

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
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PLAN OF OPERATIONS

I. GENERAL INFORMATION

Project Title:	Improving the Visibility and Gauging the Impact of the Civil Society Sector		
Project Number:	RG-T1068		
Project Team:	Janine Perfit (SDS/SGC), Team Leader; Kea Wollrad (INT/RTC); Juan Carlos Pérez-Segnini (LEG/OPR); and Leyda Fajardo (LEG/OPR).		
Date Requested:	N/A (Initiative of the Bank).		
Beneficiaries:	National statistical offices and civil society organizations in thirteen IDB borrowing member countries.		
Executing Agency:	The Bank		
Amount and Source of Financing:	IDB (net income FSO):	US\$	75,000
	Co-financing	US\$	40,000
	Total:	US\$	115,000
Time Frame:	Execution period:	6 months	
	Disbursement period:	8 months	
Social and Environmental Review:	No comments were issued as a result of the social and environmental review (see communication by SDS/ENV of September 8, 2004).		
Exceptions to Bank Policy:	See section on procurement below.		
Procurement of Goods, Works and Services:	An exception is sought to the procedures that are required for the selection of consulting services, to directly hire the specialized agency Johns Hopkins Center for Civil Society Studies (JHU/CCSS) to implement the activities of the project. The contract amount is US\$75,000. The justification for this exception is provided in paragraphs 5.2. The aforementioned specialized agency will observe Bank procedures for the procurement of goods, works and consulting services to be financed with IDB resources.		

II. BACKGROUND AND JUSTIFICATION

A. *The NPI Handbook*

- 2.1 One of the central conclusions to emerge from the record of the past century is that efforts to cope with the problems of poverty, ill-health, environmental degradation, and injustice in Latin America and elsewhere in the world will not succeed if they rely solely on government action. Achieving the Millennium Development Goals and improving the life-chances of the millions in poverty throughout the Latin American region will also require the ingenuity, creativity, and energy of civil society organizations and of the millions of people they can help to mobilize for effective social action. In this context, civil society organizations are recognized for their deep understanding of the communities they represent and the problems that affect them.
- 2.2 But civil society organizations can only achieve their full potential if the environment for their activities is favorable. Sadly, this is still not the case in many parts of Latin America, where knowledge of the work of civil society organizations and appreciation for their contributions and potentials remain imperfect at best.
- 2.3 Reliable information can improve this situation enormously. Such information can boost the credibility and legitimacy of civil society organizations, encourage countries to adopt pro-civil society policies, engage business in partnerships with civil society organizations, and produce an environment more conducive to the flowering of citizen initiatives to address public problems. Such information can also help donors, business leaders, government officials and the public at large assess and plan more strategically to support the contributions civil society organizations can make to resolve the enormous problems on the Latin American agenda.
- 2.4 An initial effort was made in the mid- to late-1990s to develop a systematic body of data on the civil society sector in a number of Latin American countries through the work of the Johns Hopkins Comparative Nonprofit Sector Project. This work has attracted considerable attention in the region and served to introduce the civil society sector much more effectively to government and business leaders. However, these data are now nearly a decade out of date and no systematic effort has been launched to update them.
- 2.5 At the present time, an historic opportunity exists to correct this situation and to institutionalize a capability to generate solid data on civil society organizations, philanthropy, and voluntarism in the Latin American region in a solid and reliable way.
- 2.6 This opportunity arises from the recent acceptance by the United Nations Statistical Commission of a new *Handbook on Nonprofit Institutions in the System of National Accounts (NPI Handbook)* developed by the Johns Hopkins

Center for Civil Society Studies (JHU/CCSS) in cooperation with the United Nations Statistics Division and statistical experts from around the world. This *Handbook* creates an officially sanctioned common procedure for capturing the work of civil society organizations and the social sector in national economic statistics for the first time. Under it, national statistical agencies are called on to:

- produce a regular “satellite account” on nonprofit institutions that pulls together data on nonprofit organizations that has either not been collected or that is currently buried in other economic statistics;
- estimate the value of volunteer time contributed to nonprofit institutions and include this in the estimates of national economic activity for purposes of the satellite account;
- apply a classification system that disaggregates the nonprofit sector and philanthropy in more detail than is commonly available in national economic statistics, thus making it possible to apply resources more strategically;
- capture the full value added and impact of the social sector, both generally and by field, overcoming the serious under-valuation that is now a part of the current national accounts system.

- 2.7 Implementation of the *NPI Handbook* will thus produce a quantum leap forward in the basic empirical data available on nonprofit institutions, philanthropy, and voluntarism throughout the world. In the process, it will boost the visibility and credibility of the civil society sector and encourage more focused policies toward it. It will do so, moreover, by mobilizing existing statistical agencies to collect this information as part of their regular economic data-gathering, thus leveraging the enormous resources already resident in these agencies.
- 2.8 Promising though this opportunity is, however, it is far from automatic. The System of National Accounts of which the *NPI Handbook* has become a part is a consensus system. Countries are encouraged to abide by its guidelines in the development of their economic data, but are not required to do so. What is more, the collection of data is no guarantee that they will be accessed, assembled, and used.
- 2.9 To increase the chances that this opportunity will be seized, the United Nations Statistics Division has invited the Johns Hopkins Center for Civil Society Studies to follow up on the formulation of this new *Handbook* by organizing a global implementation effort, with an initial target of getting 30 countries to implement the *Handbook* over the next four years.
- 2.10 To make sure that a critical mass of Latin American countries participates in this global initiative to improve the basic information available on the civil society sector, philanthropy, and voluntarism, a number of critical steps are now needed. Most significantly, a serious effort must be launched to disseminate the *NPI Handbook* to Latin American statistical agencies. Concurrent with this, leading figures in the Latin American civil society sector must be informed about this

initiative and encouraged to support it. Finally, key Latin American statistical agencies must be invited to join this initiative and be trained in the process of implementing the *NPI Handbook*.

- 2.11 This project will support a critical first step in this process by convening a regional training workshop of Latin American statistical agency experts and civil society leaders to review the new *NPI Handbook* and learn what is necessary for its implementation. It also will make it possible to begin the process of following up with a critical handful of these countries to secure their engagement in the work. The project will thus be performing an important synergistic function for the region, ensuring that Latin American statistical agencies are trained in this new global initiative and that they are encouraged to participate in it.

B. The Bank's strategy in the sector

- 2.12 This technical cooperation is in accordance with the recently approved Strategy to Promote Citizen Participation in the Activities of the Bank (GN-2232-5). The relationship of this project to the new Strategy stems from the fact that it will provide reliable, measurable information on the contribution and potential of civil society organizations, thereby contributing to the knowledge base of this sector and enriching future citizen participation initiatives in the Bank.

C. Coordination with other international/multilateral (financial) organizations

- 2.13 As mentioned in this section, the project is expected to play a crucial role in complementing the global effort of the United Nations to promote the *NPI Handbook*. In the region, the design of the project has been closely coordinated with the UN Economic Commission for Latin America and the Caribbean (ECLAC), which will be actively involved in implementing the project's activities.

III. OBJECTIVES AND DESCRIPTION

A. Objectives

- 3.1 The purpose of the project will be to support the creation of an on-going system for gauging the health and vitality of the civil society sector in the region, for tracking its development over time, for assessing the impact of public and private policies toward civil society and philanthropy, and for drawing systematic comparisons among Latin American countries and between them and countries in other parts of the world.
- 3.2 With this purpose, the project will contribute to the goals of improving the visibility and credibility of the civil society sector, philanthropy, and voluntarism in the Latin American region, fostering a more enabling environment for these

organizations, and creating a foundation for more strategic public and private policies toward this set of institutions.

B. Component

- 3.3 To achieve its purpose, the project will co-finance a two-day training workshop for representatives of national statistical offices, third sector researchers, and civil society umbrella organizations, from thirteen Latin American countries. Based on interest expressed to date to implement the *NPI Handbook*, initial target countries are: Argentina, Brazil, Mexico, Peru, and Chile. Being the larger countries of the region, it is expected that their leadership role in implementing the *Handbook* will have a positive influence on other countries to do the same. Representatives from Uruguay, Bolivia, Colombia, Dominican Republic, Guatemala, Honduras, Venezuela and Panama also will participate in the workshop.
- 3.4 The specific objectives of the workshop will be to make Latin American statistical agencies and civil society organizations aware of their responsibilities in implementing the *NPI Handbook* and train them in the ways of doing so.
- 3.5 Special emphasis will be placed on the training of the statistical agencies that will play a key role in gathering the data. Topics to be covered will include how current systems of economic data-gathering can be adapted through the implementation of the *NPI Handbook*. Workshop participants will learn how to produce a “satellite account” on nonprofit institutions and how the data can be interpreted to capture the value added and impact of the social sector.
- 3.6 The training workshop will be held in late September 2004 in Buenos Aires, Argentina. A total of approximately 45 representatives of the thirteen countries mentioned in paragraph 3.3 are expected to participate in the workshop. The contribution of the Bank will finance: (i) the organization of the workshop, both in terms of content and logistics; (ii) the preparation and reproduction of the material to be used for the training; and (iii) the participation of a total of twenty senior statistical personnel and leading civil society representatives from the C and D countries that will participate in the workshop. JHU/CCSS, ECLAC/A and CEDES are each providing financing for the other 25 participants.
- 3.7 Following the workshop JHU/CCSS, on its own initiative, will provide technical assistance to those statistical agencies in the region that wish to implement the *NPI Handbook*.

IV. COST AND FINANCING

- 4.1 The total cost of the project is estimated at US\$115,000, according to the following budget.

In US\$

Component	IDB (FSO)	JHU/CCSS ECLAC/A CEDES
1. Workshop preparation/organization/implementation	39,440	
• Honoraria	35,000	
• Printing and reproduction of training materials	4,440	
2. Workshop	33,060	38,200
• Trainees	<u>30,560</u>	<u>38,200</u>
• Travel: 45 x \$1,000	20,000	25,000
• Per diem: 45 x 3 days x \$176/day	10,560	13,200
• Simultaneous interpretation	2,500	
3. Contingencies	2,500	1,800
Total	75,000	40,000

- 4.2 The Bank's non-reimbursable contribution will amount to US\$75,000, to be charged to the net income of the Fund for Special Operations (FSO). Co-financing from JHU/CCSS, ECLAC/A and CEDES is estimated to amount to the equivalent of US\$40,000.

V. PROJECT EXECUTION

A. Executing agency

- 5.1 The Bank will execute the project. The State, Governance, and Civil Society Division of the Sustainable Development Department (SDS/SGC) will be responsible for the technical aspects of project execution and the Regional Technical Cooperation Division of the Integration and Regional Programs Department (INT/RTC) will be in charge of general project supervision and administration, including disbursements.
- 5.2 A firm or specialized agency will be hired to implement the activities of the project. The project team requests that an exception to Bank procurement policies be granted to directly contract the Johns Hopkins Center for Civil Society Studies (JHU/CCSS). JHU/CCSS and the United Nations Statistics Division jointly developed the *NPI Handbook*, making JHU/CCSS the ideal institution to describe the purpose of the *NPI Handbook* and to develop the training for the workshop participants. JHU/CCSS is one of the foremost academic research centers in the world concentrating on the nonprofit sector and civil society issues. Building on the pioneering empirical studies of the U.S. nonprofit sector conducted by its director in the early 1980s, JHU/CCSS extended its analysis to the international sphere, producing the first comprehensive comparative assessment of the size, structure, financing, and role of the nonprofit sector at the global level. JHU/CCSS comparative work extends to more than 40 countries spanning all the regions of the world and continues to expand. JHU/CCSS is thus the best-qualified organization to implement the project, providing the highest level of

assurance that the *NPI Handbook* will be implemented effectively in the target countries.

- 5.3 Specifically, JHU/CCSS will (i) develop the content of the training, including the material to be distributed at the workshop; (ii) identify and invite the workshop participants and make their travel and hotel arrangements; (iii) organize all the logistical aspects of the workshop; (iv) carry out the training; and (v) draft the final report of the workshop's results.
- 5.4 The UN Economic Commission for Latin America and the Caribbean through its office in Argentina (ECLAC/A) will officially host the workshop and use its good offices to secure the participation of senior Latin American statistical agency officials. Both ECLAC/A and CEDES will support JHU/CCSS in arranging the logistics for the workshop.

B. Execution and disbursement periods

- 5.5 The execution and disbursement time frames are estimated at 6 and 8 months, respectively.

C. Procurement of services

- 5.6 The only acquisition of services involved in this operation is the contracting of the specialized agency to implement the activities of the project. An exception to Bank policies and procedures is requested for this acquisition (see paragraph 5.2).

VI. BENEFITS AND RISKS

A. Benefits

- 6.1 This project promises to make an important contribution to the development of the civil society sector in Latin America by boosting the credibility and visibility of this set of organizations. In the longer term, it offers the opportunity to create a permanent body of data on the scope, structure, financing, contributions, and role of the civil society sector in the Latin American region on a basis that will permit systematic comparisons both within this region and between it and other regions.
- 6.2 In the process, it will bring this important component of Latin American society into much better focus and make it possible to track the development and contributions of the region's civil society sector. This will enable Latin American governments to target policies toward this sector more effectively and will allow them to gauge more systematically the contribution that civil society is making, and could make, to the alleviation of social and economic problems in the region. It will also make it possible to compare Latin American developments in this area to those in other parts of the world in a systematic way.

B. Risks

- 6.3 The project entails no known risks.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 By their nature, the activities to be funded through this operation will have no negative environmental or social impact. By supporting the adoption of the *Handbook* in Latin America and the Caribbean and therefore providing new and important information for – among other things – public policy design and implementation, the project could have positive (indirect) effects on the social sector.

VIII. APPROVAL

- 8.1 In accordance with the Document CC-5290, approved by the Coordination Committee on August 2, 1995, and the corresponding memorandum of simplification (“Simplification of Procedures and Delegation of Authority to Approve Non-Reimbursable Technical Cooperation”), dated September 12, 1995, I submit for your approval the above-mentioned operation for the amount of US\$75,000, to be charged to net income of the Fund for Special Operations (FSO).



Laura Bocalandro, Chief, INT/RTC

9/14/04
Date

Approved:



Nohra Rey de Marulanda, Manager, INT

9/14/04
Date