land and territories of indigenous peoples (Annex 12).

TABLE III.1: POLICY AND STRATEGY INSTRUMENTS

Operational Policy on Indigenous People (IPP)	Strategy for Indigenous Development (IDS)	Operating Guidelines for the IPP
<p>Normative document defining long-term objectives, principles, requirements, conditions and rules for implementation of the Strategy.</p> <p>Seeks to enhance the Bank's contribution to the development of indigenous people.</p> <p>Contains two series of guidelines: i) to support the development with identity of the indigenous peoples; and ii) to establish safeguards to prevent and minimize exclusion and adverse impacts that the Bank's operation may produce.</p>	<p>Analytical document that guides de programming and execution of the Bank's initiatives and operations over the medium term.</p> <p>Defines the strategic focuses and operational priorities for the Bank's action:</p> <ul style="list-style-type: none"> i) provide greater visibility for indigenous peoples and their specific character; ii) strengthen governance; iii) improve access to, and the quality of, social services; iv) enhance opportunities for economic development; and v) promote rights, regulations, and legal safeguards. <p>Identifies performance indicators for measuring implementation of the strategy.</p>	<p>Technical/methodological document that provides guidance to Bank staff on how to apply the IPP and IDS.</p> <p>Establishes procedures for designing and implementing programs and projects:</p> <ul style="list-style-type: none"> a) strategic measures for programming and country strategy processes; and b) operational measures for social and environmental review during the project cycle.

Regarding the measurement of results, the strategy provides a potential group of performance indicators. However, the output, outcome, and impact indicators were not clearly defined and do not present assessment metrics such as the baseline, intermediate milestones, and goals (Annex 13).

The **Operating Guidelines** for the IPP (document GN-2438)²⁹ define the procedure for implementing the policy through: “*strategic measures for country strategy and programming processes*” and “*operational measures for socioenvironmental review during the project cycle*.”³⁰ The guidelines do not provide indicators, although the policy asserts that they “*will set out verifiable indicators of compliance with it and of its effectiveness*.”³¹ In this regard, the only mention is that “*in projects with significant indigenous components or activities or mitigation frameworks, the project teams will select and include monitoring frameworks and indicators that facilitate the monitoring of compliance and verification of the quality of implementation*.”³² According to the Guidelines, the IPP will be implemented in all Latin American and Caribbean countries, with the exception of Jamaica, Haiti, Trinidad and Tobago, Barbados, The Bahamas, and Uruguay.

In 2010, in the context of the Ninth General Capital Increase (GCI-9, document AB2764),³³ the Bank made social policy that favors equality and productivity a sector priority. Activities mentioned include solving crosscutting problems relating to gender and diversity. An important advance is the presentation of eight indicators (access to packages of health services, antipoverty programs, access to water supply, sanitary connections, new or upgraded dwellings, civil registry enrollment, public transportation with clean energy, and agricultural services and investments) that can be used to measure the achievement of goals, broken down by ethnic and racial origin (Annex 14). Although there are no references for those outputs, it is noted that the “*Bank’s Gender and Diversity Unit will start collecting baselines for the disaggregated indicators in a sample of countries and projects so the information is available for 2012.*”³⁴

B. PURPOSE AND LIMITS OF THE STUDY

This study identifies operations relating to indigenous peoples, analyzing them within the framework of the instruments the Bank has defined for addressing indigenous issues, primarily the IDS. The study is limited to a portfolio review in terms of compliance with IDS requirements.

This study’s review period (2000-2011) allows for analyzing the portfolio in the years prior and subsequent to approval of the IDS. The main questions framing the study are:

- *Has the Bank’s strategic approach been relevant for addressing the challenges faced by indigenous peoples?*
- *To what extent has implementation of the IDS had an effect on the attention given to indigenous issues in the country strategies and programs?*
- *To what extent has implementation of the IDS contributed to the approval of operations related to indigenous issues, as well as the incorporation of its requirements in the design of operations?*
- *How has the Bank organized to deal with indigenous issues, and what is the level of knowledge regarding the IDS among Bank staff?*

The primary sources of information for the portfolio review included six IDB computer platforms: OPUS, PPMR, PMR, PCR, the ESF Environmental Safeguards Group System (*esgmrblue*),³⁵ and the Mainstreaming Tracking System of the Gender and Diversity Unit (GDI). In addition, OVE interviewed Bank specialists and conducted missions in three countries (Bolivia, Honduras, and Chile) to validate implementation of the portfolio and consult with project beneficiaries.

C. BUILDING THE DATABASE

The Bank has no crosscutting information system it could use to directly identify operations related to indigenous peoples. Although IND had two databases that included projects related to involuntary resettlement and participation of indigenous peoples, once IND was integrated into GDI there was no continuation or follow-up on those databases. The OVE team tried to locate them, but could only find partial information.

Since indigenous issues are crosscutting, OVE had to identify operations related to indigenous peoples and build its own database. This database included: (i) operations classified in OPUS under the subsector, “*Social Investment (ISN) – Support for Indigenous Groups (ING)*”; (ii) operations suggested by GDI staff and that appear on the unit’s website; (iii) operations classified under the issue on the ESB website; (iv) printed cards corresponding to some projects that were part of the IND historical base; (v) review of portfolio programming in each strategy since the year 2000; and (vi) a search for operations in the Zahorí system using keywords in English and Spanish.³⁶

The universe of the analysis consists of 349 operations related to indigenous peoples in various ways. This number of operations was arrived at after a process of validating 670 operations identified by OVE as potentially related to indigenous issues during the period of review. It should be noted that, because of the way the operations database was built, the universe of analysis may be underestimated. This database represents a substantial approximation that the Bank can use to identify operations related to these issues.



The majority of the country strategies that address the issue of social services note that the Bank's action would focus on the education and health sectors, primarily promoting greater access to intercultural bilingual education, providing health services, and reducing child malnutrition, and other areas.

Photo: BID, 2012

4 Implementation of the Strategy for Indigenous Development

A. THE IDS AND CHALLENGES FACED BY INDIGENOUS PEOPLES

The analysis performed by OVE of the challenges faced by indigenous peoples indicates that the problems are multidimensional. Even though the situation in which indigenous peoples live is highly correlated to their poor status, there are specific problems (such as cultural and linguistic barriers, historical discriminatory relationships, and social exclusion) that present additional challenges when designing and implementing policies and programs to benefit these populations.

The lack of information regarding indigenous peoples in national statistics, limited access to social services and land, linguistic barriers, low political participation, and other challenges were identified in the IDS's diagnostic assessment and included in its multidimensional approach through five strategic focuses (providing visibility for indigenous peoples and their specificity; enhancing governance; improving access to and the quality of social services; improving opportunities for economic development; and promoting rights, regulations, and legal safeguards). It can thus be argued that the strategic approach of the IDS, while broad, is relevant to the development needs of indigenous peoples.

B. THE IDS AND ITS LINKAGE WITH THE BANK'S STRATEGIC PROGRAMMING

The analysis performed by OVE shows the Bank's explicit intention to address indigenous issues in the country strategies, primarily in countries with large indigenous populations.³⁷ The review covered a total of 62 country strategies approved between 2000 and 2011, distributed among the Bank's 26 borrowing member countries. Of this total, 28 country strategies reflected a programmatic intention in that they consider the challenges faced by indigenous peoples. In 11 of the 12 countries where

indigenous peoples represent 3% or more of the total population, the Bank addressed the issue in the country strategy. In addition, the Bank used the IDS systematically as a basic tool in its policy and programming dialogue in a group of countries with large indigenous populations,³⁸ whereas this dialogue did not take place in another group of countries (Annex 15).

The evidence also shows that indigenous issues became less visible in the approved country strategies over time and were not positively affected by approval of the IDS in 2006. In the case of countries with indigenous populations of 3% or more, in the period prior to the entry into effect of the IDS, 87.5% of the approved country strategies mentioned indigenous issues (Table IV.1). Although the Bank strove with approval of the IDS to direct its programming to the development with identity of indigenous peoples, only 64% of the country strategies approved since 2006 addressed these issues. According to interviews with Bank staff, this decline can be attributed to the fact that the governments did not identify indigenous issues as a priority in the work program with the Bank.³⁹ Only in the case of Colombia, as a result of conversations between the Bank and civil society, was the issue included for the first time in the country strategy for the period 2007-2010.

Another point mentioned in the interviews was that the analytic work to support the issue's inclusion in the country strategies was insufficient for there to be effective dialogue with the countries. The 28 country strategies that addressed the issue did not in all cases identify the challenges of indigenous peoples with analytical evidence. During the review period (2000-2011), just 21% of the country strategies that reflected an explicit programmatic intention had specific technical notes for indigenous peoples for the development of their programming. The number of country strategies with analytical work on the indigenous issue was greater following the entry into effect of the IDS (4 versus 2); which is to say, greater attention was paid to the issue in the period 2006-2011.⁴⁰

% Indigenous Population (IP)	2000-2005		2006-2011	
	Total CS Approved	No. of CS with Indigenous Approach	Total CS Approved	No. CS with Indigenous Approach
Greater than 10%	7	6	6	4
From 3% to 10%	9	8	8	5
Countries with IP, Subtotal >=3%	16	14	14	9
Less than 3%	19	4	13	1
Total	35	18	27	10

With respect to the definition of strategic objectives and outcome indicators using an indigenous approach, no progress was noted in the countries with larger indigenous populations when the IDS took effect. On the contrary, the number of countries that incorporated strategic objectives or outcome indicators for indigenous peoples in their country strategy went from four countries (2000-2005) to only one country after 2006 (Annexes 16, 17, and 18). This subject will require attention, considering that monitoring of the targets set in the Ninth General Increase in the Resources of the IDB (IDB-9) establishes indicators broken down by ethnic and racial origin.

Analysis of the country strategies according to IDS strategic focus shows that the Bank has throughout the period given priority to the issue of **improving access to, and the quality of, basic services**, as well as **enhancing opportunities for economic development** of indigenous peoples. However, with approval of the IDS no additional impetus has been gained with regard to other strategic focuses that are likewise key to the development with identity of the indigenous peoples (Annexes 17 and 18).

The majority of the country strategies that address the issue of **social services** note that the Bank's action would focus on the education and health sectors, primarily promoting greater access to intercultural bilingual education, providing health services, and reducing child malnutrition, and other areas. In the case of Panama (2005-2009) and Honduras (2011-2014), support for the health sector would focus on meeting the Millennium Development Goals (MDGs). Several country strategies also provide for initiatives to expand the coverage of basic water and sanitation services for indigenous peoples. In the case of Bolivia, besides addressing indigenous issues in crosscutting fashion, the latest country strategy (2011-2015) indicates that the programs to be carried out in the water and sanitation, child development, education, and health sectors will be adapted to reflect the reality of the indigenous culture. The evidence also shows that the social approach had equal priority for the Bank both before and after approval of the IDS.

The focus on **enhancing opportunities for economic development** is also mentioned quite frequently in the country strategies. Support generally includes developing partnerships with the private sector to carry out entrepreneurship projects, improve access to credit and technology, and build productive and entrepreneurial capabilities. Initiatives aimed at protecting and preserving the environment are also included. It should be emphasized that most country strategies focus the Bank's activities on rural areas where poverty is more acute. For example, the country strategy for Paraguay (2000-2003) includes improving basic infrastructure (irrigation, highways, electricity), access to productive resources (land, credit), and information systems on prices, markets, and product marketing. This emphasis is consistent with the diagnostic assessment of the current conditions of indigenous peoples. It is interesting to note that, in the case of Bolivia, Ecuador, and Honduras, where the presence of indigenous peoples is significant, reference is made to this strategic area only after approval of the IDS.

Promoting rights, regulations, and legal safeguards of the indigenous peoples sought to improve access to the judicial system, protect indigenous rights, and in the cases of Guyana (2002-2006) and Paraguay (2000-2003 and 2004-2008) to promote land titling. Contrary to expectations, the Bank's dialogue regarding this focus found greater support prior to the IDS, while the focus related to **providing greater visibility for indigenous peoples and their specificity** gained importance after 2006. Bolivia, Honduras, and Colombia included this strategic area in their country strategy. The country strategies revolved around producing national statistics so as to have data on indigenous peoples and providing greater visibility for their situation.

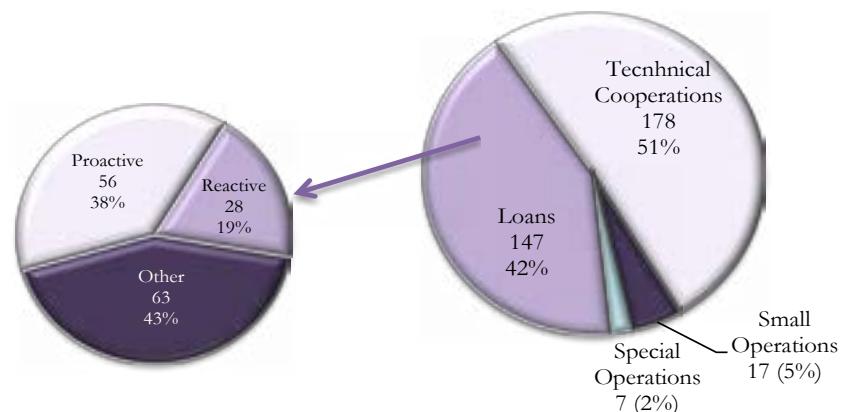
Support for enhancing governance of indigenous peoples included issues related to management capacity, dialogue, and negotiation. Colombia's country strategy (2007-2010), for example, mentions support for training and strengthening local indigenous bodies, and Chile's country strategy (2006-2010) mentions creating opportunities for dialogue and consensus-building with a view to recognizing the individual and collective rights of indigenous peoples. This strategic area did not receive greater emphasis upon approval of the IDS.

C. THE IDS AND ITS RELATIONSHIP TO OPERATIONS ADDRESSING INDIGENOUS ISSUES

Portfolio characteristics. OVE's review confirmed that a total of 349 projects related directly and indirectly to indigenous issues between 2000 and 2011 (Annexes 19, 20, and 21). A breakdown of the portfolio by type of instrument shows that technical cooperation (TC) is the instrument most used with respect to indigenous issues with a total of 178 operations (51%), followed by loans with 147 (42%), and small projects and special operations with 24 operations (7%) (see Figure IV.1). It should be noted that the portfolio includes 14 projects of the Multilateral Investment Fund (MIF).⁴¹

FIGURE IV.1
Breakdown of Operations
related to Indigenous Peoples,
2000-2011

Source: Indigenous Database, OVE 2012



Portfolio typology. When classifying the operations, OVE adopted the project typology established in the Operating Guidelines for the IPP (Box IV.1).⁴² According to the guidelines, the Bank’s intervention can be classified as using a proactive or reactive approach. The proactive approach provides for “**Independent**” operations and “**Mainstreaming**” actions targeting indigenous peoples. The reactive approach encompasses initiatives to **safeguard**, mitigate, or offset the potential adverse impacts of projects on indigenous peoples.

Proactive loans represented 38% of the portfolio, and reactive loans represented 19%, while loans without a clear intention regarding indigenous peoples (in the “Beneficiaries and risks” category) account for most of the loans identified between 2000 and 2011 (43%). This group of operations was classified in the “Other” category because they did not provide for specific activities, budgets, targeted actions, or performance indicators that show a clear intention to work in favor of indigenous peoples. Consequently, OVE decided not to include these operations in the analysis that follows.

BOX IV.1: PROJECT TYPOLOGY

Proactive approach: Supporting development with identity

Independent. Operations exclusively directed to indigenous peoples.⁴³

Mainstreaming.* Operations affecting indigenous populations directly through specific components and/or activities. This classification denotes concrete and cultural adaptation actions for indigenous peoples within operations that are not totally directed to them, including:

- **Target population.** Projects targeting indigenous populations not on an exclusive basis but as part of their target population.
- **Component.** Projects that have some component specifically directed to indigenous peoples. The component must indicate how it relates to indigenous issues or indigenous peoples in its title or main objective.
- **Activity.** Projects that have at least one subcomponent or activity directed to the indigenous population.

Reactive approach: Safeguarding indigenous peoples and their rights

Safeguards. Operations that include specific measures to mitigate adverse impacts on indigenous populations of an operation’s actions. They are generally described in the Social and Environmental Section of the project document.

Others

Beneficiaries. Projects that mention indigenous peoples among the beneficiary groups even though there are no intentions, activities, or indicators explicitly directed to them.⁴⁴

Risks. Projects that identify possible risks to indigenous populations but do not specify mitigating activities.

None

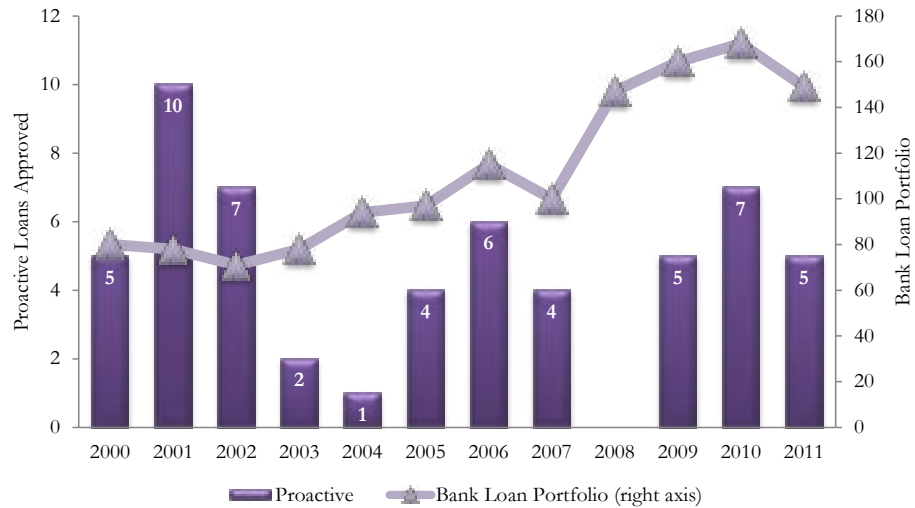
Projects that mention indigenous peoples in the diagnostic assessment but are not related to them in any way. This means that they do not conduct any types of activity directly or indirectly involving the indigenous population.

* All the categories are mutually exclusive. If a project qualifies for more than one category, the one that assigns more importance to working with indigenous peoples has precedence.

1. Proactive approach: Support development with identity

The number of proactive loans approved declined after approval of the IDS (Figure IV.2). The data show that a dip in 2008 coincides with growth of the Bank's lending envelope, as well as with the period of institutional transformation of GDI (2007-2008). The division became a stable fixture only in 2009, which is when new operations were approved (Figure IV.2).

FIGURE IV.2
Total bank Loans Approved vs.
Proactive Indigenous Loans,
2000-2011
Source: Indigenous Database, OVE 2012



At the sector level, proactive loans focus mainly on social investment, education, health, and water and sanitation (53%) (Annex 22). At the country level, Bolivia, Guatemala, Paraguay, Costa Rica, Ecuador, Honduras, and Panama are the most active in this category between 2000 and 2011, with 70% of the approvals (Annex 23). These are also the countries with a higher percentage of indigenous population.

The proactive approach includes Independent and Mainstreaming operations. Although the Bank was expected to show a more proactive approach with approval of the IDS, the data reveal that there were fewer operations using this approach after 2006. Although operations in the Target Population category increased after the IDS took effect, Independent projects and projects with Components or Activities targeting indigenous peoples declined (Table IV.2).

Independent loans are operations directed exclusively to indigenous peoples. This category includes nine loans for a total amount of US\$170 million. Four of these operations (and 55% of the financial resources) were approved in countries with a proportion of indigenous peoples representing between 3% and 10% (two in Chile for US\$80 million and two in Honduras for US\$12.7 million), while only two loans were approved in countries with indigenous populations representing more than 10% (one in Guatemala for US\$30 million and one in Panama for US\$30 million)

(Annex 24). The year 2006, when the IDS was approved, appears to be an unusual year in that the Bank approved three of the nine loans and 45% of the financial resources in this category (Figure IV.3).⁴⁵ However, only two additional Independent loans were approved in subsequent years.

Typology	2000-2005		2006-2011		Total Approved Loans 2000-2011	%
	Approved Loans	% Total	Approved Loans	% Total		
Proactive Approach						
Independent	4	14%	5	19%	9	16%
Target Population	1	3%	5	19%	6	11%
Component	7	24%	2	7%	9	16%
Activities	17	59%	15	56%	32	57%
Total	29	100%	27	100%	56	100%

Source: Indigenous Database, OVE Dec. 2011

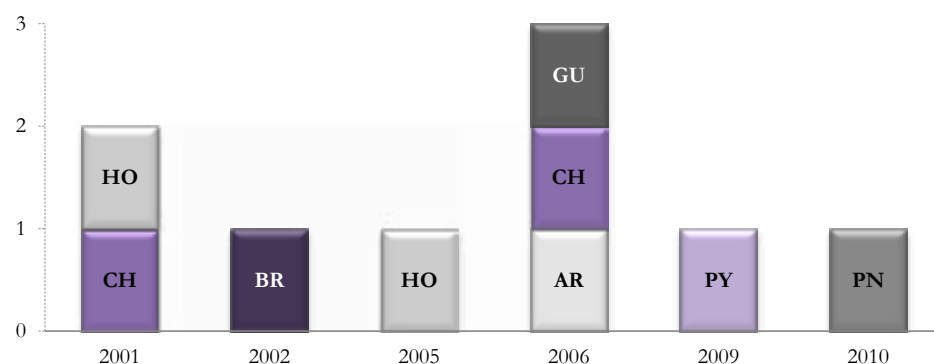


FIGURE IV.3

Independent Loans by Year and Country, 2000-2011

Source: Indigenous Database, OVE, 2012

In terms of the breakdown according to IDS strategic focus, Independent loans have given equal weight to all areas, with the exception of **providing greater visibility for indigenous peoples**, which received less importance throughout the analysis period (Figure IV.4). As for **enhancing opportunities for economic development**, operations focused on supporting the development of communities and promoting integrated community development as well as access to communications, information, and financing services (for example, GU-L1006 and AR-M1016). Loans related to **improving access to, and the quality of, social services** focused on adapting basic social services to the specific cultural characteristics of indigenous peoples. For example, the Educational Facilities and Learning Quality program (PN-L1064) recognizes bilingualism and interculturalism as fundamental principles in the delivery of education and health services and cultural suitability in infrastructure designs.

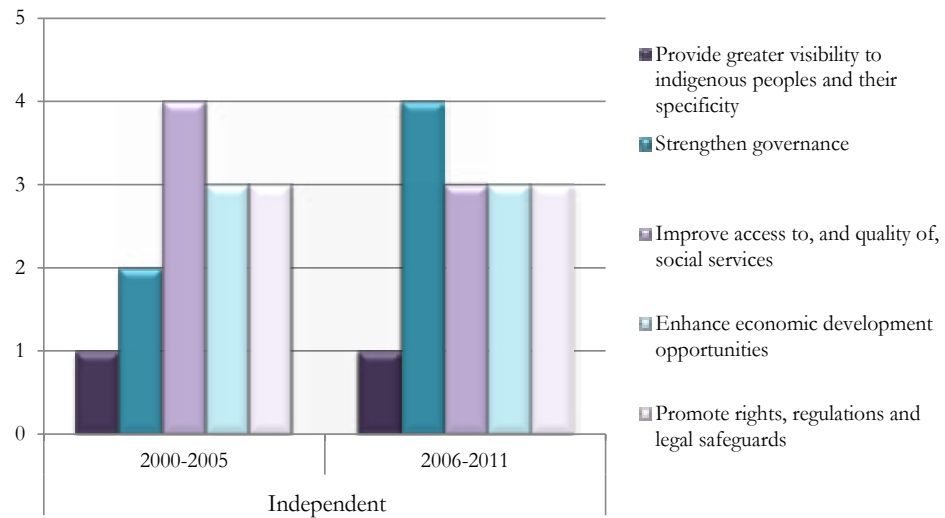
In the strategic area of **enhancing governance**, the Integrated Development of Indigenous Communities loans in Chile (operations CH-0164 and CHL1014) included activities in such areas as integrated community development and promoting and strengthening the institutional capacity of indigenous peoples, specifically community organizations

(Box IV.2). The efforts around the focus on **providing greater visibility to indigenous peoples and their specificity** have concentrated on ensuring that demographic information and poverty indicators, broken down by ethnic group, are included in poverty reduction diagnostic assessments and strategies, as well as on promoting knowledge regarding the body of legislation specific to indigenous peoples.

FIGURE IV.4

Distribution of Independent Loans by Typology, 2000-2011

Source: Indigenous Database, OVE 2012



On **promoting rights, regulations, and legal safeguards**, most activities were directed to protecting and recovering historical or cultural heritage. For example, MIF operation AR-M1016, “Support for the Creation of Sustainable Tourism-oriented Indigenous Community Enterprises,” sought to ensure indigenous participation in the management of tourism companies in indigenous territories, as well as fair compensation for them.

It should be noted that six of the seven countries that have Independent loans have ratified Convention 169 of the International Labour Organization (ILO) on Indigenous and Tribal Peoples. This convention requires member states to protect indigenous peoples as individuals as well as their institutions, property, jobs, culture and environment and to ensure that the indigenous peoples participate freely in the political and development processes that concern them. Thus, these countries’ demand for projects would be expected to be consistent with greater awareness of, and commitment to, the specific needs and demands of indigenous peoples on the part of these countries’ governments. It is also worth noting that only two of the six countries have an indigenous population of more than 10% (Guatemala and Panama).

Mainstreaming loans are operations that include direct actions, although these actions are not exclusive to indigenous peoples. This means that indigenous peoples are part of the target population, in some component, or in specific activities. Of the 47 operations in this group, six have identified indigenous peoples within their Target Population, nine have at least one component directed to that population, and 32 have at least one activity directed to indigenous peoples (Figure IV.5). However, it is impossible to determine the size of the Bank’s efforts in this last category since most of the operations do not have a specific budget.

BOX IV.2: ORIGENES PROGRAM, PHASE I AND II

The *Origenes* program was created in 2001 to improve the quality of life in the rural communities of the Aymara, Atacameño, Quechua, and Mapuche peoples through development with identity. This is a two-phase operation that has benefited 34,443 indigenous families (65% of the beneficiaries out of the potential population). Phase I had 645 participating communities, and Phase II had 1,207 participating communities.⁴⁶

OVE visited some of the initiatives financed by *Origenes*, notably: (i) the creation of an intercultural hospital where patients are cared for by Mapuche specialists; (ii) courses on indigenous medicine, clay, and mapudungun; (iii) construction of a traditional *ruka* thatched hut; and (iv) productive community projects.

According to the final evaluation report, *Origenes* has addressed the problems facing indigenous peoples by improving their living conditions and recognizing their identity.⁴⁷ The beneficiary families have shown improved quality of life and strengthened their cultural heritage, and indigenous leaders have been trained.

The program's design and execution sought to incorporate indigenous cultural practices. Local planning boards were developed (160 were created)⁴⁸ that defined the economic development, community improvement, and cultural identity plans to be carried out by each community.

However, OVE's evaluation of the country strategy (2006-2010) notes that the sustainability of the program once the Bank's intervention ends has been called into question.⁴⁹ In addition, there is still the challenge of continuing to serve rural indigenous peoples (the second phase of the program ends in 2012), urban indigenous populations, and all those who do not yet have lands and/or access to basic services that would allow them to improve their living standard.

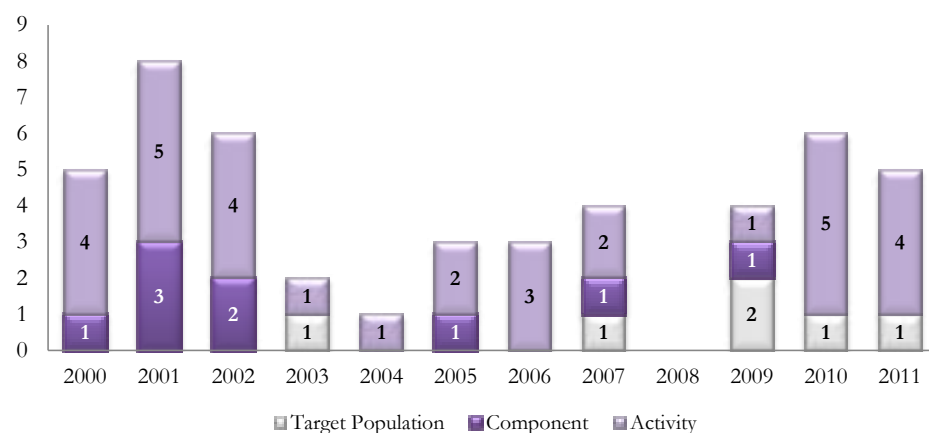


FIGURE IV.5

Mainstreaming Loans by Year and Subcategory, 2000-2011

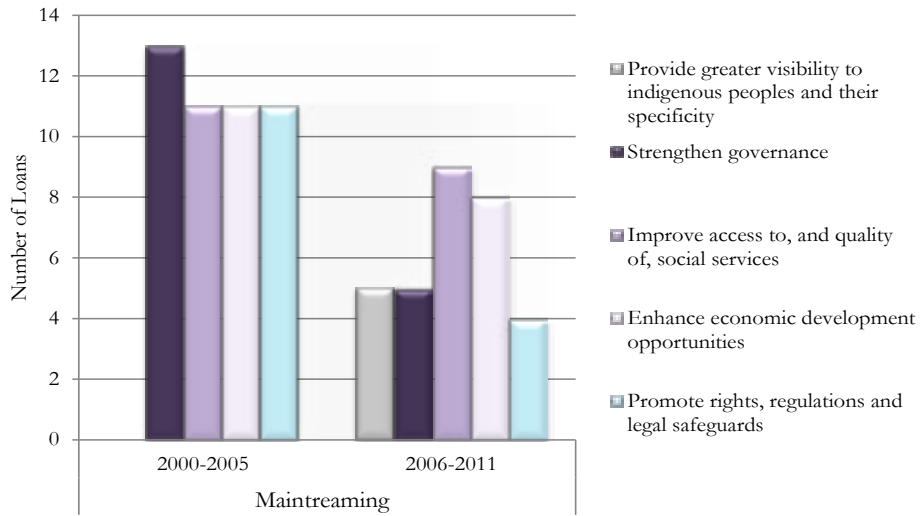
Source: Indigenous Database, OVE 2012

Loans that include indigenous peoples within their Target Population are the only operations in the Mainstreaming category with a larger number of approvals since the IDS took effect,⁵⁰ which suggests some progress has been made in the adoption of operations of this kind.

FIGURE IV.6

Distribution of Mainstreaming Loans by Focus, 2000-2011

Source: Indigenous Database, OVE 2012



In terms of the breakdown according to strategic focus, prior to approval of the IDS, Mainstreaming operations were more focused on **enhancing governance**. Since approval of the IDS operations focusing primarily on **social and economic development** and operations related to **providing greater visibility for indigenous populations** have begun to be considered (Figure IV.6, Annex 25).

Activities directed to indigenous peoples focused primarily on inclusion and social welfare through culturally relevant actions and methodologies. For example, in Guyana, the Second Low Income Settlement Program (GYL1019) being carried out in coordination with the Ministry of Amerindian Affairs works with communities to agree on their housing requirements. Operations that include components have mechanisms for dissemination, consultation, and participation of indigenous peoples as well as initiatives to strengthen the institutional capacity of the indigenous peoples. Target Population operations deal with the intercultural adaptation of educational services (Box IV.3).

Efficiency. In terms of execution efficiency, proactive loans spend five months longer in preparation,⁵¹ and 21 months longer in execution than the average for the Bank (Figure IV.7). This difference may be due to the additional time required to meet the IDS community consultation, participation, and consensus requirements, as well as the time taken to establish the legal framework for the communities and build management capacity prior to project execution.

Technical cooperation (TC), which includes MIF projects, is the instrument used most often to address indigenous issues and plays an important role in promoting policy dialogue. It is through this kind of operation that the Bank channels its analytical work toward the development agendas of the countries in the region, in addition to its management experience in strengthening the capacity of indigenous peoples. Generally, TCs are designed as independent studies or activities with an

exclusive focus on indigenous peoples. Between 2000 and 2011, 178 operations were approved, approximately 38% of which (69) are studies, 65% (61) include outputs such as training and workshops, and 31% (29) promote economic development pilot projects.

BOX IV.3: RELATIONSHIP BETWEEN TARGET POPULATION LOANS AND THE OBJECTIVE OF ACCESS TO SOCIAL SERVICES

The six Target Population projects focus on vulnerable areas where there is a high concentration of indigenous peoples. Initially, the “Social Sector Development” project in Costa Rica was executed in the country’s 32 poorest cantons, including the four cantons where nearly 100% of the country’s indigenous population is concentrated. The project is estimated to have benefited close to 50,000 indigenous people.

In addition, the “Escuela Viva II Program” project in Paraguay seeks to improve basic education for the country’s most vulnerable populations (rural, periurban, and indigenous population), benefiting nearly 300 educational institutions in indigenous areas. In Panama, the “Program to Improve Equity and Strengthen Social Services” seeks to benefit 205,000 people in indigenous districts and rural border areas. “Direct Supports for the Creation of Rural Agrifood Initiatives” and the “Multiphase Program in Support of the Plan to Eradicate Extreme Poverty” in Bolivia focus on poor communities and on mothers and children under the age of two in rural areas, respectively.

Finally, in Colombia the “Familias en Acción, Phase II” project is directed to three groups of families with children under the age of 18, including a group made up of indigenous families registered in the Indigenous Censuses of the Ministry of the Interior and Justice.

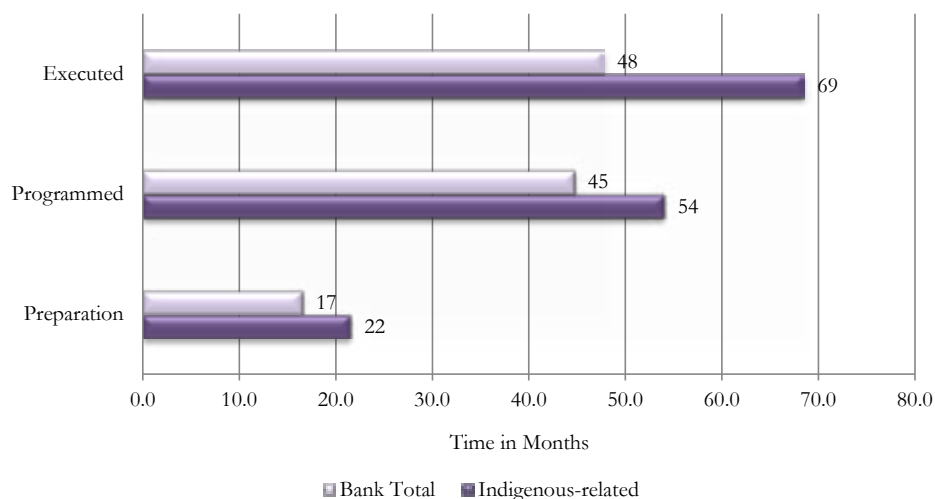


FIGURE IV.7

Efficiency of Proactive Loans vs. the Bank's total Portfolio, 2000-2011

Prior to the IDS, 84 TCs were approved for an amount of US\$14.2 million, whereas from 2006 onward, an additional US\$37.1 million was allocated in 94 TCs. Thus, the average TC amount between 2006 and 2011 was 2.3 times higher than in the prior period. In addition, the TCs approved after 2006 were more closely tied to loans: 24 out of 94 versus the prior period, when only 4 out of 84 TCs were related to loans. This may suggest a more strategic intent by the Bank in the use of TCs (Annex 26).

It is important to emphasize that, since 2006, TCs have focused more on **economic development**, and have covered other strategic focuses to a lesser extent as measured by loans, as in the case of **providing greater visibility for indigenous peoples** (Annex 27). The MIF TCs supported the creation of projects and mechanisms for sustainable tourism, credit, and agricultural production.

2. Reactive approach: Safeguard indigenous peoples and their rights

OVE's portfolio review identified a total of 28 operations with a reactive approach. This means operations that include tangible measures to safeguard the participation of indigenous peoples and mitigate the potential adverse impacts of Bankfinanced operations. In all cases, the safeguards are described in the operation's loan proposal.⁵² As noted above, the number of operations with safeguards approved before and after the IDS was the same. At the country level, operations that include safeguards are primarily concentrated in countries with larger indigenous populations, including Bolivia with 29% of the operations, Peru with 14%, and Mexico with 11%. At the sector level, half of the reactive approach operations are in energy and transportation (Annex 28). In terms of execution efficiency, it was observed that reactive loans take more time in preparation and execution, similar to proactive loans. This suggests that the need for consultation with indigenous communities to ensure effective operation design and ownership by the indigenous peoples requires more preparation time (Annex 29).

Operations that could affect indigenous peoples directly and indirectly are reviewed by the project team together with the GDI and the Environmental Safeguards Unit (ESG) and are classified in three categories. **Category A** includes high-risk operations that require ongoing supervision by ESG, the preparation of environmental impact studies (environmental and social impact assessment, environmental impact assessment, or strategic environmental assessment) and an environmental and social management plan (ESMP), and at least two consultations with affected communities, in order to take their opinions into account when preparing the study (Box IV.4). **Category B** operations are those that may cause short-term adverse impacts and thus have mitigating measures. These operations also require an environmental and/or social analysis, an ESMP, and at least one consultation with the affected communities. **Category C** operations generally do not entail adverse impacts and do not require any study beyond the initial review. Responsibility for the review and supervision of project safeguards fell to IND before the Bank's realignment, but passed to the ESG as of 2007.

Since late 2006, information related to the categorization of operations is recorded in the ESG Environmental Safeguards Group System (*esgmrblue*). Of the 14 reactive approach operations approved since 2006, 3 are in Category A, 10 are in Category B, and 1 is in Category C. Of the operations classified as category A or B, only the Misicuni Renewable Energy Hydroelectric Project (BO-L1043) included safeguards for relocating indigenous families, and four energy and transportation loans (BO-L1043, EC-L1070, CO-L1019, and PE-L1113)⁵³ included environmental safeguard measures. In terms of consultation processes, OVE only found documentation confirming these processes in 9 of the 14 operations, and action plans were developed in 5 of the operations. However, none of the operations includes performance indicators specifically related to indigenous peoples.

BOX IV.4: TWO PROJECTS THAT INCLUDE SAFEGUARDS

Among the operations that include safeguards, the experience of two operations is worth noting:

In 2002, the Bank helped to finance part of the Camisea Project (PE-0222) gas pipeline⁵⁴ with a US\$75 million loan, and also granted US\$5 million to strengthen the public agencies that would supervise and regulate the private companies. The Bank's efforts were directed to protecting the forest and the native communities living there. For example, the project ultimately protected a significant amount of territory (approximately 1.5 million hectares) and vast areas were designated as parks and reserves, ensuring that the indigenous peoples would make their own decisions on safeguarding their environment and protecting their cultural identity. It should be noted that many of these indigenous inhabitants live in established towns, while others have no contact with the outside world. In addition, several of the institutional strengthening activities initially financed by the project were taken over by the central government in early 2007.

Also in 2002, the Bank approved a US\$75 million loan for paving, restoring, and maintaining the Santa Cruz-Puerto Suarez Highway in Bolivia (BO-0033).⁵⁵ In response to concerns raised by this road project, another loan (BO-0036) for US\$21 million was granted to finance environmental and social protection measures, including actions to provide restitution and resettle indigenous families. In order to comply with the scopes established in each of the operations, the decision was made to link them operationally and legally. However, significant delays in implementing the environmental and social safeguards led to mismatches in the execution periods of the two operations, which led to their being treated separately. The road project was completed in 2011 while many of the mitigation measures included in the second project are still not in effect. Among the lessons learned from this experience, two are relevant for this evaluation. First, the Bank must ensure that the administrative actions taken while executing the project do not weaken critical aspects of the project design, including the operational links and legal obligations that were designed to guard against possible adverse impacts on the indigenous communities. Secondly, there must be strict supervision of the implementation of environmental and social safeguards.



The Gender Mainstreaming Action Plan, approved in 2003, includes the commitments assumed at the First Summit of Indigenous Women, actions aimed at improving the situation of region's indigenous women.

Photo: Ricardo Mata, 2008

D. COMPLIANCE WITH IDS IMPLEMENTATION REQUIREMENTS IN THE AREA OF DESIGN

According to the IDS, the Bank must systematically consider indigenous issues in all phases of the project cycle, i.e., in project design, execution, monitoring, and evaluation.⁵⁶ In addition, the Operating Guidelines for the IPP (OP-765) describe the measures needed to promote the development with identity of indigenous peoples in the Bank's work. Of the group of measures mentioned both in the IDS and in the Operating Guidelines, OVE's analysis focused on those that can be verified on the basis of the available documentation. These are diagnostic studies, consultation processes with the community, and negotiations, action plans, specific budgetary allocation for initiatives related to indigenous peoples and monitoring indicators focusing on indigenous peoples. This analysis focuses on operations approved since the IDS took effect (2006-2011), which was when these requirements were established.

Diagnostic assessment. The challenges faced by indigenous peoples are clearly identified in the majority of operations. The review of Independent loans shows that five out of six operations have diagnostic assessments that address indigenous issues. Generally these are studies characterizing indigenous communities and households, sector notes, service quality studies, and studies on sociocultural barriers. In contrast, only 23% (5) of Mainstreaming operations have these diagnostics, and most of these are in the Target Population category. This provides an opportunity for analytic strengthening of Mainstreaming interventions in the Components and Activities categories.

Cultural adaptation. The IDS establishes that the Bank must address indigenous peoples' needs and demands systematically and in a socioculturally appropriate way by consulting the communities. It is generally obvious that the Bank is making an effort to culturally adapt operations to the reality of indigenous peoples through Independent loans. On the whole, these operations include consultations with indigenous communities. As for Mainstreaming operations, 77% (17) include consultations with indigenous communities.⁵⁷

During OVE's visits to projects in Chile, Bolivia, and Honduras note was made of the importance of including consultation processes with indigenous communities during project design and implementation. For example, the design of Chile's *Orígenes* program (loans CH-0164 and CH-L1014) provided for holding workshops lasting six months with the participation of indigenous communities.⁵⁸ In addition, local planning boards⁵⁹ were created where communities established economic development, community improvement, and cultural identity plans.

In Bolivia, the Environmental and Social Protection Project in the Santa Cruz–Puerto Suarez Corridor (loan BO-0036), focused on mitigating and preventing socioenvironmental impacts from construction of the Santa Cruz–Puerto Suarez

highway, supported the creation of communities' status as legal entities and training in purchasing procedures. In Honduras, the communities supported development of the bill submitted to Congress in 2009 for the Comprehensive Development of the Indigenous Peoples Act (loans HO-0193 and HO-0197).

Actions plans and budgetary allocation. The IDS suggests developing action plans establishing the baseline, process, and frequency for measuring output indicators to assess advances made by the Bank⁶⁰ as well as procedures reflecting the social and economic realities of the indigenous peoples and providing information on the availability of financial resources accessible to these peoples. The analysis indicates that only in some cases do operations have action plans. For the Independent operations, only three included them. For example, the Program for the Creation of Sustainable Tourism-Oriented Indigenous Community Enterprises (AR-M1016) has an action plan on sustainable tourism initiatives, while none of the Mainstreaming operations had action plans.

In terms of budgetary allocation, all the Independent operations – given their nature – have a specific budget. In contrast, only 36% (8) of the Mainstreaming operations establish a specific budget for indigenous peoples, corresponding to Target Population and Components operations.

Evaluation framework. OVE performed an *ex-ante* analysis of evaluability for the review period (2000-2011) to determine the completeness of the information for measuring project scopes. The outcomes framework for the entire portfolio was analyzed, including loans using a proactive approach (9 Independent and 47 Mainstreaming), 178 TCs,⁶¹ and operations using a reactive approach (28 Safeguards operations).

TABLE IV.3: EVALUATION INDICATORS: LOAN PORTFOLIO, 2000-2011

	Independent	Mainstreaming			Safeguards
		Components	Activities	Target Population	
Number of operations	9	9	32	6	28
% of projects with indicators	100%	100%	53%	100%	11%
% with metrics	90%	75%	68%	100%	33%
% with baseline value	17%	6%	25%	56%	0%
% with precise targets	70%	36%	54%	72%	33%
% with information on progress	73%	54%	75%	75%	67%
% with outcome indicators	23%	3%	4%	33%	0%

Source: Indigenous Database, OVE Dec. 2011



Indigenous peoples have lower coverage from basic services, and that infrastructure investment in areas where they live is deficient. This relates more to geographic location than to issues of ethnic discrimination.

Photo: Salomon García, 2011

Although 73% (41) of loans using a proactive approach have indicators,⁶² the outcomes frameworks for many of these projects do not include metrics of evaluability. Within this approach, Independent and Target Population loans show the most complete evaluability information, i.e., they have the highest percentage of measurable indicators (90% and 100%, respectively), outcomes indicators (23% and 33%, respectively), and precise goals (70% and 72%, respectively). In contrast only 6% of the indicators in the Components category have a baseline (6)⁶³ and 26% have defined goals.

Of the 178 TCs, only 26% (47) have indicators and 10% (18) have baseline information in the outcomes framework.

With respect to the reactive approach, there is scant information available with which to monitor measures seeking to mitigate possible negative effects on indigenous peoples. Of the 28 Safeguards, only three have specific indicators on how negative impacts on indigenous peoples will be mitigated. None include outcomes and baseline information. Only 66% of the projects have information on progress made.

In sum, complete information on evaluability metrics in projects addressing indigenous issues does not exist. This means the Bank does not have the mechanisms needed to measure the progress and outcomes of its work with indigenous peoples in the context of the commitments assumed under the IDS. This analysis was performed both for the period before and the period after the IDS took effect and there is no evidence indicating an improvement in the evaluability of projects.

E. INSTITUTIONAL STRUCTURE FOR INDIGENOUS ISSUES

The review period was marked by important institutional changes in the Bank unit responsible for indigenous issues. Under the Bank's realignment process in 2006, the Indigenous Peoples and Community Development Unit (IND) became part of the new Gender and Diversity Unit (GDI). In addition to indigenous issues, the GDI addresses gender equality and women's empowerment and the development of Afrodescendent communities. It should be noted that while IND's role in the Bank was to support the design of specific policies and projects, GDI has an operational role. Also during this process, the proactive approach remained the responsibility of GDI and the reactive approach became the responsibility of the new Environmental Safeguards Unit (ESG).

Under this new institutional structure, some staff members were reassigned to country offices, others were moved to other areas of the Bank, and some decided to leave the Bank.⁶⁴ In 2005, the Bank had six indigenous specialists: three in IND and three in the regional departments at Bank headquarters. Currently, GDI does not have indigenous specialists at headquarters and has three specialists at the country office level (Bolivia, Peru, and Guatemala).

Including indigenous issues in Bank operations requires joint work by GDI and specialists in other areas of the Bank. However, the working networks analysis done by OVE shows limited participation in loan preparation by GDI specialists (Annex 30). The analysis also shows that work on these issues within the Bank is concentrated in the technical divisions of Social Protection and Health, Rural Development, and Transportation, as well as in the CAN department.

To implement a proactive agenda on indigenous issues, Bank staff (headquarters and country offices) and borrower country institutions must have a clear understanding of the IDS and its guidelines. However, the interviews conducted in this evaluation and a survey of Bank technical staff indicate that this understanding is limited (Box IV.5).

BOX IV.5: SURVEY ON THE INDIGENOUS PEOPLES STRATEGY

The survey on knowledge and application of the Indigenous Peoples Strategy was sent to 1,583 Bank employees, specifically members of the operations and country strategies teams. Of these, 965 people actually received the survey and 557 answered it, indicating a response rate of 58%.

Those who answered the survey have been working at the Bank for an average of 8.25 years. Approximately 39% reported having heard about the strategy and 25% have read it (partially or totally). However, only 9% have applied it in some operation and more than one-third of those surveyed (35%) know nothing at all about the Strategy.

When asked whether they were told about the Strategy during their employee orientation, only 8% affirmatively. Close to 49% of those who answered the survey indicated they did not receive any formal orientation upon joining the Bank.

The main reason staff do not apply the IDS is that they do not know about it (50%). As for the reasons why they decided to apply the IDS, 32% answered because it is a Bank requirement, 30% because it contributes added value to the operations, 24% because it is in line with the Bank's objectives, and 9% because the country showed interest in applying it.

[†]The answers are not mutually exclusive.



As for enhancing opportunities for economic development, operations focused on supporting the development of communities and promoting integrated community development as well as access to communications, information, and financing services.

Photo: Luis Javier Arrillaga, 2009

5 Conclusions and Recommendations

A. CONCLUSIONS

Relevance. Although several of the challenges faced by indigenous peoples are correlatives of their poverty, others affect these populations exclusively. For this reason, it is important that interventions consider their specific characteristics. In this respect, the IDS adopted a multidimensional approach in response to factors that have had an impact on the disadvantaged and marginalized situation in which indigenous populations live. The link between poverty, culture, and governance is part of the objective of “development with identity” that guides the IDS.

Country strategies. The analysis shows that the strategic intention of addressing the challenges that face indigenous peoples is present in the Bank’s country strategy and programming processes, particularly in countries with a large indigenous population. However, the indigenous approach became less important in the country strategies approved over the review period. Although the IDS sought to promote development of indigenous populations in its discussions and programming with the countries, there is no evidence that the Bank was more intent on addressing indigenous issues in the country strategies after the IDS was approved.

Operational consistency. The portfolio review shows that the instrument most often used to address indigenous issues is TC, followed by loan operations. Most loans mention indigenous peoples in the section on Beneficiaries and Risks, without including an explicit and clear intention. In addition, they make no provision for specific activities, budgets, targeting actions, or performance indicators. With approval of the IDS, there was no increase in operations related to indigenous peoples.

Preparation and execution. As for the time needed to prepare and execute projects, operations related to indigenous issues take more time than the Bank average. This could be related to the additional time these operations require to comply with the consultation, participation, and community consensus rules established in the IDS.

According to the IPP, indigenous issues fit within two guidelines: a proactive approach that incorporates topics specific to indigenous peoples in projects; and a reactive approach with safeguards seeking to minimize or mitigate possible adverse effects of operations. The analysis shows that there were fewer operations with a proactive approach after approval of the IDS while the number of operations with a reactive approach was the same both before and after the IDS was defined. This means that approval of the IDS did not redound in greater efforts on the part of the Bank to more actively address indigenous issues.

Bank action in accordance with the strategic focuses of the IDS shows that operations have generally focused on improving access to and the quality of social services and on opportunities for economic development. In addition, loan operations have supported the area of enhancing governance, while TC has addressed the focus related to **providing greater visibility for indigenous peoples and promoting their rights.**

Design quality. The IDS notes that indigenous issues should be considered during the project cycle and the Operating Guidelines for the Implementation of the IPP describe measures for promoting the development with identity of indigenous peoples, including consultation processes, action plans, and budgetary allocation. As was expected, Independent operations consider all these requirements, while Mainstreaming operations include these measures in very few cases.

Evaluability. Most operations related to indigenous peoples do not have evaluability metrics. Thus, it is impossible to measure the scope of initiatives focusing on indigenous peoples. Lack of precision in defining the indicators limits the Bank's ability to record progress made in the context of the Strategy and the Ninth General Increase of Resources.

Furthermore, the Bank has no information system that enables it to consistently identify operations related to indigenous peoples. For this evaluation, OVE constructed a database containing the operations that could be identified between 2000 and 2011.

Commitments assumed under IDB-9. Under the IDB-9 mandate, the Bank made a commitment to monitor gains made in favor of indigenous peoples using eight indicators established in the results framework (access to packages of health services, antipoverty programs, access to water supply, sanitary connections, new or upgraded dwellings, civil registry enrollment, public transportation with clean energy, and agricultural services and investments). However, the OVE evaluation revealed that neither proactive nor reactive operations related to indigenous peoples monitor such gains. In addition, a large number of projects mention indigenous peoples as



Household surveys show that, although the incidence of poverty measured by income has trended downward over the last decade, the percentage of the population that is poor remains much higher in the case of indigenous peoples.

Photo: Willie Heinz, 2000

beneficiaries, but have made no effort to determine how much these operations truly benefit them. As such, at the present time, the Bank cannot report on progress in terms of the established indicators and fulfill the commitments assumed under IDB-9. Additionally, under IDB-9, GDI would be the unit responsible for gathering and disseminating information on indigenous peoples. It is not clear, however, that GDI has the financial resources and staff necessary to do so.

Knowledge of IDS. A proactive agenda for the development with identity of indigenous peoples would require knowledge and application of the IDS among those involved in these issues. However, the surveys and interviews of Bank staff conducted by OVE show that there is limited knowledge and use of the IDS within the Bank.

B. RECOMMENDATIONS

Ensure that analytical work is of high quality in those countries where the development of indigenous peoples represents a major challenge, as a basis for policy and technical dialogue with the government during country strategy formulation and the programming process with the country. Among other actions, the Bank should ensure that staff are sufficiently knowledgeable about the Strategy for Indigenous Development, Operational Policy, and Implementation Guidelines.

Indicators related to education, health, the labor market, access to basic services, and other factors systematically show that, despite advances in the last decade, indigenous peoples have seen less progress compared to the nonindigenous population.

Photo: José Vega, 2010



Strengthen the Bank's existing information systems, to ensure effective monitoring of its work on indigenous issues and fulfillment of the IDB-9 commitments. Specifically, the following needs to be done:

- Create a classification (category and subcategory) within the OPUS system to identify all operations related to the indigenous population.
- Make the necessary modifications to the monitoring and results systems (PMRs and PCRs) to effectively monitor and report on the Bank's work on indigenous issues and the IDB-9 commitments.
- Ensure that project teams take responsibility for collecting and reporting output and outcome indicators disaggregated by ethnic origin for operations related to indigenous peoples, as well as those indicators identified in the IDB9 results framework.
- Ensure that these indicators are reported at the same level as the corporate indicators.
- Designate responsibility for monitoring, supervision, and corporate reporting within the Bank, and provide sufficient incentives and resources.

Conduct evaluations in priority sectors for indigenous peoples that contribute to the identification of good practices and serve as standards for the design, execution, and evaluation of this type of project. Evidence on Bank projects that adapt the cultural values and norms of indigenous peoples is very limited.

ENDNOTES

- ¹ IDB (2006a). Strategy for Indigenous Development (document GN-2387-5). Washington, D.C.
- ² Regarding the identification of indigenous peoples, the literature generally uses three methods: (i) self-identification; (ii) spoken language; and (iii) geographic location. To identify the indigenous population, this evaluation uses the first two criteria (self-identification and indigenous language spoken) in a sample of eight countries. Consideration was given to those countries where the indigenous population represented more than 3% and also had current information available such as surveys on living conditions. The countries included in the sample are: Bolivia, Chile, Ecuador, Guatemala, Mexico, Nicaragua, Panama, and Peru, which represent a significant percentage of the indigenous peoples in the region. The information sources and identification criteria used in each of the countries are presented in Annexes 3, 4, and 5.
- ³ This section is primarily based on an analysis of household surveys found in the database provided by MECOVI. The analysis also benefited from the work of Néstor Gandelman, Hugo Ñopo, and Laura Ripani (2007), “*Traditional excluding forces: a review of the quantitative literature on the economic situation of indigenous people, afrodescendants, and people living with disability.*” Working Paper 619. Inter-American Development Bank. Washington, D.C.
- ⁴ Hall, G. and Patrinos, H. (2005); CEDLAS (2005); UNICEF and FUNPROEIB (2009).
- ⁵ This figure cannot be more precise due to the limitations of national population censuses and official surveys in capturing information related to indigenous peoples or languages as well as the complexity involved in defining and identifying the indigenous population.
- ⁶ After Mexico, the countries with the largest indigenous populations are: Bolivia (5 million), Guatemala (4.6 million), Peru (3.9 million), and Colombia (1.4 million). Source: UNICEF and FUNPROEIB Andes 2009 for Peru and Colombia. CELADE for Bolivia, Guatemala, and Mexico.
- ⁷ Hall, G. and Patrinos, H. (2010). *Indigenous Peoples, Poverty, and Development*. World Bank.
- ⁸ Primarily lack of access to education and health and consequently low productivity in the labor market.
- ⁹ As health indicators, the authors used the presence of chronic diseases, frequency of diseases over the last 30 days, number of days out of work due to illness, medical treatment due to illness, medical prescriptions, and hospitalization during the last 12 months.
- ¹⁰ For greater detail, refer to Gandelman et al., 2007, Hall and Patrinos 2006.
- ¹¹ In Bolivia, for example, in 2005 an indigenous person was elected as president for the first time. Evo Morales, leader of the Movement toward Socialism (MAS) reached the presidency with a wide voting margin (53.7%) and was reelected for a second term in 2009. In Guatemala, indigenous groups have been gaining political power in several important cities and have also achieved positions in ministries and embassies. In Ecuador, the Confederation of Indigenous Nationalities of Ecuador (CONAIE), in partnership with other NGOs, formed a political party called the Pachakutik Plurinational Unity-New Country Movement (MUPP-NP) and in 1998 eight of its members were elected to the National Congress (Ruiz, 2003; Hall and Patrinos, 2006; Inguanzo, 2011).
- ¹² Low indigenous participation in public spending, limited resources, lack of appropriate institutions, etc. (Strategy for Indigenous Development, document GN-2387-5, page 8).

- ¹³ Annex 12 shows that the achievements recorded benefited both the indigenous and nonindigenous population and, for certain indicators, the advances were greater for the former – primarily in the area of education and access to basic services.
- ¹⁴ IDB (1994). “Report on the Eighth General Increase in the Resources of the Inter-American Development Bank” (document AB-1704). Washington, D.C.
- ¹⁵ *Ibid.* (document AB-1704, 1994: 24).
- ¹⁶ *Ibid.*
- ¹⁷ Deruyttere, A. (1997). “Indigenous Peoples and Sustainable Development.” No. IND97-101. Washington, D.C., Inter-American Development Bank.
- ¹⁸ IDB (2002). “Action Plan for Combating Social Exclusion Due to Race or Ethnic Background” (document CS-3362). Inter-Departmental Technical Working Group on Social Inclusion. Washington, D.C.
- ¹⁹ *Ibid.*, page 3.
- ²⁰ *Ibid.*, page 3.
- ²¹ IDB (2004). Strategy for Promoting Citizen Participation in Bank Activities (document GN-2232-5). Washington, D.C.
- ²² The Operational Policy on Indigenous Peoples (GN-2386-8) defines as indigenous peoples those that meet the following three criteria: “(i) they are descendants from populations inhabiting Latin America and the Caribbean at the time of the conquest or colonization; (ii) irrespective of their legal status or current residence, they retain some or all of their own social, economic, political, linguistic and cultural institutions and practices; and (iii) they recognize themselves as belonging to indigenous or pre-colonial cultures or peoples.” (page 1).
- ²³ IDB (2006b). Operational Policy on Indigenous Peoples (document GN-2386-8). Washington, D.C.
- ²⁴ IDB (2006a). Strategy for Indigenous Development (document GN-2387-5). Washington, D.C.
- ²⁵ *Op. cit.*, page 1. Development with identity was defined as “a process that includes the strengthening of indigenous peoples, harmony with their environment, sound management of their territories and natural resources, the generation and exercise of authority, and respect for indigenous rights, including the cultural, economic, social, and institutional rights and values of indigenous peoples in accordance with their own worldview and governance.”
- ²⁶ *Ibid.*
- ²⁷ IDB (2006b), *op.cit.* page 3.
- ²⁸ *Ibid.*
- ²⁹ IDB (2007). Operating Guidelines for the Indigenous Peoples Policy (document GN-2438). Washington, D.C.
- ³⁰ *Ibid.* page 3.
- ³¹ *Ibid.* page 10.
- ³² *Ibid.* page 21.
- ³³ IDB (2010). Report on the Ninth General Increase in the Resources of the Inter-American Development Bank (document AB-2764). Washington, D.C.
- ³⁴ *Ibid.*, page 18.

- ³⁵ The ESG information system that took effect in December 2006 has a filter for six Bank operational policies: Indigenous Peoples (OP-765), Voluntary Resettlement (OP-710), Natural Disasters (OP-704), Access to Information (OP-102), and Gender Equality (OP-270), which are activated by the team leader. In the case of the IPP, operations related directly or indirectly to the indigenous population are activated. The group of operations identified in this system were subsequently reviewed by OVE and classified according to the project typology used in this study.
- ³⁶ Key words included: indigenous, ethnic, community development, multicultural, intercultural, pluricultural, Mapuche, Guaraní, aboriginal, indigenous peoples, bilingual, natives, tribes, Amerindian, Maroon, tribal, Garífuna, Quechua, Aymara, Quilombola, Arawak.
- ³⁷ Methodology: The documents were searched for references to actions and/or operations planned by the Bank that reflect at least one explicit programmatic intention to address indigenous issues in the respective countries. References to indigenous issues made in the section analyzing the country's socioeconomic context or challenges to their development were not considered valid. Once the relevant references were located, they were classified according to their association with the strategic focuses of the Strategy for Indigenous Development (document GN-2387-5). Note was also made of cases in which indigenous issues were explicitly referred to in the Bank's strategic objectives or in the indicators of the respective Country Strategy. Also recorded were cases in which there was no mention at all in the strategies.
- ³⁸ Bolivia, Guatemala, Panama, Honduras, Ecuador, and Chile.
- ³⁹ According to the country coordinators, less attention was paid to indigenous issues in the country strategies due to: (i) a shift in priority from high to low profile in the government's work agenda; (ii) an undefined position of the government with respect to the issue, such that the Bank's role was unclear; (iii) a decision by the government to address these sectors with its own resources; (iv) the government's assessment that indigenous peoples have been integrated into society, so there is no need to adapt projects to them; and (v) a lack of analytical work during the transition from the Indigenous Peoples and Community Development Unit (IND) to the Gender and Diversity Unit (GDI).
- ⁴⁰ The process consisted of identifying the technical notes related to indigenous peoples in the country strategy annexes and references.
- ⁴¹ Total operations include 2 loans and 12 MIF cooperation projects.
- ⁴² The process consisted of reading the project report on each operation and, based on the criteria presented in Box IV.1, defining the category to which the project belongs. In parallel fashion, the objectives and performance indicators were classified according to the strategic focuses of the IDS.
- ⁴³ Besides operations CH-L1014 and PR-L1022, Project Preparation and Execution Facilities (PROPEF) instruments were approved. These facilities do not themselves constitute an operation but add resources to the indicated operations.
- ⁴⁶ Final Evaluation Report: MIDEPLAN-IDB *Orígenes* Indigenous Development Program, Phase II. August 2010.
- ⁴⁷ Final Evaluation Report: MIDEPLAN-IDB *Orígenes* Indigenous Development Program, Phase II. August 2010, page 157.
- ⁴⁸ Country program evaluation (CPE): Chile 2006-2012. OVE. Page 13.

- ⁴⁹ CPE 2006-2010, page 16.
- ⁵⁰ In the context of Mainstreaming, 20 of the 30 loans with activities directed to indigenous peoples, and 7 of 9 loans with components were approved prior to 2006.
- ⁵¹ The preparation time corresponds to the months elapsed between the date the project enters the pipeline and the loan approval date.
- ⁵² This section is usually called Environmental Considerations, Environmental and Social Impact, Social and Environmental viability, or Environmental Management Plans.
- ⁵³ The projects that trigger safeguards to mitigate possible adverse impacts on natural habitats are: PE-L1113 Chaglla Hydroelectric Power Project, BO-L1043 Misicuni Renewable Energy Hydroelectric Project, EC-L1070 Support for the Transmission Program, and CO-L1019 San Francisco-Mocoa Alternate Road Construction Project.
- ⁵⁴ Sources: PCR, Program for Institutional Strengthening and Support for Environmental Management of the Camisea Project, 2008, and a series of articles in IDBAmerica: Camisea.
- ⁵⁵ This section is primarily based on the analysis of John Redwood (2011). "Managing the Environmental and Social Impacts of Major IDB-financed Road Improvement Projects. Inter-American Development Bank, Environmental Safeguards Unit, Technical Note No. IDB-TN-352." December 2011.
- ⁵⁶ Document GN-2387-5, section on "Project design, execution, monitoring, and evaluation," paragraph 7.4(a).
- ⁵⁷ OPS verified that the studies mentioned in the loan documents were available. All the studies related to Independent operations were found in the system. In the case of Mainstreaming and Special Operations with studies, 80% of the studies were obtained from OPS.
- ⁵⁸ Country strategy evaluation (1995-2005), page 11.
- ⁵⁹ One hundred sixty panels were created (Country program evaluation: Chile 2006-2012. OVE. page 13).
- ⁶⁰ Document GN-2387-5, paragraphs 7.4(c), 8.2(a).
- ⁶¹ TCs use the proactive approach but are analyzed separately.
- ⁶² All the Independent, Target Population, and Components loans have indicators for indigenous peoples while under the Activities category only 17 of 32 have such indicators.
- ⁶³ Under the Activities category, only 25% of the indicators have a baseline and 54% have precise goals.
- ⁶⁴ For example, the Director of the former unit resigned.

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