The Challenge of Inclusion in the Latin America and Caribbean Region

In his 1997 Annual Address to the Board of Governors, World Bank President James D. Wolfensohn noted the great disparities between rich and poor that exist in many of the countries the World Bank serves. “In too many countries,” he stated, “the poorest 10 percent of the population has less than 1 percent of the income, while the richest 20 percent enjoys over half. In too many countries, children are impaired from birth because of malnutrition, inadequate health care, and little or no access to early childhood development programs. In too many countries, ethnic minorities face discrimination and fear for their lives at the hands of ethnic majorities.”

In the Latin America and Caribbean region (LCR) a primary obstacle to poverty alleviation is discrimination against certain ethnic, racial, and social groups. Social and human development specialists from the Bank have helped to highlight the discrimination faced by the region’s estimated 40 million indigenous people, and the problems they encounter in gaining access to education, health care, potable water, collective land titles, agricultural credit, and other basic services.

The challenge of poverty reduction and human development facing peoples and communities of African descent has only recently begun to receive serious attention in the region. Data show that populations of African descent constitute a large portion of the population living in poverty within LAC countries and that their poverty is associated with lower levels of educational achievement, less access to health and other social services, and greater obstacles in accessing basic institutions, including the justice system.

These findings provide a context for understanding the work that we, in the LAC Region of the Bank, are undertaking as part of our outreach to indigenous peoples and peoples of African descent in our regional poverty alleviation and social development programs. Our aim is to support our borrowers in active measures to confront the issues of poverty and social exclusion faced by the large populations of indigenous and African descent in the Region.

Some of the steps we have taken so far are:

- We have increased the number of our regional social development staff who have knowledge about and experience in working with indigenous and Afro-Latin and Caribbean organizations and communities. Throughout the 1990s, we increased the number of specialists on indigenous issues working at our headquarters in Washington and working as civil society or social development specialists in our resident missions. By diversifying our staff, we have increased our ability to respond to the needs of borrower countries and ensured that the special needs of these ethnic and racial groups—including indigenous and Afro-Latin and
The participation of indigenous, Afro-Latin, and Caribbean populations in development planning must be bolstered. Marginalized and historically excluded groups such as indigenous peoples and Afro-Latin Americans are often lacking in skills required to participate effectively in national decision making and development processes. Marginalization and historical exclusion mean that these groups have learned that effective participation requires special skills that are not evenly distributed among different stakeholders. The importance of mobilizing and strengthening these peoples' civil society and community organizations cannot be overstated. To be able to participate effectively in national decision making and development processes, the negotiation, evaluation, and management skills of these groups must be bolstered.

In the mid-1990s, the LCR Environment Unit, using grant resources from a regional Institutional Development Fund (IDF) and a Trust Fund of the Swedish International Development Agency and working in collaboration with the Hemispheric Fund for the Development of Indigenous Peoples of Latin America (Fondo Indigena), established an Indigenous Capacity-Building Program for Latin American indigenous organizations. The objective of the program is to work with indigenous organizations and national governments to help indigenous groups improve their capacity for identifying needs, selecting development priorities, and formulating strategies and proposals that could be implemented using their own resources and those from donor agencies. Each country's capacity-building program has been designed primarily by the indigenous peoples themselves, and addresses technical aspects such as participatory diagnostics, planning, and project administration. To

### List of Capacity-Building Programs

**Completed (as of July 2001):**

1. Chile: "Indigenous Universities"
2. Bolivia: "Learning by Doing" in Three Regions of Bolivia
3. Bolivia: Strengthening the Fondo Indigena
4. Mexico: "Peasant-to-Peasant Training" Among Forestry Communities
5. Ecuador: The Participatory Training Experience
8. Argentina: Indigenous Capacity Building
9. Mexico: Training Program for the Development of Indigenous Forestry Communities (second phase)
10. Mexico: Strengthening of Indigenous Women
11. Mexico: Training Project for the Lacandona Forest Chiapas
12. Panama: Institutional Strengthening and Sustainable Development of Indigenous Peoples

**Under Implementation (as of July 2001):**


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**PARTICIPATION IN DEVELOPMENT PLANNING:**

Strengthening Afro-Latin and Indigenous Organizations

Since the World Bank has been promoting participatory approaches to development decision making and project preparation and implementation, it has learned that effective participation requires special skills that are not evenly distributed among different stakeholders. Marginalized and historically excluded groups such as indigenous peoples and Afro-Latin Americans are often lacking in skills. The importance of mobilizing and strengthening these peoples' civil society and community organizations cannot be overstated. To be able to participate effectively in national decision making and development processes, the negotiation, evaluation, and management skills of these groups must be bolstered.

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peoples and seeks areas where mutual learning and collaboration can take place. In June 2000, we collaborated with the Inter-American Dialogue, the Inter-American Development Bank, and the Inter-American Foundation to host the first meeting of the Inter-Agency Consultation on Race and Poverty. This group, which addresses the needs of peoples of African descent living in Latin America and the Caribbean, has now expanded to include other multilateral development agencies and private foundations. A second meeting of the Inter-Agency Consultation was held at the Inter-American Development Bank in June 2001.

We are only at the beginning of this journey. We are pleased, however, to see that the need for more comprehensive action in this area is recognized by a number of our borrower governments and by numerous civil society organizations in the region. This was reflected, inter alia, in the important Declaration and Plan of Action made at the Regional Preparatory Conference for the World Conference Against Racism, Racial Discrimination, Xenophobia and Other Forms of Intolerance held in Santiago, Chile, from December 5 to 7, 2000. These documents represent an important reference point for our work with our borrower governments, with civil society organizations, and with partner development agencies concerned with these issues in the years ahead.

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DEVELOPMENT WITH IDENTITY:
Indigenous and Afro-Ecuadorian Peoples Development Project

cuador’s rural poverty indexes show that 85 percent of the indigenous population and 88 percent of the Afro-Ecuadorian population live below the poverty line, a sign that they lack access to drinking water, electricity, sanitation. In other words, poverty and ethnicity are closely related.

The Indigenous and Afro-Ecuadorian Peoples Development Project (PRODEPINE), now in its third year, is the first World Bank operation in Latin America designed solely for the benefit of indigenous and Afro-Ecuadorian inhabitants, having as a target population the 815,000 persons living in rural areas. Moreover, this was Ecuador’s first loan specifically tailored for the purpose of channeling resources directly to beneficiary communities, through indigenous and Afro-Ecuadorian executing agencies, with minimal government participation. The project affords indigenous and Afro-Ecuadorian peoples a unique opportunity to translate their vision of development into practice, using the project’s technical and financial assistance to augment their social and cultural capital.

PRODEPINE is a response to the long-standing demands of indigenous and Afro-Ecuadorian peoples with respect to lands and territories and their desire to strengthen their identity as peoples and nationalities, their investments in social infrastructure and production subprojects, and their support for the Ecuadorian National Council of Indigenous Nationalities and Peoples (CODENPE). The project’s total cost is US$50 million (World Bank, US$25 million; International Fund for Agricultural Development [IFAD], US$15 million; Government of Ecuador and beneficiary communities, US$10 million).

Although Ecuador’s indigenous organizations represent the poorest and historically most excluded and marginalized populations, they have become much better organized since the 1970s, when the government recognized their right of freedom of association. As a result, there are now 2,325 ethnic and/or class-oriented organizations. Over time, they have become a growing force in the political arena and have evolved into the largest social movement in the country and also serve as social capital networks and coordinate local development projects.

The project was designed along criteria reflecting the cultural and ethnic makeup of Ecuador. Regions where indigenous or Afro-Ecuadorian peoples represent more than 50 percent of the population were designated as the beneficiaries. The project components were established through participatory evaluations and consultations. From the start, it was determined that so-called second- and third-degree organizations would serve as executing entities, by virtue of such characteristics as the scope of their work within their microregion, their experience with development projects, and their legitimacy as recognized political representatives of ethnic groups (nationalities and peoples).

The project now has a central office in Quito and seven regional coordination offices (in Sierra, Costa, and Amazonia). These offices apply a technically oriented management approach; i.e., they focus on translating demands expressed in many political contexts into operations. There is no precedent in Ecuador for this management approach, and many lessons have been learned in the course of project implementation.

It is important to underscore the project’s participatory nature. Thus, the project has developed a methodology for implementing participatory local development plans that enables communities, through broad popular representation, to agree on the priorities they wish to address. Among other things, the process has focused on ensuring: (1) transparent consultations to determine what activities should be undertaken, (2) greater community control during implementation, and (3) a shift from a vertical approach to one regarding the spoken and unspoken demands of community members. The participatory approach to planning has been a critical factor in altering the implementation method. Enabling indigenous and Afro-Ecuadorian organizations to manage subprojects has strengthened social capital in an environment where horizontal relationships predominate.

The mid-term review conducted by the World Bank, IFAD, and the Government of Ecuador and the report of external auditors endorsed by the Government’s Office of the Controller-General indicate that PRODEPINE is being managed efficiently and is meeting its established objectives and targets. Some of the project’s achievements as of late 2000 are as follows:

- **Regularization of land tenure.** Title to 22,700 hectares has been passed to grassroots organizations, and 68,000 additional hectares are being processed. Forty paralegals have been trained.
- **Capacity building for peoples and nationalities.** Scholarships have been awarded to 1,440 students working toward bachelor’s degrees and 888 graduates studying for master’s degrees. PRODEPINE has cooperation agreements with 27 higher education centers. In addition, 77 people have taken intensive courses in such fields as irrigation, soil conservation, and agroforestry, and 496 young men and women have worked as interns in the agro-ecology program.
- **Rural investment.** Agreement to support participatory planning and project development was followed by approval of financing for 459 investment projects at a total cost of more than US$9 million. All these operations are managed by indigenous and Afro-Ecuadorian organizations.

In order to strengthen CODENPE, support is being provided for the preparation of strategic plans to assist peoples and nationalities; efforts to ensure formal recognition of collective rights; the formulation of legislation and policies to benefit indigenous and Afro-Ecuadorian peoples; and development of proposals to finance other projects.

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COLLECTIVE LAND TITLING:
Protecting the Assets of Indigenous Peoples and Afro-Latin Communities

and has a special significance for both indigenous peoples and rural communities composed of persons of African descent in Latin America. Not only is land the basis of economic survival and the sustainable development of these peoples and communities, but it is also a symbolic link with their ancestors and a material expression of their identities. Therefore, some of the major demands of both the growing indigenous and the Afro-Latin social movements are for governments to recognize their ancestral territories and to provide them with collective land titles and defense in the protection and use of their natural resources.

Fortunately, over the past decade, national governments, particularly in South America, have come to recognize the significance of these land claims of indigenous peoples and Afro-Latin communities for national and regional development and have incorporated articles concerning such rights into their national constitutions and new agrarian legislation. Among the most important of these new initiatives in the legal area are the reforms recognizing indigenous and Afro-Latin land rights in the constitutions of Brazil (1988), Colombia (1991), and Ecuador (1998), and several new laws. Examples of these new laws are the Law 70 in Colombia (1993), which provides for the collective land titling of communities of African descent along the Pacific Coast, and Bolivia's "La Vicente Nacional de Reforma Agraria (INRA)" (1996), which recognizes so-called Tierras Comunitarias de Origen (TCOs, or Lands of the Original Communities).

The World Bank and other multilateral and bilateral development agencies are playing an important role in helping South American governments to implement these new laws as part of recent land administration and natural resource management projects and programs. One of the most far-reaching of these projects is the Brazilian Project for the Integrated Protection of Indigenous Lands and Populations of the Legal Amazon (PPTAL), which is part of the G-7-inspired Pilot Program to Conserve the Brazilian Rain Forest. The PPTAL is a US$22 million project financed jointly by the Rain Forest Trust Fund, the German Agency for Financial Cooperation (KFW), and the Brazilian government, with the assistance of the World Bank, the German Development Agency (GTZ), and UNDP. Working in collaboration with a Technical Secretariat in Brazil's National Indian Foundation (FUNAI) and an Advisory Committee composed of representatives of the federal government and indigenous organizations and communities, the project expects to regularize 149 Indigenous Areas comprising more than 44 million hectares of land before closing in December 2002 (see table 1 with status of land regularization under the PPTAL as of May 2000).

Another experience, financed jointly by the World Bank and the Inter-American Development Bank, is the Colombian Natural Resources Management Program (PMRN). This program is administered by the Colombian Environment Ministry and contains special components for the collective titling of both indigenous reserves and lands belonging to communities of African descent in the Pacific Coast region. The Pacific Coast is a unique geographic and cultural area, because it has one of the largest concentrations of peoples of indigenous and African descent in the Americas and a great diversity of natural habitats and biological resources. Drawing upon regulations introduced in 1995 for the implementation of Law 70 and new agrarian legislation relating to indigenous reserves, the Colombian National Institute of Colonization and Agrarian Reform (INCORI) was able under the SUS3.25 million World Bank-financed segment of the program to title more than 2.3 million hectares of land identified as belonging to Afro-Latin communities and nearly 325,000 hectares of land containing indigenous reserves. Such land regularization benefited 497 communities of African descent and led to the constitution and amplification of 56 indigenous reserves.

Some of the lessons that the World Bank and its government counterparts and multilateral and bilateral partners have learned from such financing are that:

1. The active participation of indigenous and Afro-Latin organizations and communities is fundamental to the efficient and cost-effective implementation of such collective land titling programs.

2. Collective land titling must be accompanied by natural resources planning at the local level that takes into account the environmental knowledge and ancestral wisdom of the indigenous peoples and Afro-Latin communities.

3. Local governance and regional conflict resolution and management measures often need to be introduced alongside such collective land titling programs, especially where there are inter-ethnic tensions and competition over lands and natural resources.

4. Such collective land titling is only the first step (albeit a critical and necessary one) in the wider sustainable human development of these peoples and their communities.

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DATA COLLECTION AND ANALYSIS: The “TODOS CONTAMOS” Workshop

It has become clear that there is a need to improve the data-collecting tools to more accurately reflect the poverty-stricken states of historically excluded groups in Latin America and the Caribbean. The Colombian National Statistical Department (DANE) was enthusiastic about sharing its experience with the work its had already done on including race and ethnicity in its national census, but at the same time wanted to improve its capacity and expertise in this area. In November 2000 the IDB, which is also committed to improving its research and analytical tools in poverty work, and DANE co-sponsored with the World Bank a technical workshop in Cartagena, Colombia. The workshop was called “Todos Contamos,” which may be translated into English as “Everyone Counts” or “Counting Everyone.”

The purpose of the workshop was to raise awareness among demographers, government census personnel, and indigenous and Afro-Latin and Caribbean civil society organizations about the need to include questions on race and ethnicity in national censuses, and to exchange ideas on how to best incorporate these types of questions into the national censuses of the region. The two-day workshop covered three major themes that were discussed in three working groups: (1) concepts and methodologies related to determining ethnicity in national censuses; (2) variables to assess the socio-economic status of ethnic and/or racial groups; and (3) the participation of community groups in the design and implementation of the methodologies.

On the last day of the Cartagena workshop, there were agreements on at least the following:

- Representatives of indigenous and Afro-Latin groups should be included in all phases of the census process, including design, implementation, and data analysis. There was a suggestion to create national committees composed of representatives from national census offices, Afro-Latin people, and indigenous communities and organizations.
- Some of the countries made a commitment to include new variables and questions in their national census’ questionnaires. The representative from Argentina’s census bureau agreed to gather information on Afro-Argentines for this year’s census, and the Chilean representative indicated the Chilean census bureau will consider the inclusion of categories targeting the Roma populations.
- There was general agreement that there is a key role that NGOs and other civil society organizations can play in increasing the awareness among Afro-Latin and indigenous groups on the importance of census data.

The results of this technical workshop will soon be published. They are expected to be useful in designing new methodological approaches for including, when relevant, questions concerning race and ethnicity in future Household Living Standards Surveys carried out with the assistance of the Bank, partners like the IDB, and national statistical and social planning agencies.

The need to have more reliable demographic and socio-economic data on all groups within Latin American and Caribbean society is important in order to design more effective investment operations and provide development services to racial, ethnic, and other vulnerable groups. There is therefore an urgent need for better census and statistical data, not just to understand the scope of the poverty, race, and ethnicity nexus but also to design operations, in collaboration with borrower countries, that will alleviate poverty and bring an end to social discrimination and marginalization.

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