



ADDRESS BY PRESIDENT OF THE CARIBBEAN DEVELOPMENT BANK TO THE FORWARD TOGETHER CONFERENCE, 2-3 JULY 2002, GEORGETOWN, GUYANA

Press release 83/2002
(02 July 2002)

The Caribbean Development (CDB) applauds the Caribbean Community Secretariat and Civil Society for convening this Conference. I know that it required much effort and determination to bring it off. We are very pleased to have an opportunity to participate in what we confidently expect to be a set of most fruitful discussions about social partnership for Caribbean development.

CDB recognises the very crucial and important role that non-governmental organisations, community-based organisations and civil society organisations need to play in the social and economic development of its Borrowing Member Countries (BMCs). This role as a social partner is critical simply because Caribbean governments cannot do all that is needed on their own and must rely on empowered partners to help especially in the area of social development.

Given this recognition, the CDB has assisted non-governmental organisations in several activities, two of which may be highlighted:

- A programme was developed to train the management of non-governmental organisations for the Council for Social Voluntary Services in Jamaica. This programme was designed and prepared by the Continuing Studies Department of the University of the West Indies (UWI) whose expertise was utilised by CDB in order to make this programme available through UWI's distance education facilities to all non-governmental organisations in the Caribbean; and
- A feasibility study was funded (utilising DFID funds) on the creation of a trust or endowment fund for non-governmental organisations throughout the Region. This exercise was undertaken through the Caribbean Policy Development Centre (CPDC) a non-governmental organisation umbrella body. CDB does not necessarily support the idea of one such fund and we expect that several non-governmental organisations will be trying to establish their own dedicated fund. CDB supports this concept because it provides a mechanism to promote philanthropy which is crucial to the support and long term viability of non-governmental organisations

During the last Special Development Fund funding cycle (1996-1999), CDB's technical assistance grant provision was formally targeted with specific allocations being made to each borrowing member country. There was also a ARegional@ allocation amounting to about 30% of the total TA Grant funding.

Under these arrangements non-governmental organisations could only access funding from the allocation and CDB could only fund the regional activities of non-governmental organisations if a government was willing to make part of its very small and inadequate allocation available to a national non-governmental organisation. These arrangements did not work well.

It is therefore proposed under the latest SDF funding cycle (2002-2005) that a small portion of technical assistance grant funding be made available for national non-governmental organisations to undertake activities which meet the priorities established by CDB for use of its limited Grant resources.

The CDB wishes to promote the concept of legitimacy of non-governmental organisations. In creating a strategy to assist non-governmental organisations/civil society organisations, CDB has to be conscious of the large number (over 1000) of such organisations operating in borrowing member countries and be prepared to deal with them effectively. Our strategy needs to focus on specific areas of action such as corporate government and sustainability but must also deal with legitimacy. Too many civil society organisations are ad hoc, unreliable and not adequately rooted in their communities. It has been proposed therefore that CDB should establish eligibility criteria for access to its financial assistance for civil society organisations. Suggested criteria include the following:

- Legal registration as a charitable trust
- Broad-based impact on socio-economic development
- Established network linkages outside of the civil societies immediate community
- Audited accounts for a minimum of two years immediately preceding the request
- Evidence of a financial sustainability objective including a willingness to establish an endowment fund
- Track record of sustained fund raising
- Track record of mobilising volunteers
- Track record of good management which is reflected in adequate forward planning and achievement of objectives
- Services/administration expenses ratio must be greater than say 1:1
- Legitimate system of corporate governance based on democratic principles

I stress that these are suggestions for consideration by the Bank and not decisions by the Bank. CDB would welcome comments and discussions on them.

Reference was made previously to the funding of civil society organisations. I am troubled by the history of their dependence on grants, usually from the international community, and by the volatility of financing which ensues from shifts in donor preferences and the weaning of local organisations after some time has elapsed. A way should be found to stabilise the financial condition of civil society organisations. I think it would be useful to explore a model in which the services of civil society organisations may be purchased by governments whenever those services can be provided more cost-effectively by the civil society organisations. The financial transactions would in such circumstances be commercial rather than charitable. Since the success of such a model would turn upon the capacity of civil society organisations to deliver, complementary programmes of capacity building might be necessary.

Mr. Chairman, I conclude by once more complimenting the organisers of this conference and by expressing my own belief that together we can make a positive difference. The specifics of such programmes would depend upon the actual circumstances of particular organisations but in many instances would include both management training and systems support.