

ECUADOR
INTEGRATED SYSTEM OF SOCIAL INDICATORS
SECOND PHASE

(TC-98-09-52-8-EC)

EXECUTIVE SUMMARY

BENEFICIARY: The Republic of Ecuador

EXECUTING AGENCY: The State Secretariat for Social Development (SEDS)

AMOUNT AND SOURCE: IDB: US\$1,000,000 (JSF)
Local counterpart contribution: US\$ 600,000
Total: US\$1,600,000

TERMS: Execution period: 24 months
Disbursement period: 30 months

OBJECTIVES: The main purpose of the project is to strengthen the central government's capability for analysis, design and implementation of social policies by strengthening, expanding and institutionalizing the Integrated System of Social Indicators (SIISE).

DESCRIPTION: The present project comprises the measures needed to support the country in its effort to establish a computerized system of social data that will be available for the use of public and private institutions working in the social sector. It would accomplish the stated purpose through the following three components:

1. Development and expansion of the social indicators database. In this component three groups of measures will be financed: (a) updating and expansion of the social indicators database; (b) development and updating of computer software for management of the database, and (c) studies, methodology development, and research services.
2. Improvement of social-statistics production by means of: (a) measures to strengthen quality control of basic statistics; (b) establishment of a library of primary databases; (c) the design and development of the first stage of a social monitoring survey for, among other purposes, the development of a mechanism for the award of

subsidies, and (d) commencement of the construction of a system of social accounts as part of the country's national accounts.

3. Training and dissemination. The project will promote the use of the above-mentioned data via mechanisms that make use of new electronic technologies for the widespread dissemination of information, and the training of human resources in the use of information in their occupational practice.

The project executing agency will be the State Secretariat for Social Development, through the UTS, a technical unit of the SIISE, which will be advised by the CIS, an interagency council of the SIISE.

**ROLE OF THE
PROJECT IN THE
BANK'S COUNTRY AND
SECTOR STRATEGY:**

The proposed project fits within the Bank's strategy for the country and sector in that it will endow the country with new and better tools for investment decisions especially in the social sector, a fundamental aspect of the effort to reduce poverty. In addition, optimization of the use of resources assigned to the social sector is a necessary condition for sustainable development over time.

**ENVIRONMENTAL AND
SOCIAL REVIEW:**

The characteristics of this operation are such that it has no negative impact on the environment.

BENEFITS:

The principal benefit accruing from the project would be that the social area of the Government of Ecuador would be supplied with an instrument needed for the framing of social policies to reduce poverty, promote greater social equity, and improve the allocation of social expenditures and the efficiency of social interventions.

RISKS:

Delay in launching the new institutional organization of the SEDS could impede consolidation of the SIISE. However, the government is taking the necessary steps to set up a technical agency that will support the work of planning, coordination and evaluation of the government social sector that would be expected of the SEDS. In particular, this technical agency will seek proper coordination between the SIISE and the other information-generating institutions, especially the National Statistics and Census Bureau, for the development of the system of indicators.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

Definition of the makeup and operating arrangements of the CIS (paragraph 4.1 of the plan of operations which follows), setup of the UTS and selection of its coordinator (paragraph 4.2) will be conditions

precedent to the first disbursement. In addition, the project will undergo a midterm review a year after the operation has been declared eligible (paragraph 4.7). Also, at the beneficiary's request, a revolving fund will be set up consisting of 20% of the contribution from the Japan Special Fund (paragraph 4.4).

**POVERTY-TARGETING
AND SOCIAL-SECTOR
CLASSIFICATION:** The project will improve the quality and timeliness of social information in Ecuador and provide an instrument for targeting social expenditures to the country's neediest.

**EXCEPTIONS TO BANK
POLICY:** None.

PROCUREMENT: The procurement of goods and services will conform to the Bank's standard procedures and to the agreement signed by the Bank with the Republic of Ecuador on September 15, 1992.

I. BACKGROUND

A. Macroeconomic situation

- 1.1 The Ecuadorian economy has continued to decline in 1998, having been severely buffeted by a natural shock in the form of El Niño and an external shock, the fall in the price of oil, in a political setting dominated by presidential and congressional elections. All these factors contributed to fiscal and balance-of-payments deficits that are projected at 7% and 8% of GDP, respectively. The economic policy of the previous administration did not respond adequately to the economic decline. Inflation continued to climb; when the new government took office, annual inflation had reached 34%. Last September 14, the Central Bank moved the exchange-rate band up 15%, with which devaluation of the sucre rose to 48% a year.
- 1.2 One of the priorities of the administration in office since August 10 is to restore economic stability by increasing fiscal revenues, restructuring the State and reducing its participation in State-owned enterprises, and targeting subsidies. It has already begun the process by doing away with general subsidies for consumption of gas, electricity and diesel oil, in compensation for which it is bringing in a system of monthly allowances of 100,000 sucres (equivalent to \$18.00) for poor mothers and 50,000 sucres (\$9.00) for the elderly. The net impact of these measures will be to reduce the fiscal deficit by 1.6% of GDP. The administration has opened talks with the International Monetary Fund and expects to come to an agreement with that agency not later than the first quarter of 1999.

B. Information on the social sector in Ecuador: stage 1 of the SIISE

- 1.3 Until recently, social information in Ecuador was scattered, discontinuous, incomplete, and of poor quality. There were no modern, reliable social indicators to guide the different sectors in program design and evaluation. On the whole, social statistics lagged greatly behind the economic ones which, in addition to being more reliable, have a stable institutional framework.
- 1.4 To fill this gap, the country and the Bank have created an Integrated System of Social Indicators (SIISE), using nonreimbursable technical cooperation (ATN/SF-5102-EC) at a cost of US\$735,000. In the SIISE the country has, for the first time, a coherent tool for social-sector information.
- 1.5 The objectives of the aforementioned operation were accomplished fully and in good time:
 - a. There has been created for the first time in the country an installed capacity to collect social statistics, unify their

concepts and methodological criteria, work them up and present them in a useful manner for social policy design, and integrate them into a comprehensive whole that permits detailed study of relations among the different social variables.

- b. A large database has been set up with about 300 social indicators, managed by user-friendly software, on the themes of population, economic development, poverty, employment, education, health and nutrition, housing and urban development, public social expenditure, the environment, and women and gender differences.
 - c. A start has been made on compiling and improving the primary databases that feed the system (national censuses and surveys).
 - d. An inventory has been taken of social projects under way in social sector agencies in 1997, to assess their implementation.
 - e. Implementation of the SIISE was begun with a user training program (300 persons in 20 agencies) and distribution of the database to the pertinent agency units (see Annex 2 in the technical files).
- 1.6 The SIISE has generated a strong demand in the public sector, academia, NGOs, and the private sector. Recently the SIISE has come into wide use for social policy analysis and studies. Examples of this are two volumes published on Poverty and Human Capital in Ecuador, a study by UNICEF and the National Women's Directorate (DINAMU) on gender inequities in education and employment in Ecuador, studies by the Natura Foundation toward the building of a system of environmental indicators, and analyses by the SIISE's own staff, collected in the series *Estudios de Coyuntura*, on inequalities in gas and electricity subsidies, the quality of education, and the impact of El Niño on the health of Ecuadorians. However, to make the system a permanent information and analytical tool, an additional effort is needed to consolidate and institutionalize it. It needs to be given technical resources, an organizational framework, and rules and standards to ensure its continuity, autonomy, and technical caliber.
- 1.7 The improvement of social-sector information and consolidation of the SIISE are priorities of the new Government of Ecuador in the social sector as key tools for: (a) improving the efficiency of social programs, (b) targeting public subsidies to the neediest, and (c) designing a multisectoral, integrated approach to government interventions in the social sector that will ensure coordinated use of public resources.
- 1.8 In addition, the new Ecuadorian government is engaged in a reorganization of the public sector as a whole and of the social public sector in particular. To ensure the requisite coordination among ministries and national agencies working in the social

sectors, the new administration has created a State Secretariat for Social Development (SEDS), headed by the Minister of Education and bringing together the ministries in the social area: the Ministry of Education, the Ministry of Public Health, the Ministry of Labor and Human Resources, and the Ministry of Social Welfare. This secretariat will be in charge of devising social policy and programs and of their monitoring and evaluation. It will have a technical staff with instruments for policy analysis, goal-setting and resource allocation, and policy and program monitoring and evaluation. The SIISE will be an integral component of the SEDS technical corps.

C. The Bank's strategy and rationale for its participation

- 1.9 The Bank's strategy for operations with Ecuador has three basic aims: (a) help in the establishment of conditions conducive to strong, stable growth, (b) contribute to a permanent reduction of poverty, and (c) promote the efficient use of natural resources and preservation of the environment.
- 1.10 The proposed project fits in with these purposes in that it will endow the country with new and better tools for investment decisions, especially in the social sector, a primary focus of poverty-reduction efforts. In addition, optimization of the use of resources assigned to the social sector is a necessary condition for sustainable development over time.

II. OBJECTIVES

- 2.1 The project's primary objective is to bolster the central government's capability for social policy analysis, design, and implementation by strengthening, expanding, and institutionalizing the Integrated System of Social Indicators (SIISE), in order to foster the use of such indicators in social-sector practice. The following are the actions planned to this end:
 - a. Consolidation of the country's current installed capacity for the construction of social indicators, improvement of national statistics production, and the supply of quality information on the social sector.
 - b. Participation in the improvement of social-statistics production by designing a new general survey on the social sector and a system of social accounts.
 - c. Promoting introduction of the SIISE into the practice of social development agencies by training development agents and publicizing its outputs.

- d. Erection of an institutional framework to give the system long-term stability as part of the National Statistics System.

III. PROJECT DESCRIPTION

- 3.1 The proposed project comprises the measures needed to support Ecuador in its effort to institute a computerized system of social data that will be available to public and private institutions working in the social sector.

A. Components

- 3.2 To accomplish the stated purpose the project has been structured into three components: (a) development and expansion of the social indicators database, (b) improvement of social-statistics production, and (c) training of users and implementation of the system.

- 1. Development and expansion of the social indicators database
(US\$512,000)

- 3.3 In this component three groups of measures will be financed: (a) updating and expansion of the social indicators database; (b) development and updating of computer software for management of the database, and (c) studies, methodology development, and research services.

a. Updating and expansion of the social indicators database

- 3.4 This component will finance measures for: (a) completion of the time series of national indicators, with particular attention to those required for social policy analysis and evaluation; (b) timely incorporation of new information sources as they come into being in the country; (c) inclusion of two new thematic subsystems to respond to user demands and the demand for information for monitoring the social development plan; and (d) inclusion of contextual and reference information for use of the indicators.
- 3.5 The SIISE will consolidate the following subsystems developed to date: (a) the system of indicators on the situation of women and gender differences (SIMUJERES), in collaboration with the National Women's Council; (b) the system of indicators on children and adolescents (SINIÑEZ), in collaboration with the National Institute of the Child and the Family (INNFA), and (c) the system of food security and vulnerability indicators and mapping (SICIVA).
- 3.6 In addition, the SIISE will continue to promote agreements for the development of subsystems on themes of education, health,

indigenous groups and blacks, population dynamics, mother and child health, the environment, housing and urban development, social infrastructure, rural development, and social investment.

b. Development of the database management software

- 3.7 The project will provide greater capacity and mechanisms for the production and updating of the software developed for the management of the database. The additional functions built into the software will include a help system and documentation on methods, basic statistical analysis procedures, and construction of statistical charts and maps. A version of the system will be produced and distributed annually and the electronic network version will be updated continually.

c. Demonstration studies and methodology development

- 3.8 This includes demonstration studies to disseminate the system information and convey the usefulness of the social indicators for policy analysis. The analyses will include: (a) two annual reports (one a year) on the living conditions of Ecuadorians and social development gains, and (b) six studies or brief reports on specific situations in the country's social development.
- 3.9 A further priority of the project will be to publicize tools for use of the SIISE in specific policy contexts. To do this the project envisages: (a) a paper on methods for calculating welfare indicators that go beyond a categorization of what is and is not poverty or vulnerability (for example, scales of welfare and typologies of social situations); (b) a paper on social investment targeting methods which uses methods of mapping or georeferencing of indicators, and (c) a paper on methods for developing local social-indicator systems. A system for technical support to SIISE users will also be put into place.

2. Improvement of social-statistics production (US\$720,000)

- 3.10 This component will have two objectives: (a) provide ready access to databases built up from the statistical research and systems that feed into the SIISE, and (b) help improve the relevance and quality of basic statistics, the methodological rigor of their processing and the consistency of their results. The principal activities in this component will be as follows:

a. Quality control mechanisms

- 3.11 The project will strengthen the mechanisms for quality control and methodology development required so that measurements produced by the SIISE will have the requisite reliability. These mechanisms will include: (a) a detailed review of definitions of the variables of the basic statistics, methods for gathering them, and their coverage, and (b) a comparison of estimates of the same

variable or indicator derived from different information sources. Technical notes and reports will be written on the consistency of its indicators, with recommendations for improving processes for the gathering of primary data and their electronic processing, and methodology suggestions for their use in indicator calculation. The project will also participate in arrangements established by the National Statistics System (SEN) for consultation on the methods, content and scope of its surveys and research.

b. Library of primary databases

- 3.12 In collaboration with the agencies that produce social statistics, a library of primary databases will be set up to document, hold, and disseminate the findings of research and inventories compiled by the SEN. This library or documentation center will be equipped to publicize the databases using diskettes, compact disks and the Internet, in standard formats that can be readily analyzed by users. It will also include a capability for the preparation of subsets or samples to meet specific needs.

c. Periodic survey of social development

- 3.13 Ecuador has no periodic nationwide survey, representative at the provincial and cantonal levels, to adequately monitor changes in social conditions and provide a foundation for constructing a technical guide to target subsidies to Ecuador's poorest.
- 3.14 To fill this gap, the project will design and develop the first stage of a periodic social-development monitoring survey similar to the CASEN surveys of Chile and Colombia, to put out reliable current data on education, health, housing, employment, income and poverty. This work will be contracted out after a call for offers from public and private institutions. The first survey, to cover about 30,000 homes, will make it possible to establish technical procedures that would be followed more routinely in the future.
- 3.15 The survey will pursue the following purposes: (a) it will lay the groundwork for the production of baseline data to be used in a system to periodically assess the welfare of Ecuadorians and gains on the social front; (b) it will construct situational indicators and targets for the immediate definition of a social-intervention agenda for the medium term; (c) it will construct more accurate maps of social vulnerability and basic needs, and (d) it will make it possible to arrive at an index of welfare measured on a scale from 0 to 100 similar to the one used in Chile's CAS and SISBEN in Colombia; this index will be the starting point for construction of a transparent technical subsidy-allocation mechanism.

d. Development of a system of social accounts

- 3.16 A start will be made on the construction of a System of Social Accounts (SCS). The purpose of the SCS will be to interweave

economic statistics produced by the Central Bank of Ecuador (BCE) and the National Statistics and Census Bureau (INEC) with SIISE social indicators. The object is to give coherence to the variety of information sources, among them the national accounts, surveys of households and living conditions, financial statistics, the input-output matrix, and social indicators. The SCS will be conceived as an analytical tool for examining the relationship between the structure and operation of the economy and the welfare of the populace. The methodological design will then be transferred and implemented in the agencies which put out basic statistics.

- 3.17 The design of the SCS will be based on United Nations System guidelines and on the national accounts compiled by the BCE. The proposal will focus on: (a) criteria for opening the BCE's national accounts to bring in variables on income distribution and living conditions, and (b) construction of satellite tables of social indicators (employment, social profile of the population, nutrition, health, environmental accounts, and accounts of the distribution of public social expenditure).

3. Training and dissemination (US\$131,000)

- 3.18 The project will promote the use of the above-described information via mechanisms that employ new electronic technologies for widespread dissemination of data, and the training of human resources in the use of the information in their occupational practice. The principal actions proposed will be:

a. Training of SIISE users

- 3.19 The program will take the form of: (a) workshop courses about the SIISE and its uses; (b) refresher and follow-up workshops for personnel trained previously; (c) courses in specific analytical skills and strategies such as index construction, targeting techniques, statistical mapping, etc., and (d) distance instruction using mechanisms for electronic dissemination of the system. The project envisages the training of at least 200 social-sector professionals a year. In addition, refresher courses will be conducted for university teachers in social-information issues.

b. Communication and dissemination

- 3.20 The information that the SIISE will generate will be embodied in the following products: (a) a social indicators database, to be published on magnetic media and made available on the Internet; (b) a collection of primary and secondary databases for specific uses (on magnetic media); (c) studies and analytical reports; (d) reports, working papers, manuals and methodology guides, and (e) bulletins and public information materials.

- 3.21 The main activities for dissemination of these products will include: (a) distribution of 1,000 copies of the database and its software (diskettes and CD-ROM, together with manuals); (b) installation and on-site training in 50 agencies; (c) establishment of a dissemination service on the Internet that will give on-line access to the complete database; (d) printed publications containing the demonstration studies and manuals of instructions and methods, and a bimonthly bulletin; (e) setting up a user network to manage relations with frequent users through association or membership arrangements; (f) publicizing of the SIISE and its products in the press, and (g) promotion of and incentives for social research, in the form of two scientific symposia and eight research internships.

IV. IMPLEMENTATION

A. Institutional framework

- 4.1 The State Secretariat for Social Development (SEDS), headed by the Minister of Education and Culture, will be the executing agency for the project. To implement the system in the social sector, an Interagency Council of the SIISE (CIS) will be set up, consisting of representatives of the leading users and agencies associated with the SIISE. Among these member institutions will be INEC, social-sector agencies, CONAM, NGOs, and social-research institutions. The CIS will meet periodically to evaluate SIISE accomplishments and make recommendations to the SEDS on how to improve the system and ensure that it is fully responsive to the demands for information. Before the first disbursement the SEDS is to define the makeup and operating arrangements of the CIS.
- 4.2 Technical coordination of the project will be entrusted to the SIISE Technical Unit (UTS). This unit will be headed by a technical coordinator and consist of a team of five professionals; it will also have administrative and secretarial support personnel. The UTS must ensure the continuity of the installed capacity from the first stage of the SIISE. The duties of the coordinator, who will report to the Secretary of State for Social Development, will include general supervision of the project's activities and of its administration and finances. UTS staff will be assisted as needed by local and international consultants. Annex 3 in the technical files describes human resources requirements and terms of reference of each post.
- 4.3 The SEDS will ensure that the UTS is brought into its organizational and functional structure and has the resources to operate as part of this new State Secretariat. To ensure the permanence of the SIISE, the Ecuadorian government has pledged to continue the system when the technical assistance comes to an end.

- 4.4 At the request of the executing agency, the Bank will set up a revolving fund of 20% of the contribution from the Japan Special Fund.

B. Procurement

- 4.5 The procurement of goods and services will conform to the Bank's standard procedures and to the agreement signed by the Bank with the Republic of Ecuador on September 15, 1992.

C. Monitoring and evaluation

- 4.6 The UTS will present quarterly status reports on the project's activities, progress made, problems encountered, deviations from the original work plan, and the plan of activities for the next period.
- 4.7 In addition to the technical monitoring missions for the project, one year after the operation has been declared eligible a midterm review mission will be carried out to assess progress against the goals outlined in paragraph 4.13. The mission will also determine any adjustments needed to see that the project's objectives are attained. As an input to this review the SEDS will present a status report on the consolidation and institutionalization of the system within the country's social apparatus.
- 4.8 The SEDS will present financial statements each year and at the end of the project, in compliance with the Bank's requirements. These reports must have been certified by independent auditors selected by mutual agreement between the Bank and the SEDS.
- 4.9 At the end of the project, the UTS will prepare a final report describing its outcomes, which must be presented to the Bank for approval within 30 days following completion of the project activities.

D. Cost and sources of financing

- 4.10 The total cost of the project will be US\$1,600,000. The Japan Special Fund will finance US\$1 million (62.5%) on a nonreimbursable basis. The Government of Ecuador will furnish the counterpart contribution of US\$600,000 (37.5%). The project will last two years. The table that follows breaks down the budget by project component, item of expenditure, and source of financing. A more itemized budget may be found in Annex 4 in the technical files.

CONSOLIDATED BUDGET BY COMPONENT (thousands of U.S. dollars)				
BUDGET ITEM	IDB (JSF)	Govt.	Total	%
<u>Program administration</u>	-	86.4	86.4	5.4
1. Consulting services	-	43.2	43.2	
2. General support and services	-	43.2	43.2	
<u>Development of indicators database</u>	422.3	90.0	512.3	32.0
1. Consulting services	318.5	90.0	408.5	
2. Equipment	30.0	-	30.0	
3. Supplies	16.0	-	16.0	
4. General support and services	7.8	-	7.8	
5. Publications	50.0	-	50.0	
<u>Improvement of social statistics</u>	487.7	232.5	720.2	45.0
1. Consulting services	378.7	232.5	611.2	
2. Equipment	28.0	-	28.0	
3. Supplies	81.0	-	81.0	
<u>Training and dissemination</u>	-	131.1	131.1	8.2
1. Consulting services	-	113.5	113.5	
2. Supplies	-	4.8	4.8	
3. Training	-	12.8	12.8	
SUBTOTAL	910.0	540.0	1,450.0	
1. External audit	-	10.0	10.0	0.6
2. Contingency	90.0	50.0	140.0	8.8
GRAND TOTAL	1,000.0	600.0	1,600.0	100.0

4.11 The technical assistance resources will finance chiefly the costs of developing new SIISE activities and products. These costs will include: (a) UTS salaries (exclusive of support staff) in the first year of project implementation; (b) the cost of local and international consultants, including per diems and transportation; (c) computer hardware and software; (d) training events and dissemination; (e) setup of a library of primary databases, and (f) about 50% of the cost of the new social-development monitoring survey.

4.12 The local counterpart contribution will be provided in resources obligated by the Government of Ecuador and approved in its yearly budget. It will be used chiefly to cover ongoing administration and operation costs of the system: (a) UTS salaries in the second year of operation of the project; (b) wages of support personnel; (c) materials and supplies, and (d) about 50% of the cost of the new social-development monitoring survey. The government also will

provide the office space and services needed to run the project (not part of the budget).

E. Timetable

- 4.13 The project will be implemented over an interval of two years; funds will be disbursed over two and a half years. It will be carried through in two one-year phases. The focus in the first year will be expansion of SIISE activities. At the end of the first year the project will have: (a) published an expanded and updated version of the social-indicators database (on magnetic media and the Internet); (b) expanded the functions of the database management software (statistical functions, charts and maps); (c) consolidated mechanisms for operation of the associated SIMUJERES and SINIÑEZ systems; (d) published the social report for 1999; (e) put into operation the primary database documentation center or library under agreement with the agencies concerned; (f) drawn up a proposal for design of a System of Social Accounts (SCS); (g) designed, administered, and analyzed the social monitoring survey (conducted not later than the first half of 1999); (h) set up a user network; (i) delivered an intensive program of user training and system implementation in central and local government agencies and private development organizations, and (j) made itself widely known to all its potential user segments and generated adequate demand through its publications, extension work and research and technical assistance services.
- 4.14 In the second year the project will concentrate on: (a) defining the SIISE's role in the SEN and its coordination with INEC and other agencies that put out basic statistics; (b) publication of an additional version of the database of social indicators (refined, updated and thematically broadened; to include the findings of the new rounds of the living-conditions survey, the national agricultural census, etc.); (c) defining an analytical model for the social development report and publication of the second report in the series; (d) extending the training program to universities; (e) developing and publicizing instruments to support social-program targeting; (f) expanding the user network to bring in local governments and government agencies and academic establishments operating in the provinces; (g) designing a strategy for development and implementation of the SCS; (h) transferring the methodology experience of the social monitoring survey and devising mechanisms for its continuation, and (i) transferring responsibility for the updating of indicators to the statistics-producing agencies associated with the SIISE.

F. Sustainability

- 4.15 To ensure the sustainability of the SIISE after the technical cooperation had ended, the present government has undertaken to build the UTS into the organic and functional structure of the SEDS and to guarantee resources for its operation. The institutional

and budgetary arrangements needed to ensure the permanence of the SIISE will be one of the areas looked at by the mission for the midterm review of the project.

V. BENEFITS AND RISKS

A. Benefits

- 5.1 As its primary benefit, the project will equip the Ecuadorian government's social area with a tool needed to frame social policies for poverty reduction, promotion of greater social equity, and improvement of social-expenditure allocation and of the efficiency of social interventions. In addition, the State Secretariat for Social Development will have the information it needs to periodically assess the well-being of the Ecuadorian people and the impact of social policies, as well as Ecuador's international commitments in matters of social advancement.
- 5.2 Through the SIISE, the research and development communities will have – for the first time in the country – standing access to the large, growing, and currently underutilized stock of social statistics. The SIISE will significantly stimulate the demand for and use of social information. Its incorporation into the National Statistics System and the execution of agreements between the SEDS and agencies that use and produce information for the creation of subsystems of indicators will avert duplication of efforts and aid in the effective implementation and continuity of the system in the country's social sector.
- 5.3 Participation in the SIISE and the use of its information by the academic community, NGOs, the media, and other civil society organizations will make for the democratization of social information.

B. Risks

- 5.4 A delay in starting the institutional organization of the SEDS could impede consolidation of the SIISE. However, the government is taking the necessary steps to set up a technical agency to support the SEDS's work of planning, coordination, and evaluation of the government social sector. In particular, this technical agency will endeavor to provide effective coordination between the SIISE and the other data-generating agencies, especially INEC, to effectively develop the system of indicators. These improvements are part of a broader reform of the State that seeks to redefine the planning role and establish budgeting mechanisms that will enhance the productivity and efficiency of public expenditure. In this new context the role of the SIISE will become even more important.

Logical framework of the project

DIAGNOSIS	THE PROJECT	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>AND SOCIAL</p> <p>For deficiencies persist coverage, timeliness, and use of social is also a great need abilities for devising a medium- and long-range that will be coherent sive and for e impact of social welfare of the</p> <p>System of Social (SIISE), developed with IDB financial F-5102-EC) created, in the country, an y to assemble social their methodological them and present useful for the design s, and integrate them affording easy, wide</p> <p>continue and extend services and ontributions and e of its indicators in practice of the social</p>	<p>OBJECTIVE</p> <p>To support the reform of the Ecuadorian public social sector and its capacity for social policy analysis, design, and implementation by consolidating, expanding and institutionalizing the Integrated System of Social Indicators (SIISE).</p>	<p>INSTITUTIONAL FRAMEWORK</p> <ul style="list-style-type: none"> — Institutionalization of the SIISE as part of the SEDS organization and functions. — Incorporation of the SIISE into the National Statistics System. — Establishment of the CIS with its own operating rules and procedures. — Establishment of the UTS: permanence and reorganization of the unit. — Agreements with INEC and agencies which produce and use information; agreements for the operation of subsystems of indicators (CONAMU, INNFA, Ministries of Education and Health, Central Bank, CONAM, CEPAR, etc.). 	<ul style="list-style-type: none"> — Ministerial decrees, agreements and instruments, duly signed/executed. — UTS quarterly status reports. — CIS midterm evaluation report. 	<ul style="list-style-type: none"> — Government co to: (a) allocate resources for th and (b) have IN generate prima good time. — Commitment of that use and pr information to j participate in S initiatives.

AGNOSIS	THE PROJECT	INDICATORS	MEANS OF VERIFICATION	ASSUMPT
<p>ONS</p> <p>istent, reliable, disaggregated data on ions of the</p> <p>sensus among the social situation as ments of living</p> <p>f social statistics in evaluation of social nd policies in the oth the public and the ental sector.</p> <p>ative social research and development</p>	<p>PURPOSES OF THE PROJECT</p> <p>The second phase of SIISE development will: (i) consolidate present installed capacity for construction of social indicators, performance of studies of social development and provide technical assistance and research services; (ii) improve social-statistics production by designing new research projects and a system of social accounts; (iii) help build the SIISE into social-development agency practice through training of development agents and dissemination of its information products; and (iv) set up an institutional framework that will give long-term stability to the system as part of the new State Secretariat for Social Development and of the National Statistics System.</p>	<p>SIISE FINAL PRODUCTS</p> <p>SIISE will become a technical tool providing three information products for support of social policy decision-making and design, improving allocation of public expenditure, and promoting efficiency in social policy management.</p> <ol style="list-style-type: none"> 1. A database of social indicators thematically integrated and updated at suitable intervals — the SIISE now in development. 2. An annual report on living conditions of Ecuadorians and gains in social development. 3. A library of specialized social databases of the National Statistics System to supply the SIISE and provide research services. <p>SIISE also will participate in the development of a System of Social Accounts that will integrate economic and social statistics.</p>	<ul style="list-style-type: none"> — UTS quarterly status reports. — Midterm evaluation report prepared by UTS and IDB. — Reports of IDB technical missions. — Final evaluation report. 	<ul style="list-style-type: none"> — Government co support future and institutional SIISE and its pr — Commitment of that produce ba to develop their and operating to take over the SIISE database — Stability of pres capacity of SIIS associated sub its sponsoring — Government inv current and nev economic rese National Statist

DIAGNOSIS	THE PROJECT	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>PROBLEMS</p> <p>Access to social statistics Difficulties in distribution of</p> <p>Capabilities of Producing social for routine of requisite quality</p>	<p>ACTIVITIES</p> <p>1. Consolidation of SIISE and its database of social indicators:</p> <p>a. Expansion and updating of social indicator database constructed in first phase.</p> <p>b. Continuing development of database management software.</p> <p>c. Quality control mechanisms.</p> <p>d. Studies, methodology development, and research services.</p> <p>2. Improvement of national statistics production:</p> <p>a. Library of social databases.</p> <p>b. Design of social development monitoring survey.</p> <p>c. Proposal for system of social accounts.</p>	<p>EXPECTED OUTCOMES (of different activities)</p> <p>1.1 A new version (each year) of the indicator database duly validated, updated and expanded, and of its management software, with their respective manuals.</p> <p>1.2 A report on the social situation in the country, and at least three short reports (per year).</p> <p>1.3 Methodology papers on: (a) indicators of social vulnerability for social policy design, and (b) uses of SIISE in targeting social programs.</p> <p>1.4 A statistical mapping module built into the SIISE software (at end of project).</p> <p>2.1 A survey to monitor social development nationwide with its own database, analysis of results, methodology and logistical recommendations for continuing it.</p> <p>2.2 A library of the main SEN primary databases built into the SIISE, duly refined and in standard format, and offering services to users (established in first year and expanded in subsequent years).</p> <p>2.3 Transfer of responsibility for updating social indicators derived from SEN to basic statistics-producing institutions.</p> <p>2.4 Methodology proposal for development of a system of social accounts and plan for its execution.</p>	<p>— Project documents and quarterly progress and evaluation reports.</p> <p>— Reports and analytical and methodology papers (in manuscript and published form).</p> <p>— Agreements for establishment and updating of subsystems of indicators with specialized institutions.</p> <p>— Reports on and evaluation of training activities.</p> <p>— Computer hardware and network.</p> <p>— Database published on magnetic media and in print form.</p> <p>— Publications (on magnetic media, Internet, printed).</p> <p>— Database and analytical reports on pilot survey.</p> <p>— Web page and interface for use of database on Internet.</p>	<p>— Continuity of operation for improvement of data for SIISE.</p> <p>— Continuity of operational and conceptual framework established by far.</p> <p>— Continuity of qualified personnel in external agency.</p> <p>— Professional capacity of local and international consultants.</p> <p>— Effective mechanisms for dealings and communication.</p> <p>— Sufficient demand for training.</p> <p>— Adequate quality and relevance of SIISE for users and continued demand for information supplied.</p>

DIAGNOSIS	THE PROJECT	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>agency coordination statistics production and sequent duplication of thematic gaps in primary data.</p> <p>er knowledge of application of social to design, monitor and cial policies.</p>	<p>3. Training and dissemination:</p> <ul style="list-style-type: none"> a. Training for SIISE users. b. Support to university education. c. Publicizing of SIISE information products. 	<p>3.1 At least 200 professionals in social sector (central government, local governments, NGOs and universities) trained each year.</p> <p>3.2 Program for university liaison with SIISE distribution mechanism; design of prototype curricula and at least one refresher course for university teachers.</p> <p>3.3 Publication and distribution of one version (per year) of SIISE, its software and manuals on diskettes; ongoing updating of Internet version accessible on SEDS and SIISE web pages.</p> <p>3.4 Publication of annual series of reports on social development in Ecuador (one a year); a bimonthly information bulletin, and at least three workbooks a year.</p> <p>3.5 A system for agency and individual membership in SIISE (user network); a directory of users; an electronic bulletin board (set up in first year; in operation in subsequent years).</p>		

PROPOSED RESOLUTION

ECUADOR. NON-REIMBURSABLE TECHNICAL COOPERATION FOR SUPPORT TO THE INTEGRATED SYSTEM FOR SOCIAL INDICATORS IN ECUADOR - SECOND PHASE

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the Japan Special Fund established pursuant to the letter agreement dated April 26, 1988 between the Government of Japan and the Bank, to enter into such agreements as may be necessary and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document AT-_____, with respect to a nonreimbursable technical cooperation to support the integrated system for social indicators in Ecuador - second phase.
2. That up to the sum of US\$1,000,000 is authorized for the purposes of this resolution, chargeable to the resources of the Japan Special Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.