

COMUNIDADE SOLIDARIA PROGRAM: CIVIL SOCIETY/STATE PARTNERSHIPS

(TC-95-02-07-3)

EXECUTIVE SUMMARY

REQUESTER: Presidency of the Republic - *Casa Civil*

EXECUTING AGENCY: *Fundação Banco do Brasil*

BENEFICIARIES: Civil Society Organizations in Brazil

FINANCING: IDB: US\$ 8.3 million
Local counterpart funding: US\$ 2.7 million
Total: US\$11.0 million

IDB financing would be in local currency on a non-reimbursable basis, from net income of the Fund for Special Operations.

In addition to the amount indicated above, contributions from private and public sector organizations in the form of user fees for the Information Network, and matching funds to establish the Regional Volunteer Service Centers, are estimated to reach the equivalent of US\$750,000.

TERMS: Execution period: 36 months
Disbursement period: 42 months

ENVIRONMENTAL CLASSIFICATION: The Environment Committee, at its meeting of October 1, 1996, classified this as a Category II operation. The Environmental Brief was submitted to the Public Information Center on October 7, 1996.

OBJECTIVES: By improving the legal and regulatory framework, promoting volunteerism and partnerships between the Federal Government and the private sector, as well as facilitating information dissemination among civil society organizations, the Program would help to create an enabling environment for these organizations to become more involved in the delivery of social services and the fight against poverty.

DESCRIPTION: The Program would comprise the following components:

Strengthening Civil Society: (US\$5.4 million) The activities to be financed under this component include:

- a. Legal and Regulatory Framework: (US\$315,000) Program resources would be used to: prepare alternatives for improving the legal and regulatory framework which governs civil society organizations; foster public dialogue regarding these alternatives through seminars, conferences and workshops; and once developed, inform the Legislative and Executive branches of the Federal Government of these proposed changes;
- b. Information Network: (US\$1.9 million) In order to disseminate information and facilitate interaction among public, private and civil society organizations, the Program would finance the development of a nationwide information network, including a home page, *Revista Eletrônica do Terceiro Setor*, which would address specific subjects of interest to Network users, namely fundraising, legal advice, volunteer exchange, opportunities for training, information regarding "best practices" in partnerships;
- c. Promotion of Volunteerism: (US\$2.9 million) Through the creation of a national network of Regional Volunteer Service Centers, which would serve as a clearing house for volunteers and the organizations demanding their services, the Program would help to exploit the country's volunteer potential;
- d. Promotion of Partnerships: (US\$190,000) The Program would promote the formation of partnerships between Government at all levels and civil society in the fight against poverty and social exclusion. The Program would disseminate the experience throughout the country to encourage the formation of more partnerships.

Social Marketing: (US\$4.1 million) Through seminars, workshops, informational television programming, and general media campaigns, the Program would stimulate public dialogue among the various social actors, and disseminate information regarding successful experiences of civil society participation in social programs [such as the *Comunidade Solidária* -supported *Universidade Solidária* and *Capacitação de Jovens* programs]. *Comunidade Solidária* would then encourage the replication of these "best practices".

BENEFITS:

By *mobilizing civil society* and enhancing its dialogue with the State, the Program works towards cementing democratic reforms. The Program would enable a formal articulation of what civil society is

and does, and would build the bridge between State and civil society. By empowering organizations of civil society, as agents of change, and champions of public debate and democratic principles, the Program would therefore help to consolidate the Government's strategy for social service delivery. Indeed, *Comunidade Solidária* supports the growing trend toward common goals in social policy and shared responsibility towards achieving these goals.

Additionality of resources. Serving as a catalyst, *Comunidade Solidária*, through its promotion of partnerships, helps to maximize the use of Bank funds by capturing additional resources from the private sector. Moreover, through its support of volunteerism, it enhances the impact of its social programs, not only in terms of more hands working toward a common goal, but also, of program sustainability. By deepening the level of commitment within the community, *Comunidade Solidária* helps to ensure that successful programs are continued.

RISKS:

Indifference or lack of ownership by civil society could weaken the Program's effectiveness. Through increased public dialogue, dissemination of useful information through the Network, and concrete activities which demonstrate the Government's commitment to forging solid partnerships, this risk will be minimized.

In addition, the Program's ***innovative nature and complexity*** could present a considerable challenge to its managers, who must accommodate a variety of public and private sector concerns. To meet this challenge, adequate resources have been allocated to establish a highly-qualified Program Management Unit, which will also benefit from technical and political support provided by the Council of *Comunidade Solidária* and the *Fundação do Banco do Brasil* (FBB), through its Advisory Board.

**THE BANK'S
COUNTRY STRATEGY:**

This program is consistent with the Bank's social strategy in Brazil, and its mandate under the Eighth Replenishment, as it seeks to increase the effectiveness of social spending, as well as the continued decentralization of the social sectors, in part, through increased partnerships with the local community and civil society. Through its small projects program and other technical cooperation programs, the Bank has supported efforts to strengthen civil society. Indeed, *Comunidade Solidária* will be yet another channel through which the Bank will continue to work with civil society organizations.

**SOCIAL
CLASSIFICATION AND
POVERTY TARGETING:**

As defined in paragraphs 2.13 and 2.15 of the Eighth Replenishment document, this operation does not qualify for meeting the objective of increased social equity, nor does it qualify as a poverty-targeted investment. Nevertheless, given that the final beneficiaries of programs supported by *Comunidade Solidária* and by civil society organizations are among the poorest in Brazil, social equity and poverty alleviation goals are indeed furthered (paragraph 5.5).

**CONDITIONS
PRIOR TO FIRST
DISBURSEMENT:**

- a. Program Management Unit is established and fully operational (paragraph 4.3).
- b. Advisory Council is established (paragraph 4.3).
- c. Signature of agreement between *Fundação Banco do Brasil* and *Comunidade Solidária* (paragraph 4.3).

**SPECIAL
CONTRACTUAL
CONDITIONS:**

- a. With the exception of expenditures directly related to the planning and institutional development of the Network, disbursements would be made for this subcomponent only after the Executing Agency presents to the Bank's satisfaction: (a) the technical and institutional criteria which will be utilized to establish the Network's Central Office; (b) the legal instrument establishing the Central Office which includes: (i) mechanisms for the transferring financial resources from the FBB to the Central Office and (ii) provisions ensuring the application of all additional resources for Program purposes only; and (c) the signed agreement between the FBB and the Central Office (paragraph 3.7).
- b. Disbursements to the individual Regional Volunteer Service Centers would be made only after the Executing Agency presents to the Bank's satisfaction: (a) the technical and institutional criteria which will be utilized to select the RVSCs; (b) the legal instrument establishing these Centers, which would include: (i) mechanisms for transferring financial resources from the FBB to the Centers and (ii) provisions ensuring the application of all additional resources for Program purposes only; and (c) the signed agreement between the FBB and each Center (paragraph 3.12).

**PROCUREMENT
OF GOODS AND
SERVICES:**

The Bank's standard operating procedures will be adhered to in the contracting of all goods and services (paragraph 4.4).

I. BACKGROUND

A. Introduction

- 1.1 In recent years, civil society 1/ has begun to assume an increasingly active role in the definition, implementation and evaluation of public policy. Throughout Brazil, civil society organizations (CSOs) have embraced a variety of development issues ranging from rural land tenure and subsistence agriculture to education, health care, the environment and microenterprise support. While reliable aggregate information on civil society associations is scarce, the Secretariat of Federal Revenue in 1991 estimated that there are more than 220,000 nonprofit organizations or philanthropic institutions, with over 50,000 charitable or welfare organizations, working in Brazil. Countless unregistered neighborhood and community organizations exist in cities and rural areas alike, while voluntary organizations have become the most recent addition to the CSO universe. In varying degrees, many of these groups represent vital elements in Brazil's service delivery system - reaching those populations that neither the State nor the market was able to reach efficiently or effectively. Furthermore, in the advent of continued downsizing, and the redefinition of the role of the State, civil society has begun to assume greater responsibility in assuring its own welfare, particularly in regard to the delivery of quality social services.
- 1.2 Upon taking office in January 1995, the Brazilian Government initiated a series of policy and institutional reforms aimed at increasing the effectiveness of its social expenditures. Among these reforms was the elimination of the principal institutions directly responsible for social assistance namely, the *Ministério da Ação Social*, *Legião Brasileira de Assistência* and the *Conselho Brasileiro da Infância e da Adolescência*, due primarily to their inefficient and clientelistic practices. Rather, the current Administration focussed on strengthening the sectoral ministries involved in maintaining the country's social safety net. Moreover, it strongly endorsed the creation of solid partnerships with civil society in order for the agenda for equitable growth to remain valid.
- 1.3 In doing so, the Government created the *Comunidade Solidária* Program in order to better coordinate a set of priority social programs, directly administered by the Federal Government, which potentially have an immediate impact on poverty alleviation. More

1/ As defined by the UNDP, "civil society organizations represent a vast and heterogeneous mix of organizations that are structured, located outside the state apparatus, non-profit distributed; self-governed; relying on some degree of volunteer support, which produce goods and services for collective use." In Brazil, civil society, most typically involves, but is not limited to, non-governmental organizations (NGOs), worker associations, churches, foundations, and community groups.

importantly, however, *Comunidade Solidária* represents a new approach for executing social programs. Centered on forming partnerships among federal, state and municipal governments and segments of civil society, this approach calls for a more active role of nongovernmental organizations and other grassroots movements in the provision of social services.

Box 1.1: *Comunidade Solidária: Reaching the Poor*

*Based on the Hunger Map (IPEA) and the Child Survival Index (UNICEF/IBGE), *Comunidade Solidária* identified the poorest 1064 municipalities in the country, which were then prioritized in the Federal Government's social programs. Located primarily in the Northeast, these municipalities have benefitted from actions aimed at reducing infant mortality (malnutrition, community health agents, basic sanitation); school lunch and emergency food distribution programs, rural settlements; employment generation through vocational training.*

- 1.4 The *Comunidade Solidária* Program is not a formal institution with independent legal status. Rather it is an initiative implemented by two distinct committees: an Executive Secretariat and a Council, both bearing *Comunidade Solidária's* name. Comprising a small number of professionals from *Casa Civil*, ^{2/} the Executive Secretariat acts as a catalyst in ensuring that federal resources, channeled through the respective line ministries to approximately 10 to 15 priority social programs, are indeed targeted towards the poorest regions of the country (see Box 1.1). Also, the Secretariat coordinates these programs among all governmental levels, and brings forward new priorities to the public investment program.
- 1.5 The Council of *Comunidade Solidária* (CCS) is made up of 21 prominent citizens, appointed by the President, as well as all social sector ministers and those of Planning and Finance. The Council's role is to work towards a better coordination and articulation between State and civil society in order to mobilize both human and financial resources, and in turn, produce a greater impact from the country's poverty alleviation programs.
- B. Constraints for Increased Civil Society Participation
- 1.6 Yet for this transition within service delivery to occur, a clearly defined framework must exist for both the State and civil society. Unfortunately, there are several barriers which severely limit this expanded role for civil society:
- 1.7 ***Inadequate Legal and Regulatory Framework.*** Dating back to 1935, the legal and regulatory framework that governs the relationship between the Brazilian State and the organizations of its civil society is wrought with confusing and sometimes contradictory

^{2/} *Casa Civil* is a unit within the Presidency charged with the overall coordination of the Federal Government.

regulations for establishing and operating a civil society organization. Registers and certificates are often distributed for political patronage, rather than legitimacy or cost effectiveness, thus creating a privileged group of CSOs with access to public or private funds. There is a lack of transparency in mechanisms to access governmental funds and the few fiscal benefits which are available to CSOs. Indeed, an overall incentive structure for civil society organizations does not exist in Brazil. Furthermore, the current framework does not: (i) encourage citizen's participation in public service nor social investment; (ii) ensure adequate parameters of accountability, leaving the door open for abuses and distortions made under the name of philanthropy.

- 1.8 ***Lack of Information:*** Moreover, existing mechanisms to disseminate information about civil society organizations are inadequate. It is difficult to readily determine what these organizations do, how they operate, what their financial and institutional relationships are with the national and international public and private sector. Indeed, there is no registrar of CSOs in Brazil and what data that is collected is done so primarily for fiscal reasons by the Secretariat of Federal Revenue. Not only are CSOs themselves unaware of each other's activities, but also, potential funding agencies often do not know of these organizations' experience, and in turn, lose out on a valuable source of expertise. There is a lack, as well, of appropriate channels to disseminate information that could contribute to the process of institutional development of these organizations, such as fundraising alternatives, technical assistance opportunities, exchange of experiences, etc.
- 1.9 ***Difficulty in Partnerships Between Government and Private Sector.*** This lack of information about CSOs, the difficulty in finding the correct interlocutor, and cumbersome procedures to establish and operate a CSO, all stymie the Government's efforts to work together with the private sector as a partner. There is no organic structure available to the public sector that would enable it to readily enter into partnership agreements. In sum, development efforts in Brazil are not being maximized as the synergistic effect of public and private sector working together remains unrealized.
- 1.10 ***Poor Social Marketing.*** Although the *Secretaria de Comunicação Social*, located in the Presidency, has as its mandate the dissemination of information of Government activities, it is not equipped to adequately promote the Government's partnership strategy. The lack of clear information regarding the Government's social strategy, and indeed of *Comunidade Solidária* itself, has spawned criticism of the current Administration's social policy. Finally, those social programs which are successful in terms of its development impact remain invisible to the public eye and cannot serve as models to be replicated elsewhere in the country.

- 1.11 ***Unrealized Volunteer Potential.*** Organized volunteer services are relatively new to Brazil. And while private philanthropic or charity institutions helping those in need have existed for many years, they tended to involve small and often elite groups of volunteers. In recent years, volunteerism has grown as communities themselves have taken the initiative to meet their development needs whether in social or infrastructure services. Clearly, a greater volunteer potential exists; yet because there is no clearinghouse which could match the supply of volunteer services with organizations who demand such services, this potential goes untapped. Furthermore, volunteerism in Brazil lacks a clear definition of purpose, adequate training, and a clear incentive structure. Clearly, this "invisible sector" needs to be developed in order to realize its full capacity.

C. Bank Strategy and Recent Experience in the Sector

- 1.12 The main elements of the Bank's strategy emphasize the needs to: (a) promote the reform and modernization of the public sector both at the Federal and sub-federal levels; (b) support the process of economic opening, in part through the modernization of the productive sectors and also through the *Redução do Custo Brasil* initiative, whose objective is the rehabilitation and improvement of the nation's transport and port infrastructure; and (c) address socio-economic inequities and poverty alleviation by increasing the effectiveness of social spending and improving the targeting of social programs. In the latter instance, special support will be given to continued decentralization of the social sectors, in part through increased partnerships with the local community and civil society. At the same time, the traditional emphasis on basic sanitation and the environment are retained in the current Bank strategy.
- 1.13 The proposed program is consistent with the Bank's social strategy in Brazil, as well as its mandate under the Eighth Replenishment. By promoting an expanded role of civil society organizations in the delivery of social services, the Program seeks to improve the quality and reach of these services. Through its small projects program and other technical cooperation programs, the Bank has supported efforts to strengthen civil society. Indeed, *Comunidade Solidária* will be yet another channel through which the Bank will continue to work with civil society organizations.
- 1.14 Two recent Bank technical cooperation operations have helped to lay the foundation for the present Program. Co-financed by the Council of *Comunidade Solidária*, and with support from the Ford Foundation and the Inter-American Foundation, the *Programa Brasileiro de Consultas sobre o Fortalecimento da Sociedade Civil* (US\$160,000) initiated a series of nationwide seminars to discuss the likely contents of a national agenda for strengthening civil society. As a result, a set of priority areas were identified, and through a second nonreimbursable operation for US\$150,000, *Apoio Inicial ao Programa Comunidade Solidária* (ATN/SF-4902-BR) approved in June 1995, these priority areas were developed. The operation financed various

seminars and studies on: volunteerism in Brazil; the legal and institutional framework governing civil society organizations; improved public dialogue; establishing an information network for civil society; and an evaluation of partnership experiences between Government and civil society. Drawing from these seminars and studies, the proposal for the present Program was prepared by a consultant financed under the second technical cooperation operation.

- 1.15 Two additional technical cooperation programs, currently under preparation by the Bank, complement the proposed Program. This first operation will support the *Ministério de Administração de Reforma do Estado* (MARE) in reviewing overall public administration and identifying those functions which should remain solely within the State apparatus, and those that could be outsourced. The second, an INDES-supported training program in the *Casa Civil*, seeks to improve the management of 25 priority social programs (some of which are supported by *Comunidade Solidária*). Bank staff has coordinated the preparation of these operations.

D. Actions by Other International Agencies

- 1.16 Other sources of external support include the Inter-American, Ford and Kellogg Foundations, Misereor and various Scandinavian agencies. The largest of these, the Inter-American Foundation, gives on average US\$2 million for civil society resource mobilization and local development programs. The World Bank recently hired a consultant to facilitate and promote cooperation between civil society and Government. During the preparation of this Program, the Bank coordinated with the World Bank as well as other principal donors involved either directly or indirectly with the *Comunidade Solidaria* initiative.

II. PROGRAM OBJECTIVES

- 2.1 The Program's overall objective is to create an enabling environment for civil society's active participation in the delivery of social services and fight against poverty, while furthering the understanding and promotion of the programs and participatory strategies *Comunidade Solidária* supports. In particular, the Program seeks to improve the legal and regulatory framework, promote volunteerism and partnerships between Government and the private sector, as well as facilitate information dissemination among civil society organizations.

III. PROGRAM DESCRIPTION

- 3.1 The proposed operation comprises two central components described below:

A. Strengthening Civil Society (US\$5.4 million)

1. Legal and Regulatory Framework (US\$315,000)

- 3.2 Prepared with resources from ATN/SF-4902-BR, a position paper on the current legal and regulatory framework will serve as the basis for public debate to be supported by this subcomponent. The salient issues to be debated include: the regulations needed for the legal constitution of public purpose organizations; tax immunity and exemptions for philanthropic organizations; requirements for nonprofit employer contributions to social security; avenues of access to public support, including eligibility requirements, and legal mechanisms (agreements and contracts); fiscal incentives, criteria for declaration of public purpose, mechanisms for supervision and sanctions of foundations and philanthropy.
- 3.3 Through regional seminars and national conferences, the Program seeks to build consensus among civil society organizations in order to prepare proposals for changing the legal and regulatory framework governing actions by civil society. Once the proposals are developed, the Program would then inform the appropriate branches of the Federal Government of these proposed changes. Representatives of the public sector, in particular MARE and the *Casa Civil*, will be invited to these fora in order to be kept apprised of the debate, as well as to inform participants of government activities.
- 3.4 A total of 14 consultant/months would be required for this subcomponent, as well as funds to cover necessary travel expenses, general support and publications.

2. Information Network (US\$1.9 million)

- 3.5 The Program would finance the development of a nationwide information network that would disseminate pertinent information and facilitate interaction among public, private sector and civil society organizations. One of the key elements of this subcomponent is to create a home page, *Revista Eletrônica do Terceiro Setor* (RETS), which would not only provide access to a consolidated data base on CSOs, but also would address specific subjects of interest to Network users - namely, fundraising, legal advice, volunteer exchange, opportunities for training, special research topics, and financing possibilities (where the available resources are, for what kinds of projects, etc.). Furthermore, the interactive space will allow for "best practices" in governmental or private social programs to be shared.

- 3.6 This Network would include a Central Office (which would house the technicians to maintain the system, gather and input information) and approximately six regional offices which would promote the Network as well as train organizations in the use of the system. Interested organizations or individuals would subscribe to the Network for an average monthly fee of approximately US\$25. It is expected that by the end of the operation, the Network would be fully self-financing 3/.
- 3.7 With the exception of expenditures directly related to the planning and institutional development of the Network, disbursements would be made for this subcomponent only after the Executing Agency presents to the Bank's satisfaction: (a) the technical and institutional criteria which will be utilized to establish the Network's Central Office; (b) the legal instrument establishing the Central Office which includes: (i) mechanisms for transferring financial resources from the Executing Agency, the *Fundação Banco do Brasil* (FBB) to the Central Office and (ii) provisions ensuring the application of all additional resources for Program purposes only; and (c) the signed agreement between the FBB and the Central Office.
- 3.8 This subcomponent would require approximately 8.3 consultant/years in the areas of network management and administration, and data collection and input. In addition, Program resources would finance the rental of the network server, and purchase of hardware, software, and communications equipment for the Central and regional offices. Finally, US\$90,000 would be used to provide incentives in the form of salary bonuses to those individuals working in regional offices to promote, that is, sell subscriptions to the Network.

3. Promotion of Volunteerism (US\$2.9 million)

- 3.9 A diagnostic study commissioned under the earlier TC was designed to provide a better understanding of volunteerism in Brazil. The study was made available in April of 1996 at which time over 80 organizations were convened in Sao Paulo for a three-day seminar. The U.S.- based Points of Light Foundation provided technical support in the preparation of this subcomponent.
- 3.10 Program resources would help to create Regional Volunteer Service Centers (RVSCs) in approximately ten metropolitan areas, located throughout the country. These Centers would serve as clearing-houses for volunteers and organizations, and would provide short training courses in how to manage volunteer services while making the service rewarding for the volunteer. A Coordination Unit, to exist only during Program execution, would receive proposals from

3/ The Network's operating and maintenance costs have been estimated at US\$50,000 per year. Using a conservative estimate of less than 850 subscriptions, paying anywhere between US\$15 and US\$40 per month, the operational costs would be more than covered by Year 2 of the Program as user fees would yield US\$225,000.

public or private sector organizations interested in establishing a RVSC and process them based on a set of criteria approved by the Bank (see below). Each proposal would include counterpart resources, primarily in the form of physical space and administrative support. If accepted, the Center would be created on the condition that by the end of its first year of implementation it would have to present a fundraising strategy in order to become self-financing by the end of the Program. Indeed, Program funds would cover a maximum of 60% of the costs involved in creating and operating the Centers in their first year of operation, and would gradually decline to 40% in Year 2, and 20% in Year 3. Through this phasing-out scheme, a maximum of US\$144,000 of Program funds would be transferred to any one Center in its first year of operation in order to finance initial operational expenditures (20%), equipment (10%), training and publications (30%), and personnel expenditures (40%). Potential self-financing mechanisms include: the sale of publications and requiring a small fee from organizations requesting volunteer services. Like the Information Network, these Volunteer Centers are expected to be fully self-sustaining by the end of the Program.

- 3.11 In addition, Program resources would also finance training seminars on fundraising, volunteer management as well as on the development of promotional strategies to be used to encourage special target groups - youth, businesses, and senior citizens - to become volunteers. In particular, the Program would explore the use of incentives such as companies' granting time for their employees to volunteer, preferences on government job applications, and for certain public service, etc. Finally, high-profile recognition, such as "Volunteer of the Year" awards, or other public events would also be financed in this subcomponent.
- 3.12 Disbursements to the individual Regional Volunteer Service Centers would be made only after the Executing Agency presents to the Bank's satisfaction: (a) the technical and institutional criteria which will be utilized to establish the RVSCs; (b) the legal instrument establishing these Centers, which would include: (i) mechanisms for transferring financial resources from the FBB to the Centers and (ii) provisions ensuring the application of all additional resources for Program purposes only; and (c) the signed agreement between the FBB and each Center.

4. Promotion of Partnerships (US\$190,000)

- 3.13 Through this subcomponent, private sector organizations would be encouraged to channel resources through the *Comunidade Solidária* Program, thus obtaining greater visibility for the organizations' philanthropic activities. Recent examples of partnerships include ABIFARMA, a large pharmaceutical company, which distributed equipment and materials for community health agents (valued at US\$6 million) and FENABRAVE, the national association of car dealerships, which donated US\$2 per each car sold in 1995, amounting to US\$2 million which was used to support youth training. Several more firms have already expressed an interest in working

with *Comunidade Solidária* 4/. Program resources would be used to consolidate and operationalize an estimated ten partnerships. These "best practices" in partnerships would then be disseminated nationwide both through a series of seminars and through the RETS, in order to further the Government's partnership strategy.

- 3.14 Program resources would finance approximately 21 consultant/months, as well as the publication of materials.

B. Social Marketing (US\$4.1 million)

- 3.15 The overall objective of this component is create a better understanding of the programs and partnership strategies supported by *Comunidade Solidária*, and in turn, mobilize CSOs to become more involved in the delivery of social services. Through seminars, workshops, informational television programs and general media campaigns, the Program would stimulate public dialogue among the various social actors, and disseminate information regarding successful experiences of civil society participation in social programs (such as the *Comunidade Solidária*-supported *Universidade Solidária* and *Capacitação de Jovens* programs). The Program would highlight the importance of partnerships whether in the form of individual volunteers or large business foundations, and encourage the replication of these "best practices" in social service delivery.
- 3.16 This component would finance consulting services estimated at US\$50,000 for a public relations/marketing firm, as well as some seven individual consultant/years (their fees, per diem, travel expenses) in the area of developing and managing marketing campaigns. Television and radio programming would be financed primarily by Program resources, while their broadcast distribution (air time) would be provided by local counterpart resources. Finally, the Program would finance the development of media tools (pamphlets, posters, videos, etc.)

C. Program Costs and Financing

- 3.17 The operation is to be financed on a nonreimbursable basis with local currency FSO net income monies (US\$8.3 million) as well as local counterpart funds (US\$2.7 million) according to the budget described in the tables below. As illustrated in Table III-2, most Bank resources would finance consulting services (see Terms of Reference in Annex III-1 located in the Division's Technical Files.) Local counterpart, in the form of in-kind services or goods, would be the responsibility of the FBB. These counterpart

4/ Such private corporations include: VISA, Volkswagen, Microsoft and various insurance companies, as well as the National Federation of Commerce.

resources would be provided as follows: the *Secretaria de Comunicação Social* would finance nearly US\$1.3 million in television and radio broadcast time (public service announcements); *TVEducativa* would provide the equivalent of approximately US\$940,000 in informational television programming; and the Denison Bates advertising agency would prepare media materials, valued at US\$260,000. All three sources have expressed in writing their commitment to support the *Comunidade Solidária* Program. In its agreement with the FBB, *Comunidade Solidária*, would, in turn, ensure the timely availability of these resources.

- 3.18 In addition to the amounts indicated above is the contribution by the private sector. Although not formally guaranteed and therefore not included in the cost table, private sector financing is expected to reach over US\$750,000 in terms of the sponsors of the Regional Volunteer Service Centers in the form of matching funds (US\$216,000) as well as monthly dues to subscribe to the Information Network (US\$536,000). Private sector contributions are based on conservative estimates, and do not include, by definition, the actual volunteer services which are expected to be generated throughout the Program. The high visibility of *Comunidade Solidária*, as well as the high priority the Government attaches to this Program, will help guarantee timely availability of these counterpart resources.

**TABLE III-1: Cost by Subcomponent and Activities
(in US\$000)**

CATEGORY	IDB	LOCAL	TOTAL
A. Strengthening Civil Society	<u>5,385</u>		<u>5,385</u>
1.0 Legal/Regulatory Framework	315		315
1.1 Diagnostic/proposal preparation	151		151
1.2 Regional seminars/public debate	95		95
1.3 Information dissemination strategy	69		69
2.0 Information Network	1,930		1,930
2.1 Institutional framework	44		44
2.2 Physical installation/training	1,350		1,350
2.3 Philanthropic Initiatives	223		223
2.4 Interactive magazine (RETS)	110		110
2.5 Informational Inputs to Network	203		203
3.0 Promotion of Volunteerism	2,950		2,950
3.1 Coordination unit	568		568
3.2 Establishment of volunteer centers	1,440		1,440
3.3 Training	571		571
3.4 Promotional strategies	371		371
4.0 Promotion of Partnerships	190		190
4.1 Preparation of partnerships	70		70
4.2 Dissemination successful strategies	120		120
B. Social Marketing	<u>1,600</u>	<u>2,500</u>	<u>4,100</u>
1.1 Development of communications strategy	50		50
1.2 Implementation of strategy	600	2,500	3100
1.3 Production of materials	950		950
C. Program Administration/Evaluation	<u>1,015</u>	<u>200</u>	<u>1,215</u>
1.1 Program management unit	965	200	1,165
1.2 Ex-post evaluation	50		50
SUBTOTAL	8,000	2,700	10,700
D. Contingencies	300	---	300
TOTAL	8,300	2,700	11,000

Table III-2: Cost by Category (US\$000)

CATEGORY	IDB	LOCAL	TOTAL	%
1. Consulting Services	3,326		3,326	30
Firms	1,131		1,131	
Individuals	2,195		2,195	
2. Travel Expenses	865		865	8
Round-trip air fare	570		570	
Stipends	295		295	
3. Publications	1,570		1,570	14
4. General Support Services	709	200	909	8
Personnel	232		232	
Premises (space rental)	60	200	260	
Equipment/materials	290		290	
Communication	127		127	
5. Other	1,530	2,500	4,030	37
Network promotion	90		90	
Volunteer service centers 1/	1,440		1,440	
Television/radio programming		2,500	2,500	
SUBTOTAL	8,000	2,700	10,700	97
6. Contingencies	300		300	3
TOTAL	8,300	2,700	11,000	100

1/ Fund created to finance operational expenses, materials, consulting services, and equipment rental of each of the RVSCs to be created.

IV. PROGRAM ADMINISTRATION

A. Executing Agency

- 4.1 As mentioned in Chapter I, the *Comunidade Solidária* Program has no legal status. Therefore, as in the previous technical cooperation operation (ATN/SF-4902-BR), the Executing Agency would be the *Fundação Banco do Brasil*. Created in 1988, the FBB is a nonprofit organization, founded and sponsored (funded) by the Banco do Brasil S.A. To date, the FBB has supported over 20,000 projects, valued at R\$600 million. Projects supported by the FBB target low-income populations and are developed in areas such as culture, education, sports, social assistance, health, science and technology and community development. The FBB was selected given its experience in executing projects with both civil society and government, as well as its institutional and financial strengths.

B. Program Execution

- 4.2 It is expected that this operation would be executed within a period of three years (with a 42 month disbursement period to allow for approval of consultants' final reports). Program management, coordination, and administration, including reporting requirements and consultant selection, would lie with the Program Management Unit (PMU) which will be created specifically for that purpose. As such, this unit would exist only throughout the disbursement period of the operation. The PMU would be comprised of four full-time professionals, selected on the basis of merit and qualifications,

and would receive assistance from the CCS and administrative support from the FBB. (See Annex IV-1 for a description of the *Fundação Banco do Brasil* located in the Division's Technical Files.)

- 4.3 The PMU would report directly to an Advisory Council, comprised of members from the Council of *Comunidade Solidária* and the *Fundação Banco do Brasil*. The Advisory Council's functions include the approval of: substantial adjustments to Program activities including changes in any terms of reference for consulting services as well as the Annual Operative Plans (see below) and progress reports. Prior to the first disbursement of Program financing, the Executing Agency (EA), the FBB, must demonstrate, to the Bank's satisfaction, that the Program Management Unit as well as the Advisory Council have been properly established, and that the agreement between the FBB and *Comunidade Solidária* has been signed.
- 4.4 Annual Operative Plans (AOP) would be used to program yearly investments ^{5/}. Each Plan would include: (i) activities and results expected during the programmed period; (ii) final terms of reference for consulting services to be contracted; and (iii) technical specifications of any procurement for equipment/materials to be purchased under the Program. To that end, the Bank's standard operating procedures will be adhered to in the contracting of all goods and services. Given that Program resources would be provided in local currency only, international public bidding is not required. With the exception of the PMU (US\$1 million), the amounts of financing involved in the procurement of both goods and services fall within Bank limits. By way of example, only one consulting contract is valued over US\$150.000 (see table below).

**Table IV-1: Number and Amounts of Individual Consulting Services
(in US\$ 000)**

Number of Consultancies	Value of Each Consultancy	Subtotals
53	≤ 50	930
10	51 ≥ x ≤ 100	779
2	101 ≥ x ≤ 150	288
1	151 ≥ x ≤ 200	180

C. Program Monitoring and Reporting

- 4.5 The Executing Agency would be required to submit, together with each Annual Operative Plan, a progress report to the Bank which details the advance of the operation. The performance indicators which will be measured are listed in Annex IV-2 of this document. These reports will serve as background for a joint Bank and Executing Agency review to be held annually in order to assess the

^{5/} The Annual Operative Plan for Year 1 was submitted for the Bank's consideration and subsequently approved.

progress of the operation, and make necessary adjustments to the next AOP. To this end, a Review Commission will be formed by members of both the Program Management Unit and the Advisory Council referred to above, as well as Bank staff (members of the Project Team in the Representation and Headquarters). These reviews, in turn, would lay the foundation for an impact evaluation to be conducted approximately six months after the project is completed (see Chapter VI). A final report, summarizing Program implementation would be also submitted to the Bank within six months of terminating the execution period. On-going supervision would be provided by the Bank's Country Office in Brasilia.

- 4.6 In addition, an external auditing firm would be contracted with Program resources to conduct annual audits. Said reports would be presented to the Bank's Country Office.

V. RISKS, BENEFITS, AND PROGRAM SUSTAINABILITY

A. Risks

- 5.1 *Indifference or lack of ownership* by civil society could weaken the Program's effectiveness. Through increased public dialogue, dissemination of useful information through the Network, and concrete activities which demonstrate the Government's commitment to forging solid partnerships, this risk will be minimized.
- 5.2 In addition, the Program's *innovative nature and complexity* could present a considerable challenge to its managers, who must accommodate a variety of public and private sector concerns. To meet this challenge, adequate resources have been allocated to establish a highly-qualified Program Management Unit. This Unit will also benefit from technical and political support provided by the Council of *Comunidade Solidária* and the *Fundação Banco do Brasil*, through its Advisory Board.

B. Benefits

- 5.3 By *mobilizing civil society* and enhancing its dialogue with the State, the Program works towards cementing democratic reforms. The Program would enable a formal articulation of what civil society is and does, and would build the bridge between State and civil society. By empowering organizations of civil society, as agents of change, and champions of public debate and democratic principles, the Program would therefore help to consolidate the Government's strategy for social service delivery. Indeed, *Comunidade Solidária* supports the growing trend toward common goals in social policy and shared responsibility towards achieving these goals.
- 5.4 *Additionality of resources*. Serving as a catalyst, *Comunidade Solidária*, through its promotion of partnerships, helps to maximize the use of Bank funds by capturing additional resources from the

private sector. Moreover, through its support of volunteerism, it enhances the impact of its social programs, not only in terms of more hands working toward a common goal, but also, of program sustainability. By deepening the level of commitment within the community, *Comunidade Solidária* helps to ensure that successful programs are continued.

- 5.5 As defined in paragraphs 2.13 and 2.15 of the Eighth Replenishment document, this operation does not qualify for meeting the objective of increased social equity, nor does it qualify as a poverty-targeted investment. Nevertheless, given that the final beneficiaries of programs supported by *Comunidade Solidária* and by civil society organizations are among the poorest in Brazil, social equity and poverty alleviation goals are indeed furthered.

C. Program Sustainability

- 5.6 Unlike most other Bank-financed operations, the sustainability of Program-supported activities does not depend on additional and permanent funding from governmental sources, but rather from civil society organizations. This Program seeks to create an enabling environment for greater involvement with civil society. Indeed, *Comunidade Solidária's* recent experience with the pharmaceutical and automobile industries suggests a growing willingness on the part of both private and public sector organizations to enter into meaningful partnerships (see paragraph 3.13). The only two activities which would involve recurrent costs after Program completion are the Regional Volunteer Service Centers and the Information Network. Through a massive promotional and social marketing campaign, various training activities, and the phasing out of Bank resources, the Program works towards an immediate transfer of responsibility to local levels.

VI. EVALUATION

- 6.1 A final evaluation of the results and impact of this operation would be conducted approximately six months after final disbursement, estimated for June 1999. This evaluation would: (i) measure the degree to which the qualitative and quantitative targets, specified in Annex IV-2, have been met, and (ii) identify any constraints experienced during execution. Although Program resources would be utilized to develop the specific methodology to be used for the ex post evaluation, several general questions would be addressed:
- a. To what degree has a more enabling environment been created for greater participation by civil society in the formation and execution of social policy in Brazil?
 - b. Does the public at large understand and support the role of its civil society organizations?

- c. Is there a remaining agenda for change? Do bottlenecks still exist which impede greater participation by civil society?
- 6.2 The evaluation methodology would be submitted by the Executing Agency for Bank approval at the time of the presentation of the Annual Operative Plan for Year 2. The EA would then be required to contract the necessary consulting services in the final month of the disbursement period. Twelve consultant/months as well as the corresponding air fare, and per diem would be financed by Program resources for this activity.
- 6.3 As a final note, this evaluation would yield valuable lessons for the Region by documenting the evolution of *Comunidade Solidária* in creating a positive and dynamic government-civil society relationship.

CONCEPTUAL FRAMEWORK AND PROGRAM PERFORMANCE INDICATORS

g performance indicators or "benchmarks" have been identified in order to assist both the Bank and the Executing Agency in monitoring Program s
ll serve as a guide for the preparation of each subsequent annual operative plan as they will be measured against Program objectives and discussed in the an

TABLE 1: CONCEPTUAL FRAMEWORK

ALL PROGRAM OBJECTIVES	VERIFIABLE INDICATORS BY PROGRAM COMPLETION	MEANS OF VERIFICATION	ASSUMPTIONS
STRENGTHENING CIVIL SOCIETY			
High education and public dialogue, late changes in legal/regulatory environment	Presentation of consensual proposal to revise legal/regulatory framework	Proposed legislation and/or regulatory framework officially submitted to Legislative/Executive branches.	Consensus is reached among ty organizations regarding ch Legislative and Executive bra Federal Government able and examine proposal.
Develop national information network	Network fully operational nationwide	Inspection by Program Management Unit (PMU); number of subscriptions to Network	Organizations of civil society network's usefulness and sub
Develop national volunteer potential	Establish minimum core of trained volunteers; develop volunteer service centers	Data from Regional Volunteer Service Centers	Volunteer service continues to by organizations and society
Develop instrument to form lasting partnerships for both governments and civil society to maximize development impact of programs	Drawing on past experience, develop successful partnerships and strategies used to develop them	Number of agreements signed with private sector	Based on successful experience (ABIFARMA, Sul America S etc.) businesses continue to ap Comunidade Solidaria for cha grant resources.
PUBLIC MARKETING			
Improve understanding and promotion of Comunidade Solidaria's programs and activities, as well as of an expanded role of civil society organizations (CSOs)	Public opinion reflects understanding of and appreciation for programs and strategies supported by Comunidade Solidaria, as well as an expanded role of CSOs	Public poll by <i>Secretaria de Comunicação Social</i> , PMU; observation in media/public fora	

TABLE 2: MONITORING OF PROGRAM PERFORMANCE INDICATORS

COMPONENT	ACTIVITY	TOTAL UNITS	YEAR 1	YEAR 2
STRENGTHENING CIVIL SOCIETY				
<u>Legal and Regulatory Framework</u>				
Initiatives for Legal/Regulatory Framework	Development of proposed changes in legal/regulatory framework	1 position paper with changes for discussion	100 %	
Public Dialogue	Public dialogue/debate on proposed changes (consensus building)	5 seminars/1 national conference/related documentation	100 % (6)	
Information Dissemination Strategy	Design/implementation of information dissemination strategy	Meetings with representatives of executive/legislative branches	100 %	
<u>Information Network</u>				
National framework development; network planning	Development of institutional framework and network planning	1 proposal	100 %	
Establish Central Office (<i>Nucleo Central</i>)	Contracting personnel, purchase of equipment, development technical project	<i>Nucleo Central</i> operational	100 %	
Establish regional offices including training in use of network within civil society organizations	Establish regional centers/conduct training	6 regional bases fully operational/780 individuals trained	33 %/8 % 2/6	66 %/46 % 6/360
Philanthropic initiatives	Create inventory of annual philanthropic investments, annual promotion	1,150 projects identified	8 % (100)	26 % (300)
Electronic magazine for the Third Sector (RETS)	Preparation of home page covering issues such as fund-raising/financing opportunities, legal questions, general information, management training, use of volunteers, etc.	1 home page	75 %	100 %
Informational inputs to Network	Preparation of inventory of CSOs, governmental and private sector programs and financing agencies; research on special topics	<ul style="list-style-type: none"> - Inventory/federal programs - Inventory/state programs - Inventory/municipal prog. - Private sector projects - Financing agencies of CSOs - Directory of CSOs - Diagnosis studies 	50 % - - 100 6 2,000 3	70 % 2 states 2 mun. 300 8 10,000 3

TABLE 2: MONITORING OF PROGRAM PERFORMANCE INDICATORS

COMPONENT	ACTIVITY	TOTAL UNITS	YEAR 1	YEAR 2
<u>Initiation of Volunteerism</u>				
Coordination Unit	Establishment of Coordination Unit	Coordination Unit	100 %	
Volunteer Service Centers	Establishment of 10 Regional Volunteer Service Centers	10 Regional Volunteer Service Centers with equipment installed/operational	50 % (5)	50 % (5)
Training of volunteers/organizations	Conduct separate training seminars (for managers, organizations, volunteers, businesses)	24 seminars	25 % (6)	38 % (9)
Development of promotional strategies	Develop manuals for different target groups - youth, senior citizens, professionals) and conduct general promotion campaigns	9 manuals produced/distributed (3/each target group); 12 seminars	33 % (3/4)	33 % (3/4)
	Special recognition activities	8 events	20 % (2)	20 % (2)
<u>Initiation of Partnerships</u>				
Develop partnerships	Develop partnerships, as well as strategies to be replicated	10 partnerships and respective strategies	30 % (3)	40 % (4)
Disseminate experiences on successful strategies	Disseminate experiences	5 seminars		40 % (2)
COMMUNITY MARKETING				
Communication/ Social Marketing	Design/implementation of social marketing strategy	Strategy implemented with use of related materials (TV/radio spots, videos, literature, public events, etc)	33 %	33 %

PROPOSED RESOLUTION DE- /96

BRAZIL. NON REIMBURSABLE TECHNICAL COOPERATION FOR THE
COMUNIDADE SOLIDARIA PROGRAM

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is hereby authorized, in the name and on behalf of the Bank, to enter into such agreements with the Fundação Banco do Brasil and to adopt such other measures as may be necessary for the execution of the proposal referred to in Document_____ with respect to a loan for non reimbursable technical cooperation to support a Comunidade Solidaria Program.

2. That up to the equivalent of US\$8,300,000, in local currency, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.

3. That the above-mentioned sum is to be provided on a non-reimbursable basis.