

*Speech by*  
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and former President of Netherlands Court of Audit  
*on the occasion of the ICFO AGM in Amsterdam, 24<sup>th</sup> April 2009*

Dear guests and members of ICFO,

As chairman of the Centraal Bureau Fondsenwerving (CBF) I would like to welcome you on this special session of the Annual General Meeting of ICFO which is being facilitated by the Chamber of Commerce Netherlands and Amsterdam. I attended the successful 50<sup>th</sup> anniversary of ICFO in Berlin last year and I hope we will have an equally well organised event this year.

I would like especially to welcome the delegation of our new member, from Taiwan, and also our new contacts from Spain and Hungary. I hope this meeting will be inspiring in establishing independent monitoring organisations in other countries as well and to enlarge the membership of ICFO under the leadership from ICFO's President Dr. Rollin van Broekhoven and the Secretary General Mr. Burkhard Wilke.

In the early 1990s we discussed within ICFO the possibility to introduce national certification schemes for charities, which resulted into seals of approval to build trust for charity work and support of the general public. In a globalizing world fundraising activities will increasingly cross borders. It is a development which draws attention to questions of regulation that have not been our central attention thus far. This afternoon we have a nice list of speakers who will introduce a number of those important issues. Especially building donor trust and the monitoring of fundraising and regulation from an international perspective are the focus of discussion today.

Today, our work as independent monitor organizations organized within ICFO is well established and indispensable to stable trust in the charity sector. Allow me to go back to the beginning for a short moment.

In 1995 the annual report of the Royal Netherlands Sea Rescue institution (KNRM in Dutch), one of the bigger Dutch charities was published in a few pages to the public. The difference to the annual report of 2007 is remarkable. Now we have a good view on the assets, the governance structure and the functioning of the board, and the actual results that have been achieved. In 1995 we did not ask for it. Between both periods the CBF has performed a series of regular assessments, and adapted its regulations to new demands on proper fundraising, governance, and reporting. We cannot claim these improvements all for ourselves. I should certainly mention the hard work of the people at the KNRM. But it is fair to say that the CBF contributed as well by introducing standards. Since the seal of approval, transparency has increased considerably throughout the whole sector of fundraising in The Netherlands. In 2007 CBF registered in total 3.255 million euro on income by Dutch fundraising organizations of which 80% is raised by charities with the CBF seal of approval.

Is transparency complete? Should we stop here and turn our attention to the next buzz word? No, transparency is here to stay. Still there are elements of what happens at charities with the CBF-seal that neither the CBF nor the public can see. We cannot look over the shoulder of each employee and volunteer. We cannot follow each meeting and each activity. The CBF could keep going and demand more details and information about the issues that are not yet included in this report. Maybe in ten years time we could hold up a report that reports even more on results and interesting issues for the public.

I do not think that this is the road we should take. We would be running towards a destination (full transparency), where we would never arrive. The external supervisor will never see the whole picture and we will have to accept that.

There are better choices to make. Since last year, the CBF has focused on strengthening the internal supervisor. From their position they can see things that we can not. If we can be sure that they are qualified and well equipped to cushion risks. Apart from that we need to keep looking at annual reports and other forms of accountability. Those information channels provide the essential information.

The CBF is capable of judging the quality of an organisation, its procedures and its communication. The CBF will never be able to judge whether one intervention is better than the other. Is it better to build schools than to establish irrigation schemes? The pros and cons of each approach are too complex to reach an objective conclusion. It is an assessment that we will always leave for the individual donor to decide.

Some people may say transparency can replace supervision by the CBF. That is not true. Stand-alone transparency can be delusive. If there are no checks on what organisation say and claim than we are entering a world where the boldest voice wins. The best window dressing beats the best performance. In that situation transparency becomes empty and meaningless. The public will lose confidence in charities, which means that everybody loses.

Our mission is to prevent that scenario from happening. We have come to know many Dutch charities well, throughout the years. Together with the internal supervisor we can judge whether transparent accountability is meaningful accountability.

As CBF we are a proud member of ICFO and we feel strengthened by our common values and experiences. We hope that in the coming years we can cooperate together to build donor trust on charities on a national level and on an international level. We believe in independent monitoring of charities for the benefit of donors and of charities. We are aware that especially in the European context important challenges of cooperation are in front of us. 51 years ago it was CBF together with others to establish ICFO as an association registered in the Netherlands. Our director, Adri Kemps supports ICFO as treasurer of ICFO and did organize this Annual General Meeting with a qualified team of his staff.

The Chamber of Commerce is so kind to sponsor and facilitate this meeting and I would like to thank on behalf of all participants Mr. Frans van Steenis, general director and Mr. Ricco Dun of the Chamber of Commerce for their support.

Also I would like to thank all speakers for accepting the invitation to contribute to this special session of ICFO's Annual General Meeting in Amsterdam. I hope your contributions will strengthening our work on behalf of donors and charities worldwide.

Mr. Rollin van Broekhoven, the floor is yours.