

**PROGRAM FOR STRENGTHENING PARTNERSHIPS BETWEEN CIVIL SOCIETY
AND THE STATE**

(CH-0165)

EXECUTIVE SUMMARY

Borrower and guarantor:	Republic of Chile	
Executing agency:	Ministry of the Interior (SEGEGOB)	
Amount and source:	IDB: (OC)	US\$ 8.7 million
	Local:	<u>US\$ 5.8 million</u>
	Total:	US\$14.5 million
Terms and conditions:	Amortization period:	25 years
	Grace period:	36 months
	Disbursement period:	36 months
	Interest rate:	variable
	Inspection and supervision:	1.00%
	Credit fee:	0.75%
	Currency:	US\$ from the Ordinary Capital under the Single Currency Facility
Objectives:	The general objective of the program is to foster conditions conducive to more active citizen participation in the design and execution of activities that will enhance the common welfare of Chileans.	
Description:	<p>To achieve this objective, the program has been designed with four components: (i) strengthening civil society; (ii) citizen participation in public policies; (iii) encouraging volunteerism; and (iv) a communication strategy.</p> <p>The purpose of the component for strengthening civil society is to improve the institutional framework and create the instruments needed to strengthen the performance of civil society organizations (CSOs). To achieve this objective, the following subcomponents are planned: (i) legal and regulatory framework; (ii) financing instruments; (iii) institutional strengthening; and (iv) a single registry of CSOs.</p>	

The main objectives of the component for **citizen participation in public policies** are to strengthen the State's capacity to involve citizens in public policies and programs, and to empower citizens in areas of public interest that affect them.

To achieve these objectives, the component has five subcomponents: (i) design and implementation of a system for monitoring and evaluating citizen participation in public policies and programs; (ii) training, technical assistance and, where appropriate, redesign of public programs and policies in terms of citizen participation; (iii) a "Social Observatory" to generate information on user perceptions of their opportunities for participation; (iv) institutional strengthening of the Social Organizations Division (DOS) of the Ministry of the Interior; and (v) development of a regulatory and institutional framework for creating and implementing an Ombudsman's Office [*Defensoría del Ciudadano*].

The objective of the **volunteerism** component is to encourage and broaden the role and scope of volunteerism as an expression of citizen participation. To achieve this objective, activities will be supported in four subcomponents: (i) research on the current status of volunteerism in Chile and abroad; (ii) a communication strategy; (iii) design, implementation and evaluation of a pilot program for promoting volunteerism; and (iv) a proposed national strategy to promote volunteerism.

The objective of the **communication strategy** component is to inform and increase awareness in civil society of the various program activities, and other relevant initiatives, including the degree to which the government is meeting its commitments in the area of citizen participation. For these purposes, activities will be supported in three subcomponents: (i) a media campaign, (ii) a plan for nationwide dissemination of successful experiences, and (iii) the design of a web site.

**The Bank's
country and
sector strategy:**

The principal objectives of the Bank's strategy as set forth in the country paper are to increase Chile's competitiveness, reduce social and regional inequalities and deepen democracy by strengthening a more participatory society and a more modern State. The proposed program is consistent with that strategy, in that it will strengthen civil society organizations in Chile and reinforce their relationship with the government and the private sector, thereby achieving greater citizen participation in decision-making on the design, execution and evaluation of public policies, and making these institutions more sustainable over the long term.

**Environmental
and social
review:**

The program will have no direct environmental impact.

Benefits:

The program will help to strengthen mechanisms for dialogue and cooperation between civil society organizations, the public sector and the private sector, in a number of spheres, with a view to developing new agendas for sharing public responsibilities among these three players, and thereby ensuring that development will be more sustainable, and democracy more participatory, at the national as well as the regional and local levels. Actions will be supported to improve the institutional and regulatory framework by creating instruments to strengthen the presence and performance of civil society organizations, and to develop instruments that will help make social organizations more autonomous and self-sustainable.

One innovative aspect of the program is that it seeks to generate conditions for broad participation by civil society in the design and execution of public policies. The program will also help to encourage volunteerism as an expression of citizen participation. A significant benefit will be the sense of program ownership on the part of government authorities and the more representative civil society organizations.

Risks:

The program will be executed in a relatively new institutional context, embracing a heterogeneous mix of players. To meet this challenge, adequate funding will be provided to establish a highly qualified Program Coordination Unit, and the DOS will be strengthened. Moreover, the program has been accorded high priority both by the government, which has already taken concrete steps to this effect, and by civil society organizations.

Some of the planned changes to the legal framework will require legislative action that may not be completed within the program execution period. To minimize this risk, the program will support consensus-building, through seminars and workshops and the preparation of supporting materials, so that when the legislature considers these changes, it will have high quality technical documentation as the basis for discussion.

Special contractual conditions:	Prior to the first disbursement, the executing agency will submit to the Bank's satisfaction: (a) evidence that: (i) the Program Execution Unit has been established (paragraph 3.3); (ii) the Advisory Council for the program has been established, or, if not, the mandate of the current Citizens' Council for Strengthening Civil Society has been extended (paragraph 3.5); (iii) the Operating Regulations agreed upon with the Bank have entered into force (paragraph 3.8). ; and (iv) the agreement between the executing agency and the Office of the Presidency for execution of the activities under the Ombudsman's Office subcomponent has entered into force (paragraph 2.31); and (b) the program monitoring and evaluation system (paragraph 3.28).
Poverty-targeting and social sector classification:	This operation does not qualify as a social equity enhancing project, as described in the key objectives for Bank activities set forth in the Report on the Eighth Increase in Resources (document AB-1704).
Exceptions to Bank policy:	None
Procurement:	The selection and hiring of consulting services and all procurement called for under the program will be conducted in accordance with standard Bank procedures. Where the amount of goods to be procured equals or exceeds US\$350,000, and where the amount of consulting service contracts exceeds US\$200,000, international competitive bidding with or without prequalification will be required. The program does not contemplate the financing of works. Consulting service contracts of less than US\$50,000 are awarded to individual consultants and of less than US\$100,000 to consulting firms, will be reviewed on an ex post basis by the Bank by sampling.

I. FRAME OF REFERENCE

A. Rationale for an innovative loan

- 1.1 While the Bank has a long history of working with civil society organizations (CSOs) in Chile, its experience to date has focused on supporting them in their role in project execution, for example through the social entrepreneurship (small projects) program, or as sub-executors of loans to the public sector. This program represents the first time that the Bank has sought explicitly to strengthen the relationship between government and civil society in Chile. Moreover, no technical assistance or loan program in Chile has yet addressed the issue of strengthening civil society in a comprehensive way. Nor has any attempt been made to link the strengthening of civil society with the capacity of the State apparatus to engage in dialogue with civil society, or the role of the business sector in that relationship.
- 1.2 Preparatory work for this operation has helped to generate a consensus on the importance of supporting the development and implementation of a comprehensive strategy in this area, and that consensus has resulted in specific proposals that will be reflected in initiatives by the Government of Chile. Execution of this program will lay the foundations for developing and consolidating the institutional capacity of the State and of civil society alike to conduct a more active dialogue.
- 1.3 Ten years after the restoration of democracy, the Chilean government is aware that there are still gaps in its policies of rapprochement and dialogue with civil society organizations. As well, the capacity of the CSO sector to articulate and resolve social demands and to enlist citizens in common endeavors is still limited. This project, by promoting actions never before attempted in Chile, will help to lay the foundations for a stronger and more articulate civil society, and a State that is more open to citizen participation.

B. Civil society in Chile

1. General description of civil society in Chile

- 1.4 During the 20th century, Chilean civil society passed through three broad stages in its development.¹ The first stage may be said to have lasted from the beginning of this past century until the military coup of 1973. During that stage, the State increasingly encouraged "associationism", a process exemplified by the rise of workers' mutual assistance societies, the "mutualist" movement and the Hogar de Cristo. At the end of this period, in the 1970s, important legislation was adopted, such as the Neighborhood Councils Act. The Constitution was amended in 1971 to

¹ Under the definition used by the United Nations Development Program (UNDP), civil society organizations (CSOs) constitute a vast and heterogeneous range of entities structured and operating outside the State apparatus, on a non-profit, self-governing basis, dependent to some extent on volunteer support, and producing goods and services for common use.

extend State recognition to "intermediate group" organizations, and to guarantee them autonomy. This process of formal recognition and encouragement of civil society by the State was interrupted in 1973. During the period of military government new forms of organization arose, involved primarily in human rights and basic social services and sponsored, for the most part, by the Catholic Church and by international organizations.

- 1.5 In the third stage, which began with the return to democracy in the early 1990s, the State recognized the value and role of CSOs in the process of consolidating democracy. At the same time, these organizations began to exert greater influence in the design and execution of public policies, particularly in the social area. This period saw the creation of roughly half of the 83,000 civil society organizations identified to date. Their rapid growth has allowed them to take the place of government efforts in areas no longer addressed by the State. Despite this quantitative growth, civil society in Chile still faces significant challenges in achieving its full potential as a catalyst for economic growth with social equity, the principal objective of the Government of Chile.

2. Principal challenges

- 1.6 Several recent surveys have pointed to declining public confidence in citizen participation. While in the early 1970s roughly 50 percent of Chileans claimed involvement in community activities, by the year 2000 this proportion had dropped to 33.5 percent. The most recent UNDP Human Development Report for Chile² indicates that 57 percent of Chileans expect no assistance from others, 64 percent believe that it is difficult to organize their fellow citizens, and 87 percent expect no help in the case of aggression. Moreover, some 1.2 million young people say they have no interest in registering for the voters' list.
- 1.7 Studies point to institutional weaknesses among Chilean CSOs. These weaknesses stem in part from a lack of training for their personnel, from financial vulnerability reflecting their dependence on a few donors,³ and from a lack of any suitable forum where CSOs can exchange experiences, lessons learned and technical know-how with other organizations. As well, while the constitutional and legal framework provides clear recognition for CSOs, both the legal and the regulatory systems are inadequate⁴ and formal recognition procedures are complex, time-consuming and subject to administrative discretion.

² Human Development Report, Chile, UNDP, April 2000.

³ Twenty-four percent of CSOs depend on outside sources (government, international donations) for their survival.

⁴ CSOs are generally regulated by the Civil Code or the Neighborhood Associations Act, which do not cover a wide range of types of organization that should have special legal treatment.

- 1.8 Recent studies also suggests that CSOs need more room for participation in the design and execution of public policies. In this respect, the President of Chile confirmed in his speech of May 21, 2000, that his government would attach great importance to citizen participation in public decision-making, declaring that "citizen participation must be a central pillar of the new State. The State-society relationship must be reconstructed to ensure citizen participation." Nevertheless, studies show that the State apparatus itself has problems in making citizen participation more effective. The new government is planning, among other measures, to create the position of Ombudsman (*Defensor de la Ciudadanía*), which would be responsible for receiving and dealing with citizens' complaints and problems with respect to government acts.
- 1.9 At the government's request, the Bank organized and financed a dialogue workshop among State authorities and representatives of some 60 CSOs, held last April in Santiago. This workshop focused on finding mechanisms and instruments for the State and civil society to work together, and on ways of strengthening civil society. The present operation is intended as a response to the proposals made by civil society and the political willingness shown by the government to address them.
- 1.10 The general guidelines proposed by the government for preparing and executing a policy for citizen participation and strengthening civil society call for addressing three components: (i) a policy of strengthening civil society⁵; (ii) an across-the-boards government policy for citizen participation in public policies and programs⁶, which includes plans to create an Ombudsman's Office; and (iii) a policy to promote volunteerism and community service, including a pilot program.

C. Strategy and rationale for the Bank's participation

- 1.11 The Bank has begin preparation of a country strategy covering the period 2000-2003 to coincide with the beginning of the new Administration, which took office on March 11, 2000. That strategy is being prepared jointly with the government through a dialogue that has already begun, with workshops and meetings that have highlighted the following areas of action for the Bank: (i) improving the efficiency and the management of regional social investment; (ii) strengthening civil society and its links to the State and to the private sector; (iii) strengthening competitiveness and productivity through mechanisms to support technological

⁵ This undertaking was reflected in the creation of a "Council for the Strengthening of Civil Society", composed of 28 representatives of CSOs, five undersecretaries of State, and chaired by the Minister of the Interior. This body, which advises the President, is to deliver a proposal to the government within four months (November 2000) for implementation beginning in the year 2001.

⁶ To this end a government committee [*Mesa Gubernamental*] was set up, consisting of senior representatives from each ministry, and chaired by the Undersecretary of the Interior, to prepare a proposal for citizen participation in public policies and programs, which would be approved by the President in a Presidential Order (November 2000) for implementation beginning in 2001 by all agencies that are part of the central structure of government.

innovation; and (iv) poverty abbreviation, with an emphasis on the most vulnerable groups of society. In short, the principal objectives of the strategy defined in the Country Document are to help increase Chile's competitiveness, reduce social and regional inequalities and deepen democracy by building a more participatory society and a more modern State.

- 1.12 The proposed program fits within that strategy in that it will strengthen civil society organizations in Chile and reinforce their relationships with the government and the private sector, thereby achieving greater citizen participation in decision-making about the design, execution and evaluation of public policies and making these institutions more sustainable over the long term.
- 1.13 This program represents the first operation in Chile specifically targeted at strengthening the relationship between government and civil society. The Bank has supported this process in other countries such as Brazil -- Community Solidarity Program in Brazil (ATN/SF-5413-BR) and in Colombia -- Solidarity Network in Colombia (889/OC-CO).
- 1.14 The United Nations Development Programme financed a complete diagnostic study on civil society in Chile, which was incorporated into the UNDP Human Development Report for 2000. The report represents one of the core studies that has led to the design of a policy for cross-cutting citizen participation by the Government of Chile.
- 1.15 The Bank is also in the process of preparing the Integral Development Program for Indigenous Communities (CH-0164) and the Program to Improve the Efficiency and Management of Regional Investment (CH-0161), both of which will support participatory processes and mechanisms for dialogue with grassroots organizations.

D. Elements of innovation and learning in the program

- 1.16 As noted earlier, because it is one of the first operations of its kind, the program as a whole contains a number of innovative elements.
- 1.17 In the first place, by taking a systematic and comprehensive approach to strengthening partnerships between the State and civil society, the program introduces new forms of relationship and working together, thereby allowing for greater articulation between the two sides. In the Chilean context, where there is a long tradition of CSO involvement in public projects with a social focus, the introduction of new and more comprehensive forms of relationship will open further paths for dialogue and interaction. From this viewpoint, State and civil society are "two sides of the same coin", and strengthening the partnerships between them is an essential condition for the country's social and economic development.

- 1.18 In the second place, the program introduces a more comprehensive concept of the relationship between civil society and the State, one that is not limited to recognizing (and possibly improving) the role of CSOs in executing social projects, but one that sees them as organizations rich in their diversity, with their own dynamic and, if suitably strengthened, capable of generating social capital.
- 1.19 In the third place, the program will foster a climate conducive to reaching consensus and setting common goals for social and economic development policies. In this stage of the democratic consolidation process, it is particularly important to support the emergence of such a climate. The political platform of the current government stresses the need at this stage to overcome the "deficit" in public participation.
- 1.20 Each component of the program in fact contains elements that are innovative both for the Bank and for Chile. These include: (i) promoting networking among CSOs, with significant reliance on electronic communication and dialogue via the Internet; (ii) simplifying the regulatory and legal framework and modernizing tax and nontax incentives for the creation of social capital; (iii) creating a new institution, the Ombudsman's Office, and seeking thereby to build on recent experience in other countries of the region; (iv) analyzing government programs from the viewpoint of their openness to participation, and launching a pilot program with the potential to transform the State into a more open and transparent organization; and (v) empowering volunteerism as a form of participation, thereby moving beyond the welfare notion of volunteerism. Finally, the program will provide direct feedback from Chilean society for specific programs of the line ministries.
- 1.21 At the end of the program, not only the executing agency but also the beneficiary CSOs and intermediary bodies, such as regional and municipal governments, will have gained valuable experience in implementing new forms of joint action. The program will also provide an opportunity to test pilot interventions and projects, the evaluation of which will serve to build a new framework for action. During program execution, there will be a system of monitoring, evaluation, dissemination and learning, embracing all aspects of the process and its impact.

II. THE PROGRAM

A. Objectives and description

- 2.1 The general objective of the program is to foster conditions for more active citizen participation in the design and execution of activities that will enhance the common welfare of Chileans.

B. Structure of the program

- 2.2 In light of this objective, the program has been designed with four components: (i) strengthening civil society; (ii) citizen participation in public policies; (iii) encouraging volunteerism; and (iv) a communication strategy. The program will also finance the activities of the Program Execution Unit.

1. Strengthening civil society (US\$3.8 million)

- 2.3 The component for strengthening civil society is intended to improve the institutional framework and create the instruments needed to strengthen the performance of organized civil society. To achieve this objective, the following subcomponents are planned: (i) legal and regulatory framework; (ii) financing instruments; (iii) institutional strengthening; and (iv) a single registry of CSOs.
- 2.4 ***Legal and regulatory framework.*** Consulting services will be financed for: (i) preparing draft amendments to existing legislation, based on a conceptual diagnosis and analysis that will include international experience; (ii) discussion workshops in each region of the country, and a national seminar, proceedings of which will be published; (iii) publicity and sensitization to facilitate legislative approval of the proposals; and (iv) preparation of a package of draft legislation for submission to Congress. The national seminar will involve international experts as well as some 300 representatives of CSOs from the 13 regions, including metropolitan Santiago.
- 2.5 ***Financing instruments.*** Consulting services will be financed for: (i) conducting a conceptual diagnosis and analysis of the instruments now used for financing CSOs in Chile; (ii) a survey of international experience in this field; (iii) preparation of proposals for making CSOs financially self-sustaining, including new financing instruments and tax incentives that reflect international experience; (iv) holding discussion workshops in each region of the country, and a national seminar, proceedings of which will be published; (v) publicity and sensitization to facilitate legislative approval of the proposals; and (vi) preparation of a package of draft legislation for submission to Congress, as well as other proposals that do not require legislative action.

- 2.6 ***Institutional strengthening.*** This subcomponent will support the following lines of action: (i) training and technical assistance; (ii) pilot program of technical assistance; and (iii) development of a Citizen's Gateway, the "*Portal Ciudadano*", over the Internet.
- 2.7 **Training and technical assistance.** Consulting services will be financed for: (i) a national study of the demand for training and technical assistance for various kinds of CSOs (corporations, foundations, neighborhood associations and other community organizations). That study will include an analysis of current training opportunities for CSOs, and their ability to pay for such training; (ii) a directory of suppliers of training and technical assistance services by geographic area (potential coverage), and by topic. This directory will be available for consultation at the *Portal Ciudadano*, described below, and will be continuously updated.
- 2.8 With the results of these activities, invitations will be prepared and sent to institutions or individuals offering training and technical assistance services, to design a set of modular courses that include a follow-up component. Each module would be targeted at CSO leaders or representatives in the following two categories: (i) private not-for-profit corporations and foundations (300), and (ii) neighborhood associations and other community organizations (5000). Each module would include such topics as organizational development, fund-raising, project preparation and management, negotiating techniques and access to information technologies. As part of the course design, supplementary learning kits will be developed to take advantage of multimedia technology (CD-ROM, videos). Financing will be sufficient that courses can be offered in all parts of Chile. All teaching materials produced with program funding will be made publicly available through a *Portal Ciudadano* as described below.
- 2.9 A technical assistance pilot program will be designed and implemented for some 200 CSOs. That program will be conducted in four stages: (i) preparation of specifications, including the number of beneficiaries, rationale, budget and methodology to be applied, and a well-publicized call to CSOs to submit proposals outlining their technical assistance needs. A cofinancing schedule would be established, based on each beneficiary CSO's capacity to pay. (ii) Handling of applications, arranging them by geographic and thematic area, so that those similar as to their purposes or beneficiaries can be combined. (iii) Final selection of applications, based on established criteria announced in the original call for proposals. Proposals will be examined by a technical committee consisting of representatives of the Advisory Council, the DOS, and experts in the field of training. (iv) Financing for some 200 consultants to work *in situ* with winning CSOs, for an average of 24 consulting hours per visit.
- 2.10 Consulting services will be contracted for: (i) preparing bidding documents, supervising the bidding process, and preselecting beneficiary organizations on the basis of a technical valuation conducted by the consultants themselves;

(ii) formulating operating procedures for these activities; and (iii) conducting a mid-term evaluation of progress with this subcomponent.

- 2.11 The program will support the creation of a *Portal Ciudadano* over the Internet. This "Citizen's Portal" will include development and implementation of a computerized network allowing for the continuous exchange of experience and information among CSOs, and between them and the government. Consulting services will be contracted for: (i) assessing the status of Internet connectivity in Chile, particularly for CSOs, and the level of public access through existing service providers; (ii) design of the portal, including technical specifications, operating rules, content, and a strategy for financial sustainability; and (iii) implementation of the portal, including purchase of equipment, contracting of personnel and certain operating maintenance costs. The portal could also be used to publicize the program's products, including the distance training courses, on a pilot basis. One of the functions of the Citizens' Advisory Council for the Program will be to design the contents of the portal and a system for supervising updates to it.
- 2.12 ***Single registry of CSOs.*** This component will consolidate information from the various existing databases, in particular those of the Ministry of Justice and the municipalities, to create a single registry of CSOs, and thereby facilitate cooperation among them and with the government. Consulting services will be financed for: (i) designing a model for linking the existing government databases so that all their information can be offered over a web site. This will require an assessment and survey of existing information, connectivity proposals and infrastructure needs, design of a web site and its management model; and (ii) training for the system's various operators. As well, hardware and software for implementing the registry will be financed.

2. Citizen participation in public policies and programs (US\$2.7 million)

- 2.13 This component is intended to strengthen the State's capacity to involve citizens in public policies and programs, and to empower citizens in areas of public interest that affect them.
- 2.14 To achieve this objective, the component has five subcomponents: (i) design and implementation of a system for monitoring and evaluating citizen participation in public policies and programs; (ii) training, technical assistance and, where appropriate, the redesign of public programs and policies in terms of citizen participation; (iii) a "Social Observatory" to generate information on users' perceptions of their opportunities for participation; (iv) institutional strengthening of the Social Organizations Division (DOS) of the Ministry of the Interior; and (v) development of a regulatory and institutional framework for creating and implementing an Ombudsman's Office.

2.15 **Monitoring system.** This subcomponent will pay for consulting services to conduct the following activities:

- (i) Construction of a "baseline" for citizen participation in activities and programs selected in terms of their purpose, degree of development and outcomes, against which progress and achievements can subsequently be measured;
- (ii) Survey of the participation objectives that applied before the new governmental commitment and before implementation of the monitoring system;
- (iii) Description and registry of instruments and mechanisms in use before implementation of the monitoring system;
- (iv) Survey and systematic recording of results achieved in terms of citizen participation;
- (v) Definition and construction of a set of process and outcome indicators for monitoring the citizen participation objectives that have been agreed and the commitments that have been adopted;
- (vi) Operational definition of the monitoring system: timing of measurements, techniques to be used, systems for processing results and the necessary informatic supports;
- (vii) Definition of general policy guidelines applicable to government programs;
- (viii) Definition of procedures and instruments for monitoring and comparing outcomes against the baseline;
- (ix) A general and preliminary redesign for each of the programs analyzed in light of the outcomes recorded using the monitoring and evaluation system. Such redesign will in all cases be approached from the viewpoint of citizen participation in each program.
- (x) A detailed study of the demand, within selected departments, for training and technical assistance services in areas such as citizen participation and monitoring systems.
- (xi) Evaluation of outcomes from: (a) the general monitoring and evaluation system; (b) the redesigned models; (c) implementation of the above-mentioned systems and models; (d) implementation of

the redesigned program and the training and technical assistance program;

(xii) Preparation of a proposal for applying this implementation experience to the public administration as a whole.

- 2.16 Activities under this component will be conducted in two separate phases. The first phase will run for 18 months, and will include activities (i) to (x). The second phase will last for four months and will cover activities (xi) and (xii).
- 2.17 These activities are expected to produce the following outcomes: (i) a baseline for citizen participation in 20 public programs and policies; (ii) design and installation of a monitoring system that will design process and outcome indicators, monitoring instruments, procedures, timing (frequency) and a matrix for processing results; (iii) information organized in a way that can be used for redesigning programs, including the specific requirements for moving forward with detailed redesign; (iv) a preliminary redesign proposal for the 20 selected programs, including the required training and technical assistance; (v) an evaluation of outcomes; and (vi) criteria for subsequently extending the monitoring systems of the citizen participation component applied to these 20 programs for use in all government programs.
- 2.18 ***Training, technical assistance and program redesign.*** This subcomponent will pay for consulting services for: (i) the redesign of the 20 selected programs, in light of the outcomes recorded through the monitoring and evaluation system and the preliminary designs prepared in phase 1, as mentioned above; and (ii) provision of training and technical assistance services for programs selected in light of the criteria defined by the demand study, at the central, regional and local levels, for strengthening the new commitments to citizen participation. Each redesign will be conducted jointly with program managers at the various operating levels (central decision-makers and political authorities), taking account of the regional level (Seremis y Servicios) and program operators at the local level.
- 2.19 This consulting work is expected to produce 20 programs or public policies redesigned with a view to strengthening citizen participation, together with criteria that will allow them to be replicated more generally.
- 2.20 ***Social Observatory.*** The Social Observatory is a system for monitoring participation by the users of public programs and services, and their perception as to citizen participation in the design and execution of those programs and services. The Social Observatory will establish methods for "taking the pulse" of public opinion in participating communities, and for assessing how users value the manner and quality of citizen participation in public policies, programs and actions, and the kinds of citizen linkages they offer. Attention will also be paid to situations and factors that serve to generate or undermine confidence in public actions. Areas of

public action and specific methodologies will be identified that contribute to generating social capital and encourage cooperative and mutual efforts, and that lead to a greater citizen commitment to public action. The Observatory will be conducted in 12 communities to be selected by the DOS.

- 2.21 In these 12 communities, to be selected by the DOS, consulting services will be financed for: (i) preparing a methodology for convening an assembly in the selected communities, including criteria for selecting its members; (ii) working out objectives with the municipalities for a qualitative evaluation of public action; (iii) analyzing and systematizing the principal characteristics of the community, including its major problems, conflicts, trends, social and demographic data, degree of association activity, and the kinds of public action conducted locally; (iv) forming focus groups or discussion groups and promoting activities with them; (v) ensuring dissemination of the results of these focus groups and obtaining feedback from them; and (vi) recommending institutional and financial arrangements for incorporating results from the focus groups into the design and execution of public programs and policies, and their eventual replication.
- 2.22 The focus groups will have an average of 12 members and will meet in accordance with a fixed schedule, at three sessions every four months in each community. In each community, the Observatory will carry out three observation activities, and each of these activities will involve working with four different groups with the characteristics described below. The project will be conducted in 12 communities over a period of 16 months. In total, 144 groups will be formed, in accordance with the following rules: (i) first group: a mixed group of adults aged 25 to 45 years, from the lower socioeconomic stratum; (ii) second group: women aged 25 to 45 years, from the lower socioeconomic stratum; (iii) third group: women aged 25 to 45 years, from the lower-middle socioeconomic stratum; and (iv) fourth group: mixed group of youth aged 18 to 24 years, from the lower socioeconomic stratum, including students, workers and the unemployed.
- 2.23 To ensure adequate representation of different population segments, a combination of communities will have to be selected from among urban, rural and intermediate zones.
- 2.24 This subcomponent will be conducted in five stages, lasting a total of 16 months: (i) first stage (four months): selection, contact and community outreach and recording of relevant information; (ii) second stage (months 5, 6 and 7): initial observations, with the formation of four groups in each of the 12 selected communities, processing and cross-referencing of qualitative information using community data, and comparing results among the communities; (iii) third stage (months 8, 9 and 10): second round of observations; (iv) fourth stage (months 11, 12 and 13): third round of observations; and (v) fifth stage (months 14, 15 and 16): processing overall results, producing recommendations on public policies and

programs at the community level for public policy, socialization and dissemination of results, and preparation of the final document.

- 2.25 ***Strengthening the DOS.*** This subcomponent will strengthen the professional and technical capacities of the DOS, by contracting additional professional staff, to be financed with the local counterpart resources, purchasing equipment (computer hardware), and providing training for DOS and personnel.
- 2.26 ***Ombudsman's Office.*** The objective of this subcomponent is to support the Government of Chile in its efforts to establish the conditions for instituting an Ombudsman's Office. Two types of activity are involved: developing the legal framework, and institutional design.
- 2.27 **Development of the legal framework** includes: (i) a conceptual analysis, including a study of the legal and regulatory framework, a survey of the powers now scattered among various government agencies, with a view to coordinating and defining with precision the place that the Ombudsman should have within the public apparatus; (ii) a study, based on surveys to identify the level of demand that such an institution would serve; (iii) a comparative study of experience that might serve as a point of reference for establishing the Ombudsman, including workshops, as defined below, that would involve stakeholders and examine pertinent international cases (Spain, France, Argentina, Brazil and Peru); (iv) preparation of a proposal with concrete recommendations for guiding debate over the economic, legal and political rationale for creating such an office; (v) eight regional discussion workshops (three in metropolitan Santiago and 5 in other regions, ensuring equitable distribution so as to cover the entire country, involving social, labor and academic organizations; (vi) three issues-oriented workshops (women, indigenous groups, and public service users), with experts, associations and organizations; (vii) preparation of draft legislation covering the powers, structure and procedures of the Ombudsman's Office and amendments to related legislation; and (viii) submission of the bill to the National Congress.
- 2.28 Consulting services, including those of lawyers, analysts, economists and sociologists, will be hired to conduct activities (i), (ii), (iii), (iv) and (vii), and will participate in the workshops described in items (v) and (vi). Specialized services will be contracted for two months to perform a survey for identifying the potential demand for an Ombudsman, pursuant to item (ii). Specialized services will also be contracted for organizing the workshops and seminars, including preparing meeting rooms, logistical support, audio system, refreshments and materials. Financing will also be provided for a domestic consultant to be hired to edit workshop proceedings for publication, and the program will cover printing costs as well.
- 2.29 The **institutional design** will include: (i) the national and regional organizational structure; (ii) functions and relations with other public bodies, with the possibility of establishing points of coordination and mediation; (iii) internal procedures for

handling complaints (time limits, basic procedures, publication of background information); (iv) the system for managing physical, financial and human resources; (v) identification of staffing requirements and material needs; (vi) systems relating to information, client service and case management, including the required technological applications and the software for administering the system; and (vii) preparation of a startup and operating budget to accompany the draft legislation.

- 2.30 A six-month contract will be awarded to a firm specialized in the field of institutional management, legal support and information and case management systems. This firm will begin work as soon as the proposal is available with concrete recommendations on the economic rational and legal and political grounds for establishing an Ombudsman's Office to be carried out under activity (iv) of the legal framework development subcomponent. In addition, the firm will participate in the discussion workshops on the proposal.
- 2.31 **As a condition precedent to the first disbursement of the loan, the agreement between the executing agency and the Office of the Presidency for execution of the activities to be carried out under the Ombudsman's Office subcomponent must have entered into force.**

3. Promoting volunteerism (US\$5 million)

- 2.32 The objective of the volunteerism component is to encourage and broaden the role and scope of volunteerism as an expression of citizen participation. To achieve this objective, activities will be supported in four subcomponents: (i) research on the current status of volunteerism in Chile and abroad; (ii) a communication strategy; (iii) design, implementation and evaluation of a pilot program for promoting volunteerism; and (iv) a proposed national strategy to promote volunteerism.
- 2.33 ***Research on the current status of volunteerism in Chile and abroad.*** Funding will be provided for: (i) consulting services to systematize information on volunteerism at the national level, including a public opinion survey on the concept in practice of volunteerism; (ii) study assignments in four countries (U.S.A., Brazil, Argentina and another country within the region, to be identified) to examine experience with volunteerism; and (iii) production and dissemination of results.
- 2.34 A firm will be contracted to gather and process information on volunteerism in Chile, including an opinion survey. In addition to collecting available secondary information, the consultants will undertake an opinion survey, with two dimensions: the first, of a quantitative nature, will cover a representative population sample in the country's 13 regions, while the second, of a qualitative nature, will involve four focus groups in each region (institutionalized volunteers, spontaneous volunteers, non-volunteers and institutions that accept volunteers). These studies will be published and disseminated; this will involve hiring an individual consultant

and a consulting firm for production and distribution of the publications. This subcomponent is expected to take four months.

- 2.35 ***Volunteer outreach strategy.*** This subcomponent will support the design and implementation of a communication strategy to promote volunteerism in Chile. Funding will be provided for: (i) production, publication and distribution of information on the component's various activities; (ii) the design (including documentation, logistics and sustainability) of an annual competition award for "Volunteer of the Year", to be conducted in each of the country's 13 regions; and (iii) design and implementation of annual communication campaigns, including the production of videos, radio and TV spots, posters and press space. This subcomponent is expected to last for 30 months.
- 2.36 ***Design, implementation and evaluation of the pilot volunteer program.*** The objective of this subcomponent is to design, implement and evaluate a pilot program for volunteerism in Chile. Consulting services will be financed for the following activities: (i) strengthening efforts to promote volunteerism, by encouraging networking, sponsoring outside research, publicizing successful experiments, disseminating information and creating four volunteer support centers, the primary function of which would be to serve as a clearinghouse; (ii) preparation and implementation of a training plan, including its methodological design and teaching materials. Training services will be targeted at institutions that benefit from volunteer services in four regions of the country as well as at potential volunteers and at the volunteer support centers; (iii) specific projects to encourage volunteerism among three targeted population segments (youth, seniors and professionals); and (iv) evaluation of the pilot program and dissemination of its results.
- 2.37 ***Proposed National Volunteer Strategy.*** This subcomponent will draw upon experience with the pilot project to design a proposed nationwide strategy for promoting volunteerism, with the potential for building partnerships between the State, civil society and private sector. Consulting services will be contracted to prepare a proposal and guidelines for a national volunteer strategy based on the "FODA" methodology (Spanish acronym for "Strengths, Opportunities, Weaknesses and Threats"). The experience and findings of the pilot program will be used for the consulting service activities.

4. Communication strategy (US\$1 million)

- 2.38 The objective of the communication strategy component is to inform and sensitize civil society about the various activities of the program, and other relevant initiatives, including the degree to which the government is meeting its commitments in the area of citizen participation. For these purposes, activities will be supported in three subcomponents: (i) a media campaign, (ii) a nationwide plan

to publicize successful experiments and best practices, and (iii) the design of a web site.

- 2.39 **Public information campaign.** Funding will be provided for: (i) consulting services (advertising agency) to design and produce a public information campaign, including a mechanism for evaluating its effectiveness, and the corresponding publicity materials (radio spots, magazine advertisements, fliers and posters); and (ii) television and radio broadcasts on the campaign.
- 2.40 **Publicizing best practices.** Best practices will be identified by monitoring 20 government programs or services where experience with citizen participation shows the potential for replication. Consulting services will be financed to develop and implement a dissemination plan that will include: (i) workshops and meetings, (ii) short-term training assignments and exchanges; and (iii) preparation and distribution of materials (documents, booklets, testimonials, etc.)
- 2.41 **Web site.** To facilitate access to government information, funding will be provided to update or create a web site for the government, on which information from various public entities of interest to CSOs can be consolidated, such as funding competitions or government procedure. Financing will cover the design and implementation of the page, the hiring of technical staff, and operating and maintenance expenses. The page's design will take account of demands expressed by civil society through the Advisory Council, in terms of the type of information required, and the form in which it should be presented so that will be easily accessible to the population. Through this page, the government will be contributing to the *Portal Ciudadano*.

C. Costs and financing

- 2.42 The total cost of the program has been estimated at US\$14.5 million, which would be financed with a Bank loan of US\$8.7 million (OC) and a counterpart contribution of US\$5.8 million, distributed in accordance with the following table:

Program for strengthening partnerships between civil society and the State
Estimated costs (US\$)

Component/Subcomponent	Total	IDB	Local
1. Instruments for strengthening civil society	3,811,720	3,291,720	520,000
1.1 Legal and regulatory framework	587,360	372,360	260,000
1.2 Financing instruments	479,360	219,360	260,000
1.3 Institutional strengthening	2,140,000	2,140,000	-
1.4 Single registry of CSOs	605,000	605,000	-
2. Citizen participation in public policies and programs	2,751,000	1,719,000	1,032,000
2.1 System for monitoring citizen participation programs	450,000	450,000	-
2.2 Training, technical assistance and program redesign	350,000	350,000	-
2.3 Social Observatory	185,000	185,000	-
2.4 Institutional strengthening of the DOS	1,200,000	168,000	1,032,000
2.5 Ombudsman's Office	566,000	566,000	-
3. Promoting volunteerism	5,040,000	2,225,000	2,815,000
3.1 Status report on volunteerism in Chile and abroad	250,000	250,000	-
3.2 Volunteer outreach strategy	830,000	830,000	-
3.3 Volunteer pilot program	3,960,000	1,145,000	2,815,000
4. Communication strategy	1,035,000	1,035,000	-
4.1 Public information campaign	635,000	635,000	-
4.2 Web site	250,000	250,000	-
4.3 Dissemination of successful citizen participation programs	150,000	150,000	-
5. Project Execution Unit	303,500	207,500	96,000
6. Finance charges and contingencies	1,558,780	221,780	1,337,000
6.1 Credit fee (0.75%)	107,925		107,925
6.2 Inspection and supervision (1%)	87,000	87,000	-
6.3 Interest	744,148		744,148
6.4 Contingencies	619,707	134,780	484,927
PROJECT TOTAL	14,500,000	8,700,000	5,800,000

2.43 The Bank will contribute 60 percent of the cost the program, from Ordinary Capital resources, with an amortization term of 25 years and a grace period of five years. The loan will carry a variable interest rate, with a credit fee of 0.75 percent and an inspection and supervision fee of 1 percent of the loan amount.

2.44 The local counterpart contribution will cover 40 percent of program costs. These funds will be provided by the Government of Chile, from the national budget.

III. PROGRAM EXECUTION

A. Execution plan

- 3.1 The borrower for this operation will be the Republic of Chile, which will service the debt and will be responsible for contributing the counterpart funding for the program.
- 3.2 The executing agency for the program will be the Ministry of the Interior. The Ministry will execute the program through its Social Organizations Division (DOS). The DOS will have direct responsibility for program administration, development, coordination and control.
- 3.3 The DOS will constitute a Program Execution Unit (PEU), which will be responsible for carrying out the program with due regard to financial standards and in accordance with the plans, specifications, schedule of activities, budget, regulations and other documents approved by the Bank. Any major amendment to those documents, and any substantial change in the contract or contracts for goods and services to be financed with program resources, or amendments to the investment categories, will require the Bank's concurrence. **Constitution of the PCU will be a condition prior to the first disbursement.**
- 3.4 Program resources will be allocated to the Ministry of the Interior, which will transfer the respective amounts under the program to the CSOs and other public entities for program activities. The Ministry, through the DOS, will sign funding transfer agreements with the CSOs and participating public entities, establishing their commitments with respect to executing their portion of program activities and fulfilling the obligations contracted with the Bank by the borrower.
- 3.5 General program supervision will fall to an Advisory Council consisting of representatives of civil society organizations, the features of which will be similar to the Citizens' Council for the Strengthening Civil Society, governed by Presidential Order. **The Advisory Council is to be constituted prior to the first disbursement**, but if this is not possible, the term and mandate of the above-mentioned Citizens' Council may be granted an official extension. The functions, working methods and scope of this Council are part of the Program Operating Regulations referred to the following section.

B. Operating Regulations

- 3.6 The program will be subject to Operating Regulations which will establish the basic rules for use of program funds in financing the activities described in the previous chapter.

- 3.7 Those regulations will contain terms and conditions relating to definitions, use and allocation of resources, eligibility criteria, agreements and selection procedures, contracting, disbursements, records, internal controls, reports and evaluation.
- 3.8 Entry into force of the Operating Regulations agreed with the Bank will be a special contractual condition prior to the first disbursement of Bank financing.

C. Procurement of goods and services

- 3.9 The procurement of goods and services to be financed under the loan will be done in accordance with Bank procedures, which will form part of the loan contract. Where the amount of goods to be procured equals or exceeds US\$350,000, and where the amount of consulting service contracts exceeds US\$200,000, international bidding or competition will be required. The program does not involve the financing of civil works. The Bank will conduct an ex post, sample-based review of individual consulting service contracts for amounts less than US\$50,000 equivalent, and consulting firm contracts for amounts less than US\$100,000 equivalent.
- 3.10 Contracts for the procurement of goods and provision of services under the program must take account of quality, efficiency and other factors as appropriate. Rules governing local and international bidding or competitions must not restrict participation by interested companies from the Bank's member countries.
- 3.11 Procurement procedures under the loan will have two dimensions. The first relates to procurement of goods and services directly by the DOS and procurement of goods and services by public entities to which the DOS has transferred funding for eligible projects. In this case, Bank procedures must be used, supplemented by the requirements of domestic legislation.
- 3.12 The second dimension relates to procurement of goods and services by CSO beneficiaries under the program, for eligible projects approved by the DOS. In this case, since the entities are private, Bank procurement policies for the private sector will apply. These entities will therefore use competitive procedures, with due regard to the principles of proper use of funds, eligibility of goods and services, reasonableness of prices paid, and the general concept of economy and efficiency.

D. Revolving fund

- 3.13 For all disbursements by the Bank, the DOS will submit a disbursement request in writing, using the models provided by the Bank, and supported by the required documentation and background information.
- 3.14 The Bank may make disbursements as a charge to the loan in the following forms:
(a) reimbursement of expenditures already made; (b) payments to the borrower's

account and, with the borrower's agreement, to other institutions; and (c) by constituting or replenishing the revolving fund referred to the following paragraph.

- 3.15 Once the loan has been declared eligible for disbursement, the Bank may advance funds, as a charge to the loan, for establishing, expanding or replenishing the revolving fund to cover program execution expenses eligible under the terms of the contract signed with the Bank. The amount of the revolving fund may not exceed five percent of the total Bank financing. The Bank may also reduce or cancel the revolving fund if it finds that the resources advanced to that fund exceed program requirements.
- 3.16 The program will have a number of internal and external publicity and communication instruments, including:
- A quarterly information sheet on the program.
 - A semi-annual progress report on the program, presented at a session in which representatives of civil society may participate.
 - Regular publication of articles and press releases dealing with the program, its purposes and its progress.
 - A web site with information on the program.

E. Execution period and disbursement schedule

- 3.17 The execution period will be 30 months, and the disbursement period will be 36 months, as shown in the following table, by semester:

Estimated Program Costs (US\$)
by semiannual period

Component/Subcomponent/Task	Total	Semiannual period	
		1	2
1. Instruments for strengthening civil society	3,811,720	190,520	231,000
1.1 Legal and regulatory framework	587,360	72,760	78,000
1.2 Financing instruments	479,360	22,760	28,000
1.3 Institutional strengthening	2,140,000	70,000	80,000
1.4 Single registry of CSOs	605,000	25,000	45,000
2. Citizen participation in public policies and programs	2,751,000	527,000	426,000
2.1 System for monitoring citizen participation programs	450,000	180,000	90,000
2.2 Training, technical assistance and program redesign	350,000		
2.3 Social Observatory	185,000		
2.4 Institutional strengthening of the DOS	1,200,000	177,000	156,000
2.5 Ombudsman's Office	566,000	170,000	180,000
3. Promoting volunteerism	5,040,000	140,000	180,000
3.1 Status report on volunteerism in Chile and abroad	250,000	140,000	110,000
3.2 Volunteer outreach strategy	830,000	-	-
3.3 Volunteer pilot program	3,960,000	-	70,000
4. Communication strategy	1,035,000	65,000	135,000
4.1 Public information campaign	635,000	65,000	135,000
4.2 Web site	250,000	-	-
4.3 Dissemination of successful citizen participation programs	150,000		
5. Program Execution Unit	303,500	13,000	12,000
6. Finance charges and contingencies	1,558,780	87,000	100,210
PROJECT TOTAL	14,500,000	1,022,520	1,084,210

Component/Subcomponent/Task	Semiannual		
	3	4	5
1. Instruments for strengthening civil society	1,138,400	1,379,800	872,000
1.1 Legal and regulatory framework	271,200	163,400	2,000
1.2 Financing instruments	267,200	161,400	-
1.3 Institutional strengthening	450,000	850,000	690,000
1.4 Single registry of CSOs	150,000	205,000	180,000
2. Citizen participation in public policies and programs	845,000	639,000	314,000
2.1 System for monitoring citizen participation programs	90,000	90,000	
2.2 Training, technical assistance and program redesign	200,000	150,000	
2.3 Social Observatory	100,000	45,000	40,000
2.4 Institutional strengthening of the DOS	329,000	269,000	269,000
2.5 Ombudsman's Office	126,000	85,000	5,000
3. Promoting volunteerism	2,140,000	1,820,000	760,000
3.1 Status report on volunteerism in Chile and abroad	-	-	-
3.2 Volunteer outreach strategy	305,000	280,000	245,000
3.3 Volunteer pilot program	1,835,000	1,540,000	515,000
4. Communication strategy	340,000	260,000	235,000
4.1 Public information campaign	145,000	145,000	145,000
4.2 Web site	145,000	65,000	40,000
4.3 Dissemination of successful citizen participation programs	50,000	50,000	50,000
5. Program Execution Unit	100,5000	89,000	89,000
6. Finance charges and contingencies	382,493	460,291	528,786
PROJECT TOTAL	4,946,393	4,648,091	2,798,786

F. Reports

- 3.18 For program monitoring purposes, the DOS will prepare and submit to the Bank, as a condition prior to the first disbursement, an initial report prepared in accordance with guidelines provided by the Bank, as the basis for preparing and evaluating the semi-annual progress reports described in the following paragraph. In addition to such other information as the Bank may reasonably request, this initial report will include: (a) a project execution plan, including basic indicators from the logical framework agreed with the Bank; (b) a work schedule; and (c) a table showing the source and application of funds, including a detailed investment schedule in accordance with the investment categories shown in Annex A to the contract, indicating the annual contributions required from the various sources of funds.
- 3.19 The DOS will present program execution reports to the Bank, within 60 days after the end of each six-month calendar period, prepared in accordance with rules agreed with the Bank, and indicating in all cases the progress made against the indicators in the updated logical framework, the investment status of the amounts shown, the use of goods and services procured with those amounts, and the progress achieved under the program.

G. Internal control, financial statements and auditing

- 3.20 The DOS will maintain a proper system of internal accounting and administrative controls. The accounting system will be organized to provide the documentation necessary to verify transactions and to facilitate the timely preparation of financial statements and reports. Program records will be kept in such a way that: (i) amounts received from different sources can be identified; (ii) investments can be allocated, in accordance with the chart of accounts approved by the Bank, as between loan funds and other contributions; (iii) there is sufficient detail to identify goods purchased and services contracted, as well as the use of those goods and services; (iv) the cost of investment in each category, and the progress of activities, can be identified; and (v) there is sufficient detail on nonreimbursable transfers to CSOs and public entities for the execution of eligible projects.
- 3.21 The DOS will provide the Bank with financial statements and supplementary financial data covering the entire program, at the close of each fiscal year. The financial statements will be presented within 120 days after the close of the executing agency's fiscal year, starting with the year in which program execution commences, and continuing throughout the program execution period.
- 3.22 The financial statements and reports referred to in the preceding paragraph will be accompanied by an opinion from the Comptroller General of the Republic. The borrower or the DOS, as appropriate, will instruct the auditing entity to provide any additional information that the Bank may reasonably request with respect to the financial statements and audit reports issued.

- 3.23 Bank financing will include funds that may be used by the DOS to contract independent audit services to review the financial statements of participating CSOs, in accordance with its commitments to the Bank. Those audits will be conducted, where required, in coordination with and complementary to the annual audit by the Comptroller General of the Republic, and will be performed by audit firms previously declared acceptable to the Bank.

H. Ex post evaluation

- 3.24 After consultation with the executing agency, it has been decided not to conduct an ex post evaluation of the program. Nevertheless, throughout the program execution period the executing agency will have available a series of progress reports and the results of its monitoring of the indicators in the logical framework, which will allow the Bank to conduct an ex post evaluation if it considers this necessary.

I. Monitoring and evaluation

- 3.25 The Bank will establish such procedures for monitoring and inspection as it deems necessary for ensuring satisfactory progress with the program. The DOS, and all program beneficiaries, will allow the Bank to inspect any program or project, the equipment and materials involved, and to review records and documents at any time. The respective authorities will cooperate fully with Bank staff responsible for such inspections. All costs involved in the travel, remuneration and other expenses of such personnel will be paid by the Bank.
- 3.26 A mid-term evaluation will be performed by a consultant hired with the proceeds of the loan, after 50 percent of funding has been committed or after 18 months of execution have elapsed, whichever occurs first. This evaluation will review program execution in all its aspects, components and subcomponents. The results of this evaluation will form the basis for any adjustments that may be necessary to the program's mechanisms.
- 3.27 Within six months after execution is completed, a final evaluation of the program will be performed by a consultant hired by the Bank with the proceeds of the loan. This evaluation will involve, among other aspects, the following: (a) a comparison between program objectives and achievements; (b) identification of any constraints or limitations that have adversely affected the program, so that they can be taken into account in the future; (c) an analysis of factors contributing to the program's success; and (d) a quantitative and qualitative evaluation of the final outcome.
- 3.28 For purposes of program monitoring and evaluation, the executing agency agrees to implement, through the DOS, a data base to be used to assess achievement of the program objectives and goals set forth in the logical framework. **As a condition**

precedent to the first disbursement of the loan, the monitoring and evaluation system must be submitted to the Bank.

IV. BENEFITS, RISKS AND PERFORMANCE INDICATORS

A. Benefits

- 4.1 The program will help to strengthen mechanisms for dialogue and cooperation between civil society organizations, the public sector and the private sector, in a number of spheres, with a view to developing new agendas for sharing public responsibilities among these three players, and thereby ensuring that development will be more sustainable, and democracy more participatory, at the national as well as the regional and local levels.
- 4.2 Actions will be supported to improve the institutional and regulatory framework by creating instruments to strengthen the presence and performance of organized civil society, as well as by developing instruments that will make social organizations more autonomous and self-sustaining.
- 4.3 One innovative aspect of the program is that it seeks to generate conditions for broad participation by civil society in the design and execution of public policies. The program will also help to encourage volunteerism as a further expression of citizen participation.
- 4.4 A significant benefit will be the sense of ownership that government authorities and the more representative civil society organizations will come to feel with respect to the program.

B. Risks

- 4.5 The program will be executed in a relatively new institutional context, embracing a heterogeneous mix of players. The program's innovative nature could in fact present a formidable challenge to its managers, who currently lack sufficient qualified human resources and appropriate technical infrastructure, but must nevertheless find solutions to a variety of concerns in the public and private sectors alike. To meet this challenge, adequate funding will be provided to establish a highly qualified Program Coordination Unit and the DOS will be strengthened.
- 4.6 Institutions involved in the government network could encounter coordination difficulties. To minimize these difficulties, explicit instructions will be issued by the President (through an *Instructivo de Gobierno*); the program enjoys solid support from the highest authorities, in particular the Minister of the Interior, and there is a direct relationship between the DOS scheme and the representatives of each Ministry and Service. In addition, a Citizens' Council for Strengthening Civil Society has been constituted, and a similar body will be established for executing the program. These aspects make clear the high degree of commitment and priority that the government and organized civil society have accorded to the program

- 4.7 The creation and implementation of the Ombudsman's Office, as well as amendments that may be needed to the legal framework governing CSOs, will require legislative action that may not be completed within the program's execution time frame. To minimize this risk, the program will seek to develop consensus, through seminars and workshops, and supporting materials will be prepared so that when the Legislature comes to consider these changes it will have a solid technical basis on which to discuss them. Finally, the efforts of a body like the Citizens' Advisory Council referred to above should help to reduce the risk that proposed legislative and regulatory changes might not be approved.
- 4.8 As with any innovative project, there is the risk that some of the new approaches and products supported by the program through its various components will not be successful. Regular evaluation have therefore been planned so that corrective measures can be taken as necessary.

C. Performance indicators

- 4.9 Since this is an innovative project, it is expected to produce identifiable changes pointing to the encouragement and strengthening of civil society in Chile.
- 4.10 The logical framework for the program (Annex II-1) includes specific indicators for each set of activities, relating to the following aspects, others: (i) greater autonomy and capacity of CSOs; (ii) reform and modernization of the legal framework; (iii) proposed new incentives for the sustainable self-financing of CSOs; (iv) modernization of CSO management; (v) development of registries to make information on CSOs more transparent; (vi) strengthening the State's capacity to incorporate citizen participation into public policies and programs; (vii) redesigning programs and producing criteria for extending them to the entire public administration; (viii) generating information on users' perceptions of their opportunities to participate; (ix) developing a regulatory and institutional framework for possible creation and functioning of the Ombudsman's Office; (x) generating reliable and up-to-date information on the status of volunteerism in Chile and abroad; (xi) design, implementation and evaluation of a pilot volunteer program; (xii) preparation of a proposed national strategy to promote volunteerism; and (xiii) design, implementation and evaluation of a communications campaign to create awareness and support for citizen participation and the development of civil society.

LOGICAL FRAMEWORK MATRIX
PROGRAM FOR STRENGTHENING PARTNERSHIPS BETWEEN CIVIL SOCIETY AND THE STATE

Summary	Indicators	Means of verification	Assumptions
Purpose of the program			
General objective of the program is to create conditions for more active citizen participation in the design and execution of policies that will enhance the common good of Chileans.	Spaces created for citizens to participate in decisions that affect their quality of life	Citizens' perceptions. Minutes of meetings. Project progress reports	Government authorities and CSOs are willing to work together

Component 1: strengthening civil society

Summary	Indicators	Means of verification	Assumptions
Purpose Help make civil society organizations autonomous and self-sustaining in achieving their goals	Increase in the number of operationally and financially self-sufficient CSOs	Registry and CSOs. Financial Statements of CSOs.	There is institutional and financial information available on CSOs
Components (products)			
Institute a modern legal and regulatory framework that guarantees the independence, sustainability and development of CSOs	<ul style="list-style-type: none"> Package of draft legislation submitted to Congress. 	<ul style="list-style-type: none"> Registry of submissions to Congress Progress reports from the executing unit 	<ul style="list-style-type: none"> There is political will to introduce legislative amendments
Offer public and private financing options that will make civil society organizations self-sustaining	<ul style="list-style-type: none"> Proposals prepared and agreed. 	<ul style="list-style-type: none"> Consulting reports accepted Minutes of workshop discussions Progress reports 	<ul style="list-style-type: none"> There is political will to provide funding to CSOs. Workshops and seminars can be convened for public debate Society and businesses are willing to finance CSO activities

Summary	Indicators	Means of verification	Assumptions
modernize CSO management through training, technical assistance and creation of <i>portal ciudadano</i> .	<ul style="list-style-type: none"> • 5,200 CSOs trained (200 NGOs and 5000 community organizations) • 200 NGOs receive individualized technical assistance • <i>Portal ciudadano</i> up and running. 	<ul style="list-style-type: none"> • Training evaluation reports • Consulting reports accepted • Progress reports • Web site • User satisfaction surveys 	<ul style="list-style-type: none"> • CSOs are willing to undertake training and strengthen themselves institutionally • CSOs have computer and access to the web
compile and consolidate existing information from various CSO registries in order to make information about CSOs more transparent.	<ul style="list-style-type: none"> • Public registry of CSOs available over the web. 	<ul style="list-style-type: none"> • Web site • Progress report 	<ul style="list-style-type: none"> • CSOs are willing to provide information for publication on the web

2: citizen participation in public policies and programs.

Summary	Indicators	Means of verification	Assumptions
the State's capacity to involve public policies and programs, over citizens in areas of public effect them.	<p>Increase in participation levels in at least 20 priority programs</p> <p>Improved perception of citizen participation among users</p>	<ul style="list-style-type: none"> Consulting reports accepted Progress reports Public program evaluation reports 	<p>Ministries and services are willing to incorporate citizen participation into policies and programs.</p> <p>Specialized technical know-how is available for adequate institutional strengthening</p> <p>Citizens are willing to increase their participation</p>
Products (products)			
implementation of a system for monitoring and evaluating citizen participation in public policies and programs	<ul style="list-style-type: none"> Modules implemented in at least 20 priority programs 	<ul style="list-style-type: none"> Consulting reports accepted Progress reports Evaluation reports on 20 public programs 	<ul style="list-style-type: none"> Citizens are willing to participate in public programs. Ministerial authorities are willing to incorporate citizen participation in their programs
Technical assistance and, where necessary, the redesign of public policies and programs in terms of citizen participation	<ul style="list-style-type: none"> Proposals prepared for the redesign of some programs Discussion workshops and seminars held Outreach meetings held 	<ul style="list-style-type: none"> Consulting reports accepted Progress reports Proceedings of workshops and seminars 	<p>There is a political will among ministerial authorities to accept changes in the way they execute programs, so as to improve citizen participation and the public perception of ministry activities.</p> <p>The CSOs are willing to provide feedback on citizen participation in government programs.</p>

Summary	Indicators	Means of verification	Assumptions
social observatory" to generate on users' perceptions of their es for participation	<ul style="list-style-type: none"> Information provided by citizens with respect to changes required in implementation of government programs 	<ul style="list-style-type: none"> Consulting reports accepted Progress reports Proceedings of workshops and community meetings Surveys 	Civil society is willing to provide feedback
l strengthening of the Social ons Division (DOS) of the f the Interior;	<ul style="list-style-type: none"> Government technical teams trained Ministries have the capacity to monitor the process of citizen participation 	<ul style="list-style-type: none"> Progress reports Consulting reports Ministry organization charts 	
ent of a regulatory and al framework for creating and ing an ombudsman's office [a del Ciudadano]..	<ul style="list-style-type: none"> Proposal to create a ombudsman office prepared, and draft legislation has been submitted to Congress. Operating budget prepared. 	<ul style="list-style-type: none"> Consulting report accepted Progress reports Evidence that the item is formally on the legislative agenda 	<p>There is a political will to create a new institution in government</p> <p>Citizens are interested in an instrument of this kind</p>

3: promoting volunteerism

Summary	Indicators	Means of verification	Assumptions
• Culture of volunteerism in Chile • Promotion of citizen participation	<ul style="list-style-type: none"> • Society sensitized to a culture of cooperation • Increase in the number of institutions devoted to volunteer activities • Increase in the number of volunteers 	<ul style="list-style-type: none"> • Newspapers • Progress reports 	<ul style="list-style-type: none"> • Society and institutions are aware of the importance of volunteerism
• Products (products)			
• Reliable and constantly updated information on the current status of volunteerism in Chile and abroad.	<ul style="list-style-type: none"> • Report prepared on the status of volunteer services in Chile • National survey of institutions and numbers of volunteers • Report prepared on the status of volunteerism in other countries 	<ul style="list-style-type: none"> • Consulting report accepted • Progress report 	<ul style="list-style-type: none"> • Information is available on volunteer services in Chile • Information is available on volunteer services abroad
• Communication strategy.	<ul style="list-style-type: none"> • Publicity about the volunteer program reaches broad sectors of society • Materials promoting volunteerism have been distributed throughout the country 	<ul style="list-style-type: none"> • Printed media • Consulting reports accepted • Progress reports 	<ul style="list-style-type: none"> • There is media interest in devoting space to this issue
• Implementation and evaluation of pilot program for promoting volunteerism.	<ul style="list-style-type: none"> • Pilot program up and running 	<ul style="list-style-type: none"> • Consulting reports accepted • Progress report • Registry of institutions implementing the program • Disbursement requests 	<ul style="list-style-type: none"> • Institutions and individuals are willing to put voluntary action into practice
• Development of national strategy to promote volunteerism.	<ul style="list-style-type: none"> • Volunteerism promotion strategy up and running 	<ul style="list-style-type: none"> • Report on the proposed national strategy prepared • Consulting reports accepted • Progress report 	<ul style="list-style-type: none"> • There is sufficient expertise about volunteerism to prepare the strategy

: communication strategy

Summary	Indicators	Means of verification	Assumptions
Public climate that is receptive to the importance of citizen participation and the strengthening of civil society	<ul style="list-style-type: none"> Create forums for discussion and communication that will generate dialogue 	<ul style="list-style-type: none"> Proceedings of meetings and workshops Consulting reports accepted Progress reports 	<ul style="list-style-type: none"> Government authorities are interested in fostering dialogue and debate
Products (products)			
Implement and evaluate a communication campaign to foster a favorable climate to citizen participation and the development of civil society	<ul style="list-style-type: none"> Communication strategy prepared General acceptance of the importance of civil society's participation in government policies and programs Increase in citizen participation 	<ul style="list-style-type: none"> Consulting reports accepted Progress report Evaluation reports Favorable press articles 	<ul style="list-style-type: none"> Specialized technical knowledge available Civil society is interested in increasing its participation in programs and policies
Identification of best practices	<ul style="list-style-type: none"> 20 government programs or services with citizen participation have been identified and publicized as replicable Seminars, meetings and study tours completed 	<ul style="list-style-type: none"> Process of selecting government programs with citizen participation Proceedings of seminars and meetings Study tour reports Consulting reports accepted Progress reports Press articles 	<ul style="list-style-type: none"> Government ministries are willing to include citizen participation in their programs
To facilitate access to information	<ul style="list-style-type: none"> Web site created Information is available on various government programs, such as funding competitions 	<ul style="list-style-type: none"> Web site up and running Staff hired for operating and maintaining the web site Consulting reports accepted Progress reports 	<ul style="list-style-type: none"> Government authorities have the political will to publish information on their programs over the web Citizens are connected to the web

PROPOSED RESOLUTION

LOAN /OC-CH TO THE REPUBLICA DE CHILE
PROGRAM FOR STRATEGIC ALLIANCES STRENGTHENING BETWEEN THE CIVIL
SOCIETY AND THE STATE

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Chile, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Program for Strategic Alliances Strengthening Between the Civil Society and the State. Such financing will be for the amount of up to eight million seven hundred thousand dollars of the United States of America (US\$8.700.000) which are part of the Single Currency Facility of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Loan Proposal.