

Inter-American Development Bank

Minutes

**IV Meeting of the Bank and Regional Civil Society
Organizations
Ocho Rios, Jamaica**

February 16-17, 2004

**I. Presentation of the Honorable Delano Franklyn ,
Minister of State, Ministry of Foreign Affairs and Foreign
Trade, Jamaica**

**II. Open discussion with IDB President
Enrique V. Iglesias**

President Iglesias offered a series of brief remarks on trends in development thinking in the Latin American and Caribbean region over the past fifty years, noting in conclusion that the region was entering a two to three year period that might be characterized as a “bonanza” (a period in which, among other factors, prices for commodities in which the countries of the region were net exporters were likely to remain high). A principal challenge for the region was to take advantage of this window to seek to strengthen the many weak institutions evident in many countries.

Mr. Iglesias opened the floor to questions from the approximately 120 representatives of civil society organization present. Topics touched on in the questions and answers included the following:

- The imperative for sustainable growth**
- Need for greater inclusiveness among invitees from civil society**
- Strengthening negotiating machinery for small island states**
- Citizen security and narcotics trafficking**
- The Bank’s relationship with member governments vis-à-vis the strengthening of civil society in the region**
- Macroeconomic adjustment and debt in Brazil**
- HIV/AIDS as a development problem, not merely a biomedical one**
- Summits of the Americas**
- Corruption and the concept and use of “social audits”**
- The “feminization” of poverty in the region**
- Formulation of the Bank’s Indigenous Peoples Policy**
- Role of labor organizations in definition of the Bank’s Country Strategies**

- **Need to assign priority to solid waste treatment and potable water projects**
- **Representation of women in senior positions at the Bank**
- **Marginalization of Afro-descendant populations throughout the region**

III. Presentation and Discussion of the Bank's draft Environment Policy

In her powerpoint presentation on the proposed new Bank Environment Policy, IDB Environment Division Chief Janine Ferretti presented in general terms the objectives, scope/field of activity and criteria for evaluating Bank activity. The new Policy, a profile of which has recently been sent to the Board of Directors, would replace the Bank's 1979 Policy. In that policy (OP-703) the primary objective is avoiding and reducing environmental impacts of specific projects, with mention made also of projects to improve the environment. In contrast, the new Policy would emphasize enhancing the quality of all Bank operations through (i) mainstreaming the environment into overall economic and social development through all the Bank's activities, as well as (ii) establishing formal safeguards to minimize and manage environmental risks.

The directives for mainstreaming would require the Bank to address the environment early and strategically as a cross-cutting development interest in programming activities, and throughout the project cycle. The set of specific safeguards would reflect international best practices, comparable with other international financial institutions. The new objectives thus emphasize pro-active efforts to improve the environment as well as stronger environmental protection activities, and emphasize the opportunities for improved economic and social development through integrating environmental considerations into economic and social development across all Bank activities rather than treating the environment as a distinct sector.

Ms Ferretti also presented a draft consultation plan that is currently being proposed to the Board of Directors for their

consideration. It is proposed to consult extensively and to consult as early as possible.

In their subsequent comments on the presentation, the three panel members emphasized the need to involve civil society in the preparation of the Policy. One panel member mentioned local capacity building as a critical issue moving forward, as well as the role of the private sector in promoting eco-efficiency and corporate social responsibility. Another panel member made reference to environment as the tragedy of the common good and advocated the establishment of an early warning system that would allow for early detection of environmental problems in project execution. The third panel member stated that the new Policy should have well defined indicators for its implementation with clear endorsement of internationally accepted standards, as well as use of improved valuation techniques (cost-benefit analysis). This panel member called upon the Bank to adopt the precautionary approach, use third party independent assessments, and establish so-called “no-go” zones (modeled on the World Bank’s Habitat’s Policy), as well as clear sequencing rules (appropriate governance structure in place before Bank investments take place).

Most of the discussion focused on the issues of improving the use of strategic environmental assessments to identify and mitigate indirect and cumulative environmental impacts and possible Bank support for regional public goods. In addition, the need for meaningful participation and consultation was stressed with some participants advocating the increased use of third party monitoring.

IV. Presentation and Discussion of the Bank’s Operational Policy on Indigenous Peoples

Introducing the Panel discussion on the Bank’s draft Indigenous Peoples policy, Xavier Comas and Christof Kuechemann of the IDB noted that the Bank often used the umbrella terms “social inclusion” in referring to a group of related topics—including indigenous peoples. The Bank’s Eighth Capital Replenishment gave Management a mandate to

mainstream activities involving indigenous peoples, women and ethnic minorities in the work of the institution. Today, 30 percent of Bank projects explicitly involve gender issues; 10 percent expressly involve indigenous peoples. There is a growing number of projects involving Afro-descendant groups, HIV/AIDS victims, the disabled and other unique populations.

Anne Deruyttere, Chief of the Bank's Indigenous Peoples Unit, noted in her presentation that the mandate from the Bank's Governors for an Indigenous Peoples Strategy dated to 1994. She also noted the distinction between a Strategy and a Policy: the former is an indicative document meant to guide Bank action for a period of five to ten years while the latter prescribes norms that the Bank must follow in its operational program.

Two key precepts in the draft Policy are those of *development with identity* and of *respect for the rights* of indigenous peoples. More detailed descriptions of these concepts can be found in Ms. Deruyttere's powerpoint presentation at <http://www.iadb.org/exr/socciv/ad.ppt>.

Topics addressed in the draft Policy and Strategy include Bank support for strengthening the capacity of indigenous groups to manage development initiatives; improving the access of indigenous peoples to financial services and systems; and promoting improved legal and judicial protection for such groups.

Commentary and inquiries from civil society participants on the Bank's presentations involved the following topics:

- proposed consultation process for the documents
- problem of "*dividismo*," an exclusive focus on component parts of indigenous peoples, as opposed to a holistic approach to their development
- need to integrate issues of indigenous peoples in the country programming process
- need to focus on rights and development priority for Afro-descendant populations
- focus on indigenous women

- **cross-border issues**
- **insuring cultural relevancy of the vocabulary/terminology of the Bank's draft documents**

V. Presentation and Discussion on the Role of the Bank and Civil Society in Regional Integration Processes

Jorge Sapoznikow, Chief of the Bank's State and Civil Society Programs Division, Regional Department 2, made a presentation on Puebla Panama Plan (PPP) covering its background, objectives and current status. It was explained that the PPP was launched in 2001 and has as its objective to stimulate the economic and social development of the seven Central American countries and nine states in the south of Mexico through integration, respecting cultural, ethnic and environmental identity of the persons living in those areas. Among the initiatives undertaken in the PPP are sustainable development, sustainable tourism, prevention of natural disasters, human development, market access, communications, electrical interconnections and highway interconnections. The process whereby consultation with civil society is carried out, called Information, Consultation and Participation (ICP) was highlighted. The ICP process serves to involve civil society organizations and community based organizations in a continuous and timely manner, so that they can play an active role in all the stages of the PPP, contributing to its sustainability. The process by which the ICP is carried out including the general consultations with civil society, their recommendations and the actions that resulted, were explained in detail. To date some 22 workshops with over 1,100 participants have been carried out as part of the ICP process.

Mauro Marcondes-Rodrigues, Advisor, in the Bank's Regional Department 1 spoke on the topic of the Initiative for Regional Infrastructure Integration in South America (IIRSA). It was explained that IIRSA is an initiative that seeks to create an infrastructure platform (transportation, energy, and telecommunications) to promote logistic and trade integration in South America and reinforce the region's position in the global economy. IIRSA is not a new source of financing, but

rather an institutional mechanism that aims to coordinate the South American countries in their process of physical integration. The Bank is prepared to finance the feasibility, environmental and engineering studies needed for implementing the projects in the best possible way. The action plan takes two complementary approaches: (i) ten integration and development hubs and (ii) the sector integration processes. In December 2003, the 12 participating countries approved a general concept for a participation, consultation and public outreach program for the Initiative. The resulting Civil Society Communication Strategy entails the implementation of a group of communications mechanisms to interact with several types of audiences beyond national governments including civil society, the private sector and other Governmental or Inter-governmental units.

Laura Rojas, Senior Trade Consultant of the Bank's Integration and Regional Programs Department delivered a presentation on Civil Society Participation in Trade and Integration Processes. This presentation focused on five activities related to civil society participation in trade and integration processes: (i) special initiative on trade and integration; (ii) support to the Free Trade Area of the Americas (FTAA); (iii) biannual regional policy dialog for vice ministers; (iv) INTAL trade/civil society studies and forums; and (v) financial products: trade facility loans, lending program for integration, trade and competitiveness and the Multilateral Investment Fund (MIF).

These presentations were followed by a panel discussion with the following civil society representatives: Juan Ferrera, *Foro de Convergencia Nacional (FONAC)*, Honduras; Oscar Rivas, *Sobrevivencia*, Paraguay; and George De Peana, Caribbean Congress of Labour, Trinidad and Tobago. Mr. Ferrera's presentation focused on the role played by FONAC in the consultative process of the Puebla Panama Plan (PPP). He emphasized the need for civil society organizations to be adequately prepared in order to be able to make valid observations and recommendations. Mr. Rivas spoke on the Initiative for Regional Infrastructure Integration in South America (IIRSA) and his organization's participation in the

consultation process. He emphasized that civil society should recognize its role to provide input to the decision makers, but that it should not expect to make the final decisions. He also noted that what might seem to be viewed as a threat by some members of civil society could be viewed as an opportunity by others. Mr. De Peana's presentation focused on the Free Trade Area of the Americas (FTAA). He pointed out the huge diversity among the 34 countries making up the area in terms of wealth and size. It was pointed out that no formal mechanism had been set in place to permit trade unions and other civil society organizations to participate in FTAA meetings. He was of the opinion that the "presummit" consultations that did take place were "for the gallery." He made three proposals to the Bank: (i) the Bank should establish guidelines for policy for trade unions and civil society at local and international level; (ii) at the national level the Bank should help civil society to be more engaged and to foster exchange of information and discussion; and (iii) the Bank should review its involvement in the INTAL program insofar as the only seminars scheduled for 2004 are in Latin American countries, but none in the Caribbean. Mr. De Peana ended his remarks by advising that whether the country is as big as Brazil or as small as St. Kitts, they must all work together, i.e. "Swim together or drown separately."

A 45-minute open discussion period followed, moderated by Edmundo Jarquín. There were some 14 interventions by the participants. Among the points raised were:

In the case of IIRSA, civil society should not only be seen as having an opinion, but also as a development tool; the need to provide social and environmental impact studies for projects financed as part of IIRSA was also pointed out;

In the case of PPP, despite efforts to consult civil society, much of civil society is not aware of it. Also, for those who are aware, this is the perception that it is primarily an infrastructure project.

Information disseminated by the Bank to civil society should be easily understood, should be transparent, explaining how a particular project could have an effect on certain stakeholders

and the need to build capacity of civil society prior to consulting. The Bank needs to better communicate how projects are identified and if civil society is consulted in this process and needs to be more involved in strengthening civil society in the Caribbean. Special needs of Indigenous peoples must be considered in integration process (especially FTAA and IIRSA).

The three presenters and three panel members were given the opportunity to provide brief responses to the points raised during the open discussion. Among the responses:

The Bank needs to provide the participants of this meeting of a summary of what took place at the meeting; needs to reach out to the indigenous peoples, youth, underprivileged and the disabled; and needs to communicate with those who do not have access to computers and websites.

In response to the issue raised concerning the lack of a seminar planned for the Caribbean for 2004, it was clarified that these seminars are programmed based on demand, therefore, one for the Caribbean will be considered. The lack of knowledge about IIRSA was noted and increased efforts will have to be made to spread information. The point was made that the relationship between the Bank, civil society and government should be viewed as a triangle, with the Bank, civil society and government each forming one of the “legs” of such triangles.

VI. Open Discussion: Civil Society Organizations and IDB Senior Management

In a wide-ranging discussion, much of the discussion focused on the question of the extent to which the Bank could work directly with civil society organizations. Civil society representatives claimed to have received “mixed signals” from the Bank in terms of its willingness to collaborate directly with civil society organizations—or to involve them directly as executors of Bank-financed projects. The Bank, in response, sought to clarify its

position that it was interested in direct collaboration, that it *had* engaged civil society organizations as executing units in Bank-financed operations, especially in the Social Entrepreneurship Program and grant activities of the Multilateral Investment Fund. What the Bank sought to avoid, however, was picking “winners and losers” among the thousands of nongovernmental organizations working within national boundaries and throughout the Latin American and Caribbean region, or seeming to “anoint” some organizations as more legitimate or more representative than others.

VII. Presentation and Discussion on Experience with the Civil Society Advisory Groups (CASC/CSAG)

Powerpoint presentations on experiences in the Bank’s CASC/CSACs in the Country Offices were made by Mr. Alcides Faria, on Brazil; Ms. María Luisa Hurtado and Mr. Edgar Carvajal, On Ecuador; Mr. José Filadelfo Martínez, on Honduras; and Mr. Peter Espeut, on Jamaica. The files are available at www.iadb.org/sds/civsoc/ivmeeting.htm.

VIII. Closing Remarks from IDB Executive Vice President Dennis Flannery

IDB EVP Flannery offered brief remarks underscoring the Bank’s commitment to a continuous dialogue with civil society from all of the Bank’s member countries—and in particular to meaningful, timely consultation on draft operational strategies and policies. The EVP pledged his personal commitment to participating in as many major events of the type of the Ocho Rios meeting as possible not least because they afforded the bank an opportunity to hear suggestions and seek guidance on how to make its projects and programs more effective and sustainable. He closed by emphasizing that it would be important for the IDB to demonstrate its follow-up to the commitments made during the two days of presentations and discussions.