Because use of the UN Handbook is optional, and because its greatest value can be derived through implementation in the largest possible number of countries, the UNSD authorized the Johns Hopkins Center for Civil Society Studies to launch a global dissemination, technical assistance, and implementation campaign to ensure effective implementation and create a mechanism to assemble and report the results.

In the process we joined forces with the UNV, Eurostat, and the Economic Commissions for Latin America and the Caribbean, Africa, and Asia to host regional meetings bringing together statistical officials and civil society leaders in Brussels (2004), Buenos Aires (2004), Nairobi (2005), and Bangkok (2005), and followed these meetings with regional technical trainings for statistical offices in Buenos Aires (2005), Maputo (2006), Rabat (2006), and Bangkok (2006).
SEMINAR ON THE SATELLITE ACCOUNTS FOR THE SOCIAL ECONOMY
Brussels, 23 April 2004 – Background and Programme

BACKGROUND

The European Commission with co-operation from the Johns Hopkins Center for Civil Society Studies (USA) and the Center for Social Economy of University of Liège (Belgium) is organising a Seminar on the Satellite Accounts for the Social Economy. This seminar will take place in Brussels on 23 April 2004 at Centre Albert Borchette (room 0B), Rue Froissart 36, 1040, Brussels.

This seminar will aim at encouraging the Member States, Acceding and Candidate countries in the establishment of satellite accounts for the collection and processing of statistical data on the social economy sector (i.e. co-operatives, mutuals, associations and foundations).

In 2002 the UN Statistical Commission approved a Handbook of Non-profit Institutions in the System of National Accounts which calls on national statistical offices throughout the world to create a special satellite account for non-profit institutions (NPIs) as part of their regular national accounts as a means of collecting and processing statistical data in respect of NPIs. Several EU Member States (e.g. Italy, Belgium) have piloted the establishment of satellite accounts which have proved to produce useful and reliable data.

To expand this process to other EU countries, the Enterprise Directorate General is organising a seminar which will be devoted to these issues:

• raising visibility and understanding of a satellite account approach,
• presenting the first results of the implementation of satellite accounts for NPIs,
• exchanging information and experience between countries,
• launching a discussion on moving towards full ‘social economy’ satellite accounts.

This meeting will bring together representatives from statistical offices and research institutes from the Member States, Acceding and Candidate countries as well as the European representative organisations of the social economy sector.

Please contact Ms Girma Anuskeviciute (Tel: +322-2958667, E-mail: girma.anuskeviciute@cec.eu.int) should you require any further information.
PROGRAMME

08h30  Registration
09h00  Welcome and Introduction
        Mr Albrecht Mulfinger
        European Commission - DG Enterprise – Head of Unit B/3
        Mrs Marie-Hélène Gillig
        President of the Intergroup on Social Economy, European Parliament
        Mr William Andrianasolo
        United Nations Volunteers Programme
09h30  Introduction to the satellite account approach
        Mrs Sybille Mertens
        Center for Social Economy, University of Liege (BE)
10h00  Presentation of the Handbook on Non-Profit Institutions in the System of National Accounts
        Mr Lester M. Salamon
        Director, Center for Civil Society Studies, Johns Hopkins University (USA)
11h00  Coffee break
11h15  Establishment of the satellite accounts at European level
        Mr Brian Newson
        European Commission – Eurostat – Head of Unit B/1
11h30  Development of a methodology on the ‘social economy‘ satellite accounts
        Mrs Sybille Mertens
        Center for Social Economy, University of Liège (BE)
11h45  Open discussion
12h15  End of the morning session
12h15  Lunch break
14h15  State of play of statistical data on non-profit institutions in the Member States
        Mr Andrew T. Green
        Center for Civil Society Studies, Johns Hopkins University (USA)
14h45  Open discussion
15h00  European countries experiences with the satellite accounts for non-profit institutions
        Italy
        Mrs Stefania Cuicchio
        ISTAT
        Mr Giovanni Cerulli
        IUAV - University of Venice
Belgium
Mrs Béatrice Thiry/ Mr Bertrand Jadoul
National Bank of Belgium

France
Mr Philippe Kaminski
INSEE

UK
Mr Les Hems
Institute for Philanthropy / GuideStar UK

16h15 Coffee break
16h30 Non-European countries experiences with the satellite accounts for non-profit institutions

Canada
Mrs Catherine Bertrand
System of National Accounts, Statistics Canada

Israel
Mr Aharon Blekh
Central Bureau of Statistics

17h10 Open discussion
17h45 Concluding remarks

Mr Lester M. Salamon
Director, Center for Civil Society Studies, Johns Hopkins University (USA)

Mrs Sybille Mertens
Center for Social Economy, University of Liège (BE)

Mr Albrecht Mulfinger
European Commission - DG Enterprise – Head of Unit B/3

18h00 End of the Seminar

Simultaneous interpretation will be available for five languages:
French, German, English, Italian and Spanish.
October 2004

Dear Workshop Participant:

On behalf of the Johns Hopkins Center for Civil Society Studies, the Economic Commission for Latin America and the Caribbean (CEPAL), and Argentina’s Center for the Study of State and Society (CEDES) I am writing to thank you for your participation in the workshop on the United Nations *Handbook on Nonprofit Institutions in the System of National Accounts* held in Buenos Aires on September 27-28, 2004, and to follow up on this session.

Much progress was made during this two-day workshop. Thirty-seven representatives from eleven countries in Latin America were in attendance. Each country sent a representative from its National Accounts department, and other participants included civil society leaders and researchers from many of the region’s countries (See attached list of participants).

**Workshop Highlights**

Among the highlights of the Workshop were these:

- Bernardo Kosacof, Director of CEPAL (Buenos Aires); Daniel Arroyo, Director (OR MINISTER) of Argentina’s Social Ministry; Denise Kipman of the United Nations Volunteers Program; and Fernando Cerro, Director of National Accounts in Argentina, all welcomed the participants and expressed their enthusiasm for the idea of improving the basic data available on the civil society sector and volunteering in Latin America;

- I had the opportunity to outline the rationale for this *Handbook* and the basic steps required to implement it. As you will remember, I pointed out that the nonprofit sector now employs more people than many sizable industries, such as finance and construction, in countries throughout the world, that these organizations have attracted increased policy attention and exhibit distinctive features that justify examining them separately, and that the new U.N. *Handbook on Nonprofit Institutions* has identified an internationally approved, workable way to generate more reliable and comprehensive data on them within the context of the System of National Accounts, using a “nonprofit institutions” satellite account. I reported that eleven countries, none of them in Latin America, have already begun implementing this *Handbook*, raising the possibility that Latin America will be left out of this global effort to capture the nonprofit sector and philanthropy in regular national statistics unless action is taken soon.

- Catherine von Rampaey of Statistics Canada described the steps that Statistics Canada has just completed to produce the first-ever satellite account on the nonprofit sector for that country and the considerable interest that has been shown in the resulting data, both by government and by the civil society sector.
Statistics officials from the different countries reported on the status of nonprofit data in their own statistical systems. What became clear in these accounts is that many of the region’s countries have already made considerable headway on a number of the tasks that the implementation of the new NPI Handbook will require. This includes, particularly, identifying nonprofit institutions in the basic business registries and identifying ways to pull data on these institutions out of national accounts data sources.

Civil society representatives in attendance expressed strong support for the implementation of the U.N. *Handbook on Nonprofit Institutions* as a way to boost the credibility and legitimacy of this set of institutions and urged the statistical office representatives to move in this direction;

A very fruitful discussion took place about some of the technical features of the *Handbook*, such as its recommendation to estimate the volunteer effort that civil society organizations mobilize and to capture the “non-market output” of nonprofit institutions assigned to the corporate sector under SNA 1993 sectoring rules. These discussions usefully put to rest some of the concerns that statistical office personnel raised about the *Handbook* and provided further detail on how those involved in drafting the *Handbook* responded to the concerns.

Based on the workshop discussions, a number of countries indicated an intention to move head toward adoption and implementation of this *Handbook* in their countries. These included Argentina, Brazil, Mexico, Peru, and possibly Uruguay. Several other countries also committed to looking favorably on the possibility of *Handbook* implementation, though on a longer time horizon.

**Next Steps**

A number of follow-up steps were discussed both in the workshop sessions and in the individual country discussions that followed. These included the following:

- Keep in touch. Let us know what you think the status of U.N. *Handbook* implementation in your country is and, where possible, what your sense of a timetable for implementation might be.

- Complete the questionnaire. If you have not done so already, please complete the questionnaire we distributed in advance of the workshop so that we can determine your country’s specific needs regarding the implementation of the *NPI Handbook*.

- Provide a letter of commitment. Once a decision is made to move forward with the implementation of the *NPI Handbook* whether in whole or in part, please provide us a letter of commitment from the responsible authorities indicating this decision. These letters will be important in demonstrating to potential funding sources that statistical agencies or national banks are ready to undertake this work. A sample letter of commitment is attached to this email and can also be found in your workshop packet.

- Estimate local costs. Where external funds are likely to be needed in order to proceed with the initial implementation of the *Handbook*, please provide us your best estimate of the funding that will be needed. Also indicate whether it would be helpful to recruit a volunteer statistician under the United Nations Volunteers program to provide technical assistance in this process. As you may recall, UNV volunteers are paid a stipend during their period of service. In order to secure external funds we will need to assure funders that statistical
offices will maintain the satellite accounts on some kind of regular basis once they are put in place. A letter to this effect would therefore need to accompany the budget estimate.

- Memorandum of Agreement and Implementation Plan. Once a decision is made to go forward and any needed resources are identified, we will circulate a Memorandum of Understanding identifying our mutual understandings about our respective responsibilities and expectations. Among other things, we will hope to receive regular reports on your progress, to provide technical assistance, to convene regular working sessions among the implementers from different countries, and to review the results prior to publication in order to promote consistency among the different countries. We will also encourage you to establish an Advisory Committee that includes representatives of the civil society sector and research community in your country to oversee the implementation process. Finally, we will ask you to designate a lead contact for this work.

I feel very optimistic about the prospects for bringing Latin America into the process of implementing the new U.N. *Handbook on Nonprofit Institutions* as a result of our workshop and I look forward eagerly to hearing from you and working with you on this effort.

Yours truly,

Lester M. Salamon
Director
Center for Civil Society Studies
Estimados participantes:

Tengo el agrado de dirigirme a Uds. en nombre de la Johns Hopkins Center for Civil Society Studies, de la Comisión Económica para América Latina y el Caribe (CEPAL) de las Naciones Unidas y del Centro de Estudios de Estado y Sociedad (CEDES) para agradecerles su participación en el taller sobre el nuevo Manual de Cuentas Satélites de las Instituciones Sin Fines de Lucro en el marco del Sistema de Cuentas Nacionales que tuvo lugar en Buenos Aires el 27-28 de septiembre de este año, y para hacer un seguimiento de dicha reunión.

En esos dos días de taller se realizaron grandes avances. Se contó con la participación de once países de América Latina. Cada país envió un representante del área de Cuentas Nacionales y entre los participantes hubo líderes del sector de la sociedad civil e investigadores de varios países de la región (ver lista de participantes).

Aspectos destacados del taller:

- Bernardo Kosacoff, Director de la Oficina en Buenos Aires de la CEPAL; Daniel Arroyo, Secretario de Políticas Sociales y Desarrollo Humano; Dense Kipman, del United Nations Volunteers Program y Fernando Cerro, Director de Cuentas Nacionales de Argentina, dieron la bienvenida a los participantes y expresaron su entusiasmo ante la idea de mejorar la información básica disponible sobre el sector de sociedad civil y voluntariado en América Latina.

- Tuve la oportunidad de detallar los conceptos fundamentales de este Manual y los pasos básicos necesarios para implementarlo. Como Uds. recordarán, mencioné que, en muchos países del mundo, el sector sin fines de lucro da empleo en este momento a más personas que muchos sectores económicos de tamaño considerable, como el financiero o el sector de la construcción; que dichas instituciones están suscitando un interés político cada vez mayor; y que muestran características distintivas que justifican su estudio en forma separada; y que el nuevo Manual ha identificado una manera aprobada internacionalmente para generar información más confiable y amplia sobre estas instituciones dentro del contexto del Sistema de Cuentas Nacionales utilizando una cuenta satélite para “instituciones sin fines de lucro”. Informé que en once países -ninguno de ellos, latinoamericano- ya se está poniendo en práctica este Manual, aumentando las posibilidades de que América Latina quede fuera de este esfuerzo global por capturar el sector sin fines de lucro y la filantropía en las estadísticas nacionales regulares a menos que se tome rápidamente alguna acción en ese sentido.

- Catherine von Rampaey del área de Estadísticas de Canadá, describió los pasos que dicha área acaba de dar para crear la primera cuenta satélite del sector sin fines de lucro del país y el considerable interés demostrado en los datos resultantes tanto de parte del gobierno como del sector de la sociedad civil.

- Los funcionarios del área de estadística de los distintos países informaron sobre el estado de los datos del sector sin fines de lucro en sus propios sistemas de estadística. De estos informes se desprendió que muchos países de la región ya han avanzado en muchas de las tareas necesarias para la implementación del nuevo Manual. Esto incluye, especialmente, identificar las instituciones sin fines...
de lucro en los registros comerciales básicos e identificar la manera de extraer información sobre dichas instituciones de las fuentes de datos de las cuentas nacionales.

- Los representantes de la sociedad civil expresaron su total apoyo a la implementación del nuevo Manual como una manera de aumentar la credibilidad y la legitimidad de este tipo de instituciones y urgieron a los representantes de las oficinas de estadísticas a que se muevan en esa dirección.

- Tuvo lugar un debate muy fructífero acerca de los aspectos técnicos del Manual, como su recomendación de estimar el trabajo voluntario que movilizan las organizaciones de la sociedad civil y capturar la “producción de no mercado” de las instituciones sin fines de lucro asignada al resto de los sectores institucionales (privado financiero y no financiero, hogares y gobierno) según las normas del SCN 1993. Estas discusiones disiparon algunas preocupaciones que tenían los funcionarios de estadísticas respecto al Manual y brindaron más detalles sobre las respuestas de los encargados de diseñar el Manual a ese tipo de inquietudes.


Próximos pasos

En el taller y en las reuniones por país se discutieron los pasos a seguir, a saber:

- **Permanecer en contacto.** Háganos saber su opinión acerca del estado de implementación del Manual en su país y, de ser posible, su sensación sobre cuál va a ser el calendario de implementación.

- **Completar el cuestionario.** Si no lo ha hecho ya, por favor complete el cuestionario que se distribuyó con anterioridad al Taller de manera que podamos determinar las necesidades específicas de su país respecto a la implementación del Manual.

- **Firmar una carta de compromiso.** Una vez tomada la decisión de seguir adelante con la implementación del Manual tanto parcial como totalmente, por favor envíenos una carta de compromiso firmada por las autoridades responsables expresando esta decisión. Estas cartas son importantes para demostrarle a las posibles fuentes de financiamiento que las oficinas de estadística y los bancos nacionales están listos para emprender la tarea. Se adjunta a este e-mail un ejemplo de carta de compromiso (que también se entregó con el paquete del Taller).

- **Estimar los costos locales.** Cuando sea probable que se necesiten fondos externos para iniciar la implementación del Manual, por favor envíenos un presupuesto estimado del financiamiento que se necesitará. También debería indicar si les resultaría útil contratar a un estadístico voluntario del United Nations Volunteers Program que brinde asistencia técnica en este proceso. Como recordará, dichos voluntarios cobran un estipendio durante su periodo de servicio. Para poder contar con los fondos externos, debemos asegurar al donante que las oficinas de estadística van a mantener sus cuentas satélites periódicamente una vez que las hayan implementado. Una carta haciendo mención a esto debería acompañar al presupuesto estimado.

- **Memorando de Acuerdo y Plan de Implementación.** Una vez que se ha tomado la decisión de seguir adelante y se han identificado las necesidades de recursos, circularemos el Memorando de Acuerdo en el que se identifica el mutuo entendimiento acerca de las responsabilidades y expectativas. Entre otras cosas, esperamos recibir informes de progresos periódicos, brindar asistencia técnica, combinar reuniones de trabajo entre los responsables de la implementación del Manual en distintos países, y revisar los resultados antes de su publicación de manera de fomentar la consistencia entre los países. Los alentaremos también a formar un Comité de Asesoramiento que incluye representantes del sector de la sociedad civil y de la comunidad académica de su país para supervisar
el proceso de implementación. Por último le pediremos que designe un contacto responsable para este trabajo.

Veo con optimismo la perspectiva de que América Latina comience a implementar el nuevo Manual de Naciones Unidas acerca de las cuentas satélites de las ISFL como resultado de nuestro taller y quedo a la espera de noticias suyas para poder trabajar juntos en este programa.

Sinceramente,

[Signature]

Lester M. Salamon
Director
Center for Civil Society Studies

The purpose of the Workshop was to introduce participants to the new United Nations Handbook on Nonprofit Institutions in the System of National Accounts and to encourage additional African countries to adopt it. Among the highlights of the Workshop were these:

I. Welcome and Introductions

Delegates were welcomed to the session by three dignitaries:

- Mr. Andrew Kilele, Director of Kenya’s Central Bureau of Statistics, welcomed the delegates on behalf of the Government of Kenya. He observed that Kenya has long been eager to bring the civil society sector more fully into its economic statistics and sees the new UN NPI Handbook as an effective way to do so;

- Mr. Paul André de la Porte, UNDP Resident Coordinator for Kenya welcomed the delegates on behalf of UNDP and indicated UNDP’s strong commitment to encouraging the implementation of the NPI Handbook as part of its “harmonization” initiative;

- Mr. Andrý Andriantseheno coordinator of statistics programs at the U.N. Economic Commission for Africa indicated ECA’s particular interest in encouraging the implementation of the NPI Handbook in Africa.

II. Overview

Dr. Lester Salamon, Director of the Johns Hopkins Center for Civil Society Studies, which had the lead, in cooperation with the United Nations Statistics Division, in developing the NPI Handbook, outlined the basic rationale for this Handbook and the key steps required to implement it. Among other things, Dr. Salamon pointed out that:

- The nonprofit sector now employs more people than many sizable industries, such as finance and construction, in countries throughout the world, including those in Africa;
Because of their growing scale and importance, these organizations are attracting increased attention from policymakers, international development organizations, and others;

Despite this, systematic empirical information about these organizations remains sketchy at best. This is due in important part to the way these institutions are treated in the System of National Accounts, which guides economic statistics throughout the world. Under the “sectoring rules” in the latest version of the SNA (SNA 1993), nonprofit institutions are allocated among five different sectors (the corporate financial sector, the corporate non-financial sector, the government sector, the household sector, and the nonprofit institutions serving households sector) based largely on their source of income. The practical result of this is that most important nonprofit institutions disappear into these other sectors in basic economic statistics;

To remedy this, the new *NPI Handbook*, which was approved by the United Nations Statistical Commission, calls on national statistical offices to produce a regular “satellite account” on nonprofit institutions within the overall structure of SNA;

As part of this process also, the *NPI Handbook* proposes to capture the value of volunteer work contributed to and through nonprofit institutions;

Fifteen countries (Argentina, Australia, Belgium, Brazil, Canada, the Czech Republic, France, Israel, Italy, Kenya, Kyrgyzstan, Morocco, New Zealand, Peru, and the United States) have already committed themselves to implement this Handbook, and six of them have already produced an initial version of the NPI satellite account it calls for.

### III. UNV/UNDP Partnership

William Andrianasolo of the United Nations Volunteers explained the importance that UNV attaches to generating solid data on the extent and value of volunteer work in countries throughout the world and described the partnership UNV has consequently entered into with the Johns Hopkins Center for Civil Society Studies to support the implementation of the *NPI Handbook* in nine developing countries. Under this partnership:

- UNV country Program Officers will assist in encouraging countries to adopt the *NPI Handbook*;
- UNV will recruit and pay for volunteer statisticians who will be made available to national statistical agencies to assist with the work of implementing the *NPI Handbook*;
- UNV will provide financial assistance to the Johns Hopkins Center for technical and other assistance with the implementation effort;
- The Johns Hopkins Center will assist in the generation of data on volunteering as part of the NPI satellite account process.

### IV. Handbook Implementation Experience in France and Belgium

Professor Edith Archambault of the Sorbonne described the process successfully employed by the Central Bank of Belgium in producing the first-ever satellite account on the nonprofit sector in Belgium and compared this to the process now being employed in France to produce a similar satellite account there. In Belgium, the satellite account revealed that the nonprofit sector is actually six times larger than previously recognized.
V. Nonprofit Institution Data in Africa

Statistical officials from the different countries in attendance then reported on the status of nonprofit data in their own statistical systems. What became clear in these accounts is that many of the region’s statistical offices have already made considerable headway on a number steps required for NPI Handbook implementation. For example:

- Egypt maintains statistical records on several major types of nonprofit institutions, such as sporting clubs, social care, social services, and cultural centers.
- Morocco has recently updated its business registry, with particular emphasis on including a broader array of nonprofit institutions;
- South Africa is in the process computerizing annual information forms filed by some 30,000 nonprofit organizations;
- Mali has recently undertaken a census of nonprofit institutions in cooperation with the Italian statistical agency, which is also implementing the UN NPI Handbook.

Civil society representatives in attendance endorsed these steps and expressed strong support for the implementation of the NPI Handbook as a way to boost the credibility and legitimacy of this set of institutions. They urged their respective statistical office representatives to push for such implementation in their countries.

VI. Technical Matters

Johns Hopkins personnel then moderated a fruitful discussion of some of the technical matters covered in the Handbook and fielded queries from the various statistical office representatives. Among the topics discussed were these:

- The Handbook’s definition of nonprofit institutions and its applicability in Africa. This definition focuses on the underlying structural or operational features of nonprofit institutions—they are organizations that are private, not profit-distributing, self-governing, and non-compulsory.
- The classification of nonprofit institutions that the Handbook proposes. This classification builds on the International Standard Industrial Classification (ISIC) but elaborates on it in many of the areas where nonprofit institutions operate;
- Methods for measuring the amount of volunteer effort and for valuing this effort. The Handbook contains a recommended survey module and proposes a “replacement cost” valuation approach;
- The procedure for estimating the “non-market output” of “market NPIs” (i.e. those NPIs currently allocated to the market sector under the prevailing SNA sectoring rules.

These discussions usefully put to rest some of the questions that statistical office personnel raised about the Handbook and provided further detail on how those involved in drafting the Handbook had responded to those concerns.
VII. Next Steps

Based on the workshop discussions, a number of countries indicated an intention to move head toward adoption and implementation of this *Handbook* in their countries. These included Kenya, Mali, Mozambique, Morocco, South Africa, and Tanzania. Several other countries also committed to looking favorably on the possibility of *Handbook* implementation, though on a longer time horizon.

To move the process forward, delegates agreed to take a number of steps:

- **Keep JHU informed** about the status of *NPI Handbook* implementation in their respective countries;

- If not already submitted, **complete the questionnaire** distributed in advance of the workshop, to help determine the status of existing data on nonprofit institutions in the country;

- **Send a letter of commitment** to JHU from the responsible authorities once a decision is made to move forward with the implementation of the *NPI Handbook*. A sample commitment letter was provided to all delegates and is attached to this report;

- **Contact the local UNV office** if it is determined that a UN volunteer statistician would be helpful in the implementation of the NPI Handbook. A list of contact points is attached to this report;

- **Estimate other local costs.** Where external support beyond that available through the provision of a volunteer statistician may be needed to implement the *Handbook*, provide us your best estimate of the funding that will be needed and any suggestions you have about where to raise these funds. We are likely to have some limited funds available for this purpose but would need to go jointly to outside funders for significant amounts.

- **Memorandum of Agreement.** Once a decision is made to go forward, we would hope to sign a Memorandum of Understanding identifying our mutual understandings about our respective responsibilities and roles. A draft of such a Memorandum is attached to this report;

- **Identify responsible official and prepare workplan.**

*For more information on the NPI Handbook, please contact the Center for Civil Society Studies at Johns Hopkins University. Email: UNHandbook@jhu.edu*
The Johns Hopkins Center for Civil Society Studies (JHU/CCSS), the Economic and Social Commission for Asia and the Pacific (UNESCAP), and the United Nations Volunteers (UNV) co-hosted a workshop on the United Nations Handbook on Nonprofit Institutions in the System of National Accounts at the United Nations Conference Center in Bangkok, Thailand, on September 22-23, 2005 with support from the Sasakawa Peace Foundation. Attending the session were thirty-six delegates representing national accounts statistics offices and civil society organizations from fourteen Asia-Pacific countries (Australia, Bangladesh, China, Hong Kong; China, India, Japan, Kyrgyzstan, New Zealand, Pakistan, Philippines, Republic of Korea, Singapore, Thailand, and Vietnam) plus the Islamic Republic of Iran. Other participants included representatives from the Statistical Institute for Asia and the Pacific (SIAP), the Sasakawa Peace Foundation, and the co-organizers of the event. (See attached list of participants).

The purpose of the Workshop was to introduce participants to the new United Nations Handbook on Nonprofit Institutions in the System of National Accounts and to encourage additional Asia Pacific countries to adopt it. Among the highlights of the Workshop were these:

I. Welcome and Introductions

In welcoming delegates to the session:

• Mr. Ilpo Survo, Officer-in-Charge, Ad Interim, of UNESCAP’s Statistics Division, wholeheartedly endorsed the idea of improving the basic data available on the civil society sector and volunteering in Asia. He reminded participants that nonprofit institutions play a vital role in Asian economies that will come into much better focus once the satellite accounts called for in the NPI Handbook are created. He therefore urged participants that: "It is now time to implement the United Nations Handbook on Nonprofit Institutions in Asia" and noted how pleased he was to see the high level of participation in this workshop, which indicated the interest that exists in this topic in the region.

• Mr. Akinori Seki, Executive Director of the Sasakawa Peace Foundation in Japan, acknowledged the “enormously fruitful role” of the Johns Hopkins Comparative Nonprofit Sector Project (CNP) in demonstrating the importance of the civil society sector in Asia, and emphasized the Sasakawa Peace Foundation’s view that the NPI Handbook represents the next step in this process. He praised the recent decision of the Economic and Social Research Institute within Japan’s Cabinet Office, which has responsibility for national accounts work in Japan, to implement the NPI Handbook and encouraged other countries to join this effort in Asia;

• Robert Leigh, Senior Policy Specialist with the United Nations Volunteers Program, indicated UNV’s strong interest in the NPI Handbook because of its promise to generate, on a systematic basis, statistical data on volunteering at the country level and thus facilitate the drawing up of policies and programmes to support and promote
volunteerism as an important contributor to achieving the Millennium Development Goals. In recognition of this, UNV has entered into a partnership with JHU to promote the implementation of the *NPI Handbook* in 9 countries. Under this partnership, UNV has committed financial support to the JHU implementation effort, agreed to recruit UN Volunteer statisticians to work with national statistical agencies on the implementation effort, and make its country Program Officers available to help generate support for the implementation effort.

**II. Overview**

Dr. Lester Salamon, Director of the Johns Hopkins Center for Civil Society Studies, which had the lead, in cooperation with the United Nations Statistics Division, in developing the *NPI Handbook*, then outlined the basic rationale for this *Handbook* and the key steps required to implement it. Among other things, Dr. Salamon pointed out that:

- The nonprofit sector now employs more people than many sizable industries, such as finance and construction, in countries throughout the world, including many in Asia;
- Because of their growing scale and importance, these organizations are attracting increased attention from policymakers, international development organizations, the media, and others;
- Despite this, systematic empirical information about these organizations remains sketchy at best. This is due in important part to the way these institutions are treated in the System of National Accounts, which guides economic statistics throughout the world. Under the “sectoring rules” in the latest version of SNA (SNA 1993), nonprofit institutions are allocated among five different sectors (corporate financial, corporate non-financial, government, household, and nonprofit institutions serving households) based largely on their source of income. The practical result is that most important nonprofit institutions disappear into these other sectors in basic economic statistics;
- To remedy this, the new *NPI Handbook*, which was approved by the United Nations Statistics Commission in its March 2002 session, calls on national accounts statistical offices to produce a regular “satellite account” on nonprofit institutions within the overall structure of the SNA;
- As part of this process also, the *NPI Handbook* calls on countries to capture the value of volunteer work contributed to and through nonprofit institutions;
- Dr. Salamon reported that nineteen countries (Argentina, Australia, Belgium, Brazil, Canada, the Czech Republic, France, Israel, Italy, Japan, Kenya, Kyrgyzstan, Morocco, New Zealand, the Philippines, Peru, Slovakia, South Africa, and the United States), have already committed themselves to implement this Handbook, and six of them have already produced an initial version of the NPI satellite account it calls for.
• Reports from countries that have implemented the *NPI Handbook* show that the nonprofit sector in these countries is actually much larger than previously understood under the prevailing 1993 SNA system. For example, in Canada the nonprofit sector accounts for 8.6 percent of the GDP, of which volunteers alone account for 1.7 percent, which is more than Canada’s agriculture sector. In the Netherlands, a pilot test of the *NPI Handbook* revealed that nonprofit institutions account for 13 percent of the country’s total value added.

• The results from countries that have implemented the *NPI Handbook* also illustrate that implementing the *NPI Handbook* is a manageable task that countries can achieve with a reasonable amount of effort.

**III. NPI Handbook Implementation Experience in Australia and Japan**

Delegates then heard presentations from representatives of two Asia-Pacific countries that have made considerable headway in implementing the *NPI Handbook*—Australia and Japan.

**Australia.** Mr. Tony Johnson, Director of the National Accounts Research Section at the Australian Bureau of Statistics (ABS), reported that ABS recognized the need to do a better job of capturing the nonprofit sector in national accounts some time ago, had been involved in the original Johns Hopkins Comparative Nonprofit Sector Project research in Australia, and later agreed to serve as a pilot test country for the *NPI Handbook*. Based on this experience, the Australian Bureau of Statistics was one of the first to produce a satellite account on NPIs as recommended in the *NPI Handbook*. This experience revealed the following:

• Most countries very likely already have a substantial amount of data on nonprofit institutions that can be tapped to complete a satellite account on them. ABS was able to take advantage of many existing surveys and data sources in creating its satellite account. This made the completion of the satellite account far easier than might have been expected;

• Early results from the satellite account revealed that NPIs account for a larger share of Australia’s GDP than the mining, government, agriculture and communications sectors, as well as three of Australia’s states;

• The replacement cost method for valuing volunteer labor recommended in the *NPI Handbook* is workable. ABS measured volunteer labor using the replacement-cost method and a weighted average hourly wage;

• ABS’ decision to implement the *NPI Handbook* was influenced by the encouragement it received from civil society leaders and researchers. Civil society leaders should take note of this and make sure to play an active role in the *NPI Handbook* project in their countries to help convince statistics agencies to adopt the *Handbook*, to monitor its progress, and to disseminate and utilize its results;
Some tough borderline issues will likely arise in the implementation of the *Handbook*. These include the placement of some institutions on the border between the NPI sector and government, such as the hospitals in Australia. This makes the kind of implementation coordination process organized by the Johns Hopkins Center for Civil Society Studies important in order to facilitate communication among the implementing organizations.

**Japan.** Dr. Naoto Yamauchi, Professor at the International School of Public Policy at Osaka University, outlined the process by which Japan came to adopt the *NPI Handbook* in July 2005. Dr. Yamauchi participated in the Johns Hopkins CNP Project and stimulated subsequent interest in the *Handbook* in Japan. With support from the Sasakawa Peace Foundation, a Working Group involving the Japanese Cabinet Office and leading researchers was then established to assess the applicability of the *NPI Handbook* to Japanese circumstances. This Working Group generally concluded that the *NPI Handbook* could usefully be implemented in Japan and made considerable headway in demonstrating how this could be done. Using official government statistics, participants in the Working Group, including Dr. Yamauchi, were able to complete initial estimates showing that:

- NPIs have been growing steadily as a percentage of GDP in Japan and now account for over 5 percent of total GDP;
- The NPI growth rate has remained positive even in times of economic slowdown such as the early part of this century, when GDP growth rates have been negative;
- The value added of NPIs has been a consistently strong 60 percent in the field of healthcare, 21 percent in education, and 18 percent in other fields over the last 13 years.

Following the issuance of the Working Group report, Japan’s Economic and Social Research Institute within the Cabinet Office agreed to launch an official implementation of the *NPI Handbook* and engaged a private research institute to help with the effort.

**IV. Nonprofit Institution Data Elsewhere in Asia and the Pacific**

Statistics officials from the other countries in attendance then reported on the availability of data and the prospects for *NPI Handbook* implementation in their own national accounts statistical systems. What became clear in these accounts is that many of the region’s national accounts offices have already made considerable headway on a number of steps required for *NPI Handbook* implementation. For example:

- Bangladesh did an Economic Census in 2001/2002, but has lacked an up-to-date list of NPIs. However, a pilot study of NPIs was completed in 1996/7 that documented the existence of approximately 200,000 NPIs, though the number is probably much higher in reality. The Director-General of Bangladesh’s NGO Affairs Bureau indicated that Bangladesh is a “world power of NGOs” with enormous nonprofit institutions such as BRAC. He indicated that lists of NPIs can be collected from relevant agencies in the
country, and he endorsed the idea of developing better economic statistics on this range of organizations.

- China has made excellent headway in forming collaborative relationships among researchers, civil society organizations, and government to explore the possible implementation of the *NPI Handbook* in China. The National Bureau of Statistics is in the process of implementing 1993 SNA and the Ministry of Civil Affairs now regularly collects information forms on some 250,000 registered NPIs. There is great interest in the country in developing better data on nonprofit institutions and it is likely that a Working Group similar to that used in Japan will be formed to examine the applicability of the *NPI Handbook* concepts to China.

- The head of national accounts in India reported that India is in the process of creating a business register with support from the World Bank. This provides an opportunity to identify and flag NPIs. An economic census was completed this year that contains a screening question on ownership of economic units, and this could be used to help identify NPIs. In addition, the national statistical agency is completing a pilot study of NPISH. Given the importance of NPIs in the development of India, generating the kind of data the *NPI Handbook* is calling for could be highly useful. Confirming this, a representative of the Indian Planning Ministry called the *NPI Handbook* “a very, very important process” for India.

- According to representatives from Korea, the Bank of Korea should be able to create a satellite account on major components of the NPI sector from existing data sources. These include tax records and registration data.

- A representative of the New Zealand Ministry of Social Affairs reported that work is well under way on an NPI satellite account as part of a broader inquiry into the nonprofit sector in New Zealand within the framework of the Johns Hopkins Comparative Nonprofit Sector Project. The Statistics New Zealand representative reported that initial satellite account results are expected in March 2007, and that a more complete version with updated data from new surveys will be ready in 2008. The Statistics New Zealand representatives also presented an innovative decision tree has been developed to facilitate the application of the *NPI Handbook*’s definition of NPIs;

- Considerable progress was also reported on developing data on nonprofit organizations in Pakistan. Thus, the Federal Bureau of Statistics conducted a study of NPIs in 2002 and a survey of NPIs is planned for 2005/6. The major obstacle to further progress at this point, however, is financial.

- The Philippines has committed to implementing the *NPI Handbook*, and expects to work in close cooperation with civil society organizations, researchers and the UNV. A UN Volunteer statistician has already been retained, and the idea was so popular that several other volunteers have joined up to help;
Thailand officials indicated that the Statistics Office does a survey of NPIs every five years. To date, however, it has focused its attention on NPISH.

Vietnam recently completed a special study of NPIs using national accounts data developed with help from the Asia Development Bank.

Civil society representatives in attendance endorsed these steps and expressed strong support for the implementation of the NPI Handbook as a way to boost the credibility and legitimacy of this set of institutions. They urged their respective statistical office representatives to push for such implementation in their countries.

The overall sense of the meeting was thus that implementation of the NPI Handbook is both necessary and feasible. While important issues of priorities remain to be settled, there was clear evidence of solid capability to make progress on creating NPI satellite accounts in many of the countries represented.

V. Technical Matters

Johns Hopkins personnel then moderated a fruitful discussion about some of the technical matters covered in the Handbook and fielded queries from the various participants. Among the topics discussed were these:

- **Defining NPIs.** The Handbook’s definition of nonprofit institutions and its applicability in Asia. This definition focuses on the underlying structural or operational features of nonprofit institutions. NPIs are organizations that are private, not profit-distributing, self-governing, and non-compulsory. An important clarification was made that neither the source of funds, nor the existence of profit alone, affects this definition.

  Several participants indicated that the NPI Handbook definition was workable in the Asian context, though some important borderline cases will have to be considered.

- **Classifying NPIs.** The International Classification of Nonprofit Organizations (ICNPO) that the NPI Handbook proposes builds on the International Standard Industrial Classification (ISIC) but elaborates on it in many of the areas where nonprofit institutions operate but where ISIC does not provide enough detail. To help statistical offices translate data from ISIC to ICNPO, JHU has developed a concordance table and a data reporting form (The Data Master). JHU will make this available to participating countries.

- **Measuring volunteering.** The NPI Handbook contains a recommended survey module to gather data from households about the time they spend on volunteering and proposes a “replacement cost” valuation approach that allows statisticians to calculate the full-time equivalent estimate of volunteer hours. This method has been successfully applied already in several countries, including Australia, Japan, Canada, and Belgium.
• **Non-market output of market NPIs.** Because “market NPIs” often have considerable output that is not sold in the market, their output is under-valued in basic SNA. To correct for this problem, the *Handbook* recommends making an adjustment. This involves valuing the output of market NPIs at the cost of production rather than at the value of sales revenue in those cases where the production cost exceeds the value of sales.

These discussions usefully clarified some of the technical aspects of *Handbook* implementation.

**VI. Next Steps**

Based on the workshop discussions, a number of countries indicated an intention to move ahead toward the adoption and implementation of this *Handbook* in their countries. Other countries committed to looking favorably on the possibility of *Handbook* implementation, though on a longer time horizon.

To move the process forward, delegates and organizers agreed to take a number of steps:

- JHU agreed to **produce a summary of the meeting**;
- JHU and UNESCAP agreed to **circulate a letter officially inviting statistics authorities to adopt the *Handbook* and initiate work** on the NPI satellite account;
- **Workshop participants agreed to keep JHU and ESCAP informed** about the status of NPI *Handbook* implementation efforts in their respective countries and to send JHU a **letter of commitment** from the responsible authorities once a decision to proceed with a satellite account is made. A sample letter was provided to all delegates.

Other recommendations from JHU included the following:

- **Contact the local UNV office** if it is determined that a UN volunteer statistician would be helpful in the implementation of the *NPI Handbook*.
- **Estimate local costs.** Where external support beyond that available through the provision of a volunteer statistician may be needed to implement the *Handbook*, provide JHU with a best estimate of the funding that will be needed and any suggestions about where to raise these funds. JHU is likely to have some limited funds available for this purpose but would need to go jointly to outside donors for significant amounts;
- **Review the Memorandum of Agreement.** Once a decision is made to go forward, JHU would hope to sign a Memorandum of Agreement with the responsible office identifying a mutual understanding about each other’s respective responsibilities and roles. A draft of such a Memorandum is attached to this report; and
- **Identify responsible official and prepare workplan.** Once a decision is made to proceed with the *Handbook* implementation, the responsible office should identify who
the responsible official is with whom JHU should communicate and begin the task of preparing a detailed workplan.

This report, the meeting agenda, and the list of participants will be available on the JHU website. Please visit www.jhu.edu/ccss/unhandbook.

For more information on the NPI Handbook, please contact the Center for Civil Society Studies at Johns Hopkins University. Email: UNHandbook@jhu.edu
United Nations Handbook on Nonprofit Institutions
Latin America Implementers’ Meeting

May 12-13, 2005
Buenos Aires, Argentina

The Johns Hopkins Center for Civil Society Studies (JHU/CCSS), the Economic Commission for Latin America and the Caribbean (ECLAC), and the Center for the Study of State and Society (CEDES) co-hosted a training workshop for Latin American implementers of the United Nations Handbook on Nonprofit Institutions in the System of National Accounts in Buenos Aires, Argentina, on May 12-13, 2005. Five Latin American countries each sent a representative from their National Accounts or Statistics department, and other participants included representatives from ECLAC, CEDES, JHU/CCSS, and Statistics Canada (see attached participants list).

Among the highlights of the Workshop were these:

- Mario Roitter of CEDES and Daniel Gropper of ECLAC welcomed the participants to the Workshop on behalf of their respective organizations.

- Lester Salamon of JHU/CCSS highlighted the importance of the meeting, saying that this workshop signaled the formal beginning of the NPI Handbook implementation process in Latin America. Dr. Salamon outlined the rationale for this NPI Handbook and the basic steps required to implement it. He pointed out the growing importance of the nonprofit sector to the economies of countries throughout the world and its growing role in shaping public policy. He also pointed out that nonprofit organizations exhibit distinctive features that justify examining them separately, and that the new NPI Handbook on Nonprofit Institutions has identified an internationally approved, workable way to generate more reliable and comprehensive data on them within the context of the System of National Accounts, using a nonprofit institutions “satellite account.” Dr. Salamon reported that fifteen countries, three of which are in Latin America (Argentina, Brazil, and Peru), have committed to implementing the NPI Handbook and Argentina and Brazil have already begun work to do so. He emphasized that he is hopeful Mexico and Uruguay will begin to implement the NPI Handbook soon as well.

- Dr. Salamon and Wojciech Sokolowski, from JHU/CCSS, introduced the participants to a new Guidance Manual for the NPI Handbook and explained their hope that this document will serve as a useful tool for statisticians as they navigate the process of implementing the NPI Handbook in their countries. They explained that the Guidance Manual offers advice, suggestions, and examples for implementing the NPI Handbook, but was intended merely to supplement country knowledge.

- Dr. Salamon and Mario Roitter led a discussion of the Handbook’s definition of NPIs. Understanding the definition of NPIs is crucial to identifying these organizations,
• explained Dr. Roitter, because it determines how organizations will be categorized under SNA. Dr. Salamon called the participants’ attention to the added detail on the Handbook’s basic definition provided in the Guidance Manual and offered suggestions to participants on ways they might identify NPIs in various registries, e.g., by identifying the legal statuses or tax statuses NPIs may take in individual countries. He also suggested looking at directories in particular fields where NPIs are active (e.g., in social services). Dr. Roitter then outlined his experience in successfully applying the definition of NPIs to Argentina and his approach to “borderline” cases, such as condo associations and mutual organizations.

• Sophie Joyal of Statistics Canada described the steps that her agency took to produce its satellite account on the nonprofit sector and the considerable interest that has been shown in the resulting data, both by government and by the civil society sector. More specifically, she described the processes Statistics Canada took to identify the NPI “universe” and create a new NPI register. She explained that Canada’s business register did not initially prove to be a useful source of information because it excluded approximately 50 percent of relevant entities. Legal registers and other sources therefore had to be tapped and the resulting entities added to the business register and flagged as NPIs.

• Dr. Salamon, Dr. Sokolowski, and Ms. Joyal then led a discussion of general approaches to finding data sources on NPIs. Dr. Sokolowski emphasized the importance of understanding that data sources on NPIs will differ in each country, and that each statistical agency will have to be creative in finding the necessary data sources. Ms. Joyal noted that in Canada tax files proved to be an important source of data for her team. Ms. Joyal concluded by comparing the creation of the satellite account in Canada to piecing together a big puzzle with many pieces, and remarked that she found the project to be both fun and rewarding.

• Dr. Sokolowski and Dr. Salamon next led a discussion on techniques for capturing the additional variables called for in the NPI Handbook. In particular, Dr. Sokolowski discussed measuring volunteer labor. He emphasized that there are currently few existing data sources that measure this variable, and said it would be likely that statistics agencies would need to generate new data on this subject. He explained, however, that there are usually ways to do this through existing data collection methods, such as adding a small number of questions to existing population or organizational surveys.

Ms. Joyal reported that Statistics Canada used the replacement cost method recommended in the NPI Handbook for calculating the value of volunteer employment in Canada. Participants commented on the difficulty of determining the distinction between volunteer and informal labor, for example, when one works for very low pay or in exchange for food. Dr. Salamon reminded participants of the importance of carefully framing questions about volunteering in population surveys as the concept of volunteering is still not well understood or the word not generally used in many countries. He noted that JHU/CCSS has developed a model volunteering survey that was included in the Project Guidance Manual.
• The Workshop next took up the topic of classification of NPIs. Dr. Salamon explained that the NPI Handbook proposes a more detailed classification of NPIs than is available in ISIC or related classification schemes. This was done because the existing classifications do not provide sufficient detail on the different types of nonprofits. To facilitate translation from the existing classification systems into the ICNPO, Dr. Salamon noted that JHU has created a computerized spreadsheet that can be used to translate data assembled according to ISIC or other classifications into the NPI Handbook’s recommended ICNPO. Dr. Sokolowski then provided a demonstration of this spreadsheet.

Participants then discussed the feasibility of using the proposed computerized spreadsheet to translate existing data into the recommended ICNPO categories. The general consensus was that the spreadsheet is probably too complex and that a basic listing of which ICNPO categories relate to which ISIC categories at the 5-digit level might be sufficient. The JHU/CCSS team promised to provide such a listing.

• Dr. Salamon outlined the JHU/CCSS plan to develop a data master on which to capture the data being generated through the implementation of the *NPI Handbook* in the various countries that produce satellite accounts. To do so, he explained, it is important to maintain consistency in measurement procedures across countries. Dr. Salamon also pointed out that while it is the end goal of this project to obtain information on all variables outlined in the *NPI Handbook*, it may be necessary in the short term to focus only on the variables identified in the short form of the satellite account (which is spelled out on p. 99 of the *NPI Handbook*).

• Participants then discussed working relationships between national accounts departments, statistics agencies, and JHU/CCSS. Dr. Salamon explained that JHU/CCSS would like to remain in touch with the *NPI Handbook* implementers for three primary reasons:

1) to ensure that the data are produced in a way that allows them to be compared among countries;
2) for JHU to serve as a sounding board to ensure that complications that arise in one country are resolved similarly in all countries (for example, determining the status of mutuals); and
3) to obtain feedback from implementers that can be incorporated into revisions of the *NPI Handbook*.

To this end, Dr. Salamon requested that the implementing agencies sign a Letter of Agreement with JHU/CCSS similar to the one circulated at the September 2004 Workshop. He emphasized that the document’s main purpose is to clarify expectations about the roles and responsibilities of the respective agencies and JHU/CCSS. He noted that the document need not be signed at the highest level within the agency because it does not have binding legal status. It was also mentioned that this document can be modified to suit the needs of individual countries (e.g., by adding a third party or adding/deleting language).
Statistics officials from the different countries reported on the status of nonprofit data and Handbook implementation in their own statistical systems. What became clear in these accounts is that many of the region’s countries have already made considerable headway on a number of the tasks that the implementation of the new NPI Handbook will require. This includes, particularly, identifying nonprofit institutions in the basic business registries and identifying ways to pull data on these institutions out of national accounts data sources.

- Neide Beres, the UN Volunteer statistician at the Instituto Brasileiro de Geografia e Estatistica (IBGE) in Brazil, began her work to implement the NPI Handbook in Brazil in March 2005. Prior to her appointment with IBGE, Ms. Beres worked with JHU/CCSS on its Comparative Nonprofit Sector Project (CNP) to produce data on the nonprofit sector in Brazil. However, these data have not been updated in more than 10 years. She noted in particular the high levels of informal employment found in her country and the challenge that will present in creating the satellite account. Brazil, she added, has just compiled a comprehensive registry of NPIs, giving her a head start in her data collection efforts. At the same time, she reported that she has not yet been fully integrated in the IBGE structure, which may impede her work.

- Argentina has made significant headway in creating a satellite account. Mr. Cerro from INDEC described the first stage of the national economic census they are currently wrapping up, and the second stage they have planned for September – October 2005. Impressively, this census is a “total screening of economic activity” throughout Argentina in both urban and rural areas. It will thus yield a comprehensive “universe” of economic entities, including NPIs. This will provide a sampling frame for a more in-depth survey of NPIs.

- Susana Prats of Uruguay reported that there are approximately 55-65,000 NPIs in Uruguay. She indicated that no decision has yet been made to implement the NPI Handbook in Uruguay, but an income/expense survey begins this year, and the next population survey will take place in 2007, to which questions could possibly be added regarding volunteering in Uruguay. In addition, she noted that she thought pension funds databases could be a source of information on NPIs in her country, and would serve as a means to codify all businesses with pensions.

- Oscar Flores of Mexico reported on the numerous activities in which INEGI is currently engaged, including changing the base year. He also reported that several sources of information on NPIs have already been identified, including the existence of two legal codes and other regulations. In addition, he reported on supportive relationships INEGI has with two organizations, CEMEFI and El Colegio de Mexico, and expressed his hope that they will continue to collaborate on measuring the NPI sector in Mexico. Based on the large amount of information Mr. Flores offered, he was able to conclude that implementing the NPI Handbook in Mexico is possible, but is highly dependent on securing the
necessary funding, especially if they plan to measure the economic value of volunteerism.

- José Luis Robles Franco reported on the strong interest in the satellite account in Peru, which has already committed to implementing the *NPI Handbook*. Tax records, in particular, will be useful in generating information on NPIs, he said.

- Several participants expressed concerns that financial restrictions would limit their ability to complete the project. Based on discussions with several participants, Dr. Salamon proposed a sample time budget that could be used to estimate the cost of creating the satellite account on NPIs. While costs will likely vary among countries depending on the necessity to implement surveys, Dr. Salamon and participants estimated that total start up costs would average USD $100,000-$120,000 per country. These estimates are noted below.

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>USD $</th>
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<tbody>
<tr>
<td><strong>Personnel</strong></td>
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</tr>
<tr>
<td>Senior (coordinator)</td>
<td>1 person at $900-1000/month = $12,000</td>
<td>1 person at $900-1000/month = $12,000</td>
<td>$24,000</td>
</tr>
<tr>
<td>Junior (assistant)</td>
<td>2 people at $500-700/month = $14,000</td>
<td>2 people at $500-700/month = $14,000</td>
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<tr>
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<td></td>
<td>$60,000</td>
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<td><strong>Other Costs</strong></td>
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</tr>
<tr>
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<td>$1,000</td>
<td>$3,500</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>$120,000</td>
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Dr. Salamon also reports the strong possibility that partial funding might be available for the five countries attending the meeting, and emphasized that obtaining firm commitments from all countries would facilitate quicker funding availability.

- Although the discussions with participants at this meeting of *NPI Handbook* implementers, made it clear that countries will have to conduct “detective work” and seek creative ways of identifying NPIs in their countries, it also became clear that many have made significant headway already. JHU/CCSS is hopeful that the Guidance Manual introduced at this meeting will help advance this process even further.

For more information on the *NPI Handbook*, please contact the Center for Civil Society Studies at Johns Hopkins University. Email: UNHandbook@jhu.edu
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El Centro de Estudios de la Sociedad Civil de la Universidad Johns Hopkins (JHU/CCSS), la Comisión Económica para América Latina y el Caribe (CEPAL), y el Centro de Estudios de Estado y Sociedad (CEDES) organizaron juntos el taller de implementadores del Proyecto “elaboración de las Cuentas Satélites de las ISFL” según el Manual de ISFL de las Naciones Unidas en Buenos Aires, Argentina, en 12 y 13 de Mayo, 2005. Cinco países de América Latina enviaron un representante de sus oficinas de estadísticas nacionales y otras personas de CEPAL, CEDES, JHU/CCSS y de la oficina de estadísticas de Canadá también participaron (vea la lista de participantes en anexo).

Entre los puntos más importantes de la reunión están:

- Mario Roitter de CEDES y Daniel Gropper de CEPAL dieron la bienvenida a todos los participantes del taller.
- Lester Salamon de JHU/CCSS habló sobre la importancia del taller, mencionando que esta reunión implica el formal comienzo del proceso de la implementación del Manual en América Latina. Salamon dio los fundamentos acerca de la importancia de la implementación del Manual y los pasos básicos necesarios para su implementación, expuso la importancia del sector de ISFL para las economías de los países en todo el mundo y para el desarrollo de las políticas públicas. Por otra parte se manifestó acerca que las organizaciones sin fines de lucro tienen diferentes características que justifican que estas sean examinadas separadamente y que el Manual de ISFL de las Naciones Unidas ha sido aceptado internacionalmente como una manera de recabar mejor información por medio del Sistema de Cuentas Nacionales y usando una cuenta satélite para las ISFL.
  Salamon reportó que quince países, tres en América Latina (Argentina, Brasil y Perú), se comprometieron a implementar el Manual de ISFL de las Naciones Unidas y Argentina y Brasil ya empezaron ese trabajo, al mismo tiempo que expresó que espera que México y Uruguay empiecen a implementar el Manual pronto también.
- Salamon y Wojciech Sokolowski, de JHU/CCSS, presentaron a los participantes la Nueva Guía del Manual de ISFL de las Naciones Unidas y explicaron que ellos esperan que ese documento sirva como una buena herramienta para los estadísticos cuando ellos empiecen el proceso de implementación del Manual en su países. Ellos explicaron que la Guía ofrece consejos, sugerencias y ejemplos para la implementación del Manual pero que fue hecho solamente para suplementar el conocimiento ya existente en los países.
- Salamon y Mario Roitter lideraron la discusión sobre la definición de las organizaciones sin fines de lucro del Manual, ya que entender la definición de estas organizaciones es elemental para la identificación de ellas, explicó Roitter, porque eso determina como organizaciones serán clasificadas por el Sistema de Cuentas Nacionales. Salamon llamó la atención de los participantes acerca de los detalles que la Guía del Manual ofrece
respecto de las definiciones básicas del Manual y sugerencias de cómo los participantes pueden identificar las organizaciones sin fines de lucros en varios registros, por ejemplo: identificando los status legales o los status de tasa que las organizaciones pueden tener en diferentes países. Salamon también sugirió observar la información de los directorios de diferentes áreas donde las organizaciones son activas (por ejemplo, en servicios sociales). Mario Roitter habló acerca de su experiencia de suceso en aplicar la definición de las ISFL en Argentina y su enfoque para clasificar casos, como los condominios y las organizaciones mutuales.

- Sophie Joyal de la agencia de estadística de Canadá describió los pasos que su agencia llevo para producir la cuenta satélite del sector de las ISFL y el significativo interés del gobierno y del sector de la sociedad civil por los resultados. Más específicamente, ella describió los procesos que la agencia de estadística de Canadá llevó adelante con el fin de identificar el “universo” de las organizaciones sin fines de lucro y crear un nuevo registro. También explicó que el registro de empresas de Canadá no fue inicialmente una buena fuente de información porque el excluía cerca de mitad de las importantes entidades. Registros legales y otras fuentes tuvieron que ser utilizadas para completar el listado de las organizaciones incluidas en el registro de empresas como ISFL.

- Salamon y Sokolowski, y Sophie Joyal lideraron una discusión sobre formas generales de encontrar fuentes de información sobre las ISFL. Sokolowski enfatizó acerca del hecho que las fuentes de información de ISFL son distintas de país a país y que las agencias de estadística tendrán que ser creativas para encontrar las fuentes de información necesarias. Joyal mencionó que información fiscal acerca de las organizaciones en Canadá fue una importante fuente de información para su equipo de trabajo. Joyal concluyó comparando la creación de la cuenta satélite de ISFL con un gran rompecabezas con muchos pedazos y expresó que piensa en el proyecto como algo que fue muy divertido y gratificante.

- Sokolowski y Salamon lideraron la discusión sobre las técnicas de capturar las otras variables necesarias para la implantación de las Cuentas Satélites. En particular, Sokolowski habló acerca de como mensurar el trabajo voluntario, enfatizó que actualmente existen pocas fuentes de información para medir esa variable pero que, puede ser medida a partir de la recolección de datos respecto de preguntas de encuestas de la población o de organizaciones ya existentes.

- Joyal reportó que la agencia de estadística de Canadá utilizó el método del costo de reposición recomendado por el Manual para calcular el valor del trabajo voluntario en Canadá. Varios participantes comentaron sobre las dificultades de determinar las diferencias entre trabajo voluntario y trabajo informal, por ejemplo cuando una persona trabaja por un salario muy bajo o por canje de comida. Salamon recordó a los participantes acerca de la importancia de preparar las preguntas sobre trabajo voluntario cuidadosamente para las encuestas de población ya que el concepto de voluntariado no es aun completamente entendido o utilizado en muchos países. Por otra parte mencionó a los participantes que el Centro de Estudios de la Sociedad Civil de la JHU desarrolló un modelo de encuesta de voluntariado que se encuentra en el Guía del Manual.

- Clasificación de las ISFL: Lester Salamon explicó que el Manual propone una clasificación más detallada de las ISFL se la comparamos con CIIU o alguna otra
esquema de clasificación. Esto es porque las clasificaciones existentes no proveen detalles suficientes sobre las diferentes tipos de organizaciones sin fines de lucro. Para facilitar la traducción de la clasificación existente con la propuesta por el nuevo del Manual, Salamon mencionó que la JHU creo un archivo que puede ser utilizada para hacer ese apareo. Sokolowski entonces, pasó a hacer una demostración a partir de ese archivo.

Los participantes discutieron acerca de la viabilidad del uso de este archivo para hacer el apareo de los datos existentes y seguir las recomendaciones de las nuevas categorías del Manual. En general hubo consenso acerca que el archivo es muy complejo y que un archivo básico con las categorías del Manual relacionada con las categorías de CIIU a 5 dígitos sería suficiente. El equipo de JHU/CCSS se compromete a proveer es archivo.

- Salamon explicó el plan de JHU/CCSS para desarrollar un programa que capture los datos que son generados con la implementación del Manual de ISFL en todos los países que producen las cuentas satélites. Para hacer eso, es muy importante que se mantenga la consistencia en medir los datos entre los países. Salamon también habló si bien el objetivo final del proyecto es obtener informaciones sobre todas las variables de las Cuentas Satélites, es necesario que los países identifiquen a aquellas variables que pueden ser estimadas en el corto plazo. (Ver pagina 99 del Manual).

- Los participantes discutieron sobre las relaciones de trabajo entre las agencias de cuentas nacionales, las agencias de estadística y el JHU/CCSS. Salamon mencionó que al JHU/CCSS le agradaría mantener contacto con los implementadores del Manual por tres razones principales:

1) Asegurar que los datos son producidos por cada país puedan ser comparados entre sí;
2) Que el JHU servirá como un consejero, asegurando que complicaciones de un país sean resueltas da misma forma en todos los países restantes (por ejemplo, como determinar el status de mutuales); y
3) Obtener feedback de los implementadores que serán incorporados en las revisiones del Manual.

Para eso, Salamon pidió que las agencias implementadoras firmen un convenio con el JHU/CCSS igual al que fue distribuido en el taller de Septiembre de 2004. Salamon mencionó que el objetivo de este documento es solamente el de clarificar las expectativas sobre las respectivas responsabilidades de las agencias de estadística y el JHU/CCSS. También menciona que este documento no necesita ser firmado por el director de la agencia puesto que no tiene que tener un status legal. Lester Salamon también mencionó que este documento puede ser modificado para adecuar a las necesidades de los países (por ejemplo añadido una tercera organización).

- Los oficiales de estadística de los diferentes países reportaron sobre la situación de los datos sobre las ISFL en sus respectivos países y sobre la implementación del Manual. Quedó claro que muchos países de la región ya están adelantados en muchas tareas que la implementación del Manual exige. Esto incluye, particularmente, la identificación de las
ISFL en los registros de empresas y la identificación de medios de inferir datos sobre estas organizaciones en el marco del sistema de cuentas nacionales.

- Neide Beres, la estadística voluntaria de las Naciones Unidas ubicada en el Instituto Brasileiro de Geografia e Estatística (IBGE) en Brasil, empezó su trabajo de implementación del Manual en Marzo 2005. Antes de trabajar en IBGE, Neide Beres trabajó con el JHU/CCSS en el Proyecto Comparativo del Sector sin Fines de Lucro produciendo información sobre las organizaciones sin fines de lucro en Brasil. Esos datos, sin embargo, no fueron actualizados desde hace 10 años. La Sra. Beres dice que hay muchas formas de trabajo informal en Brasil y expuso sobre el desafío que será en crear una cuenta satélite ahí. También menciona que Brasil acaba de elaborar un registro de ISFL, que le ayudó mucho en su trabajo de recolección de datos. Al mismo tiempo, menciona que ella no está muy bien integrada a la estructura de IBGE, lo que puede dificultar un poco su trabajo.

- Argentina ha hecho un significativo progreso en crear su cuenta satélite. El Sr. Cerro de INDEC describió la primera fase del censo económico nacional que ellos están actualmente involucrados y la segunda fase que está planeada para Septiembre – Octubre 2005. Ese censo es una “total investigación de la actividad económica” de Argentina, tanto en el área rural como urbana. El resultado del Censo proporcionará un interesante “universo” de entidades económicas, incluyendo las ISFL y servirá como marco para proveer una muestra de la obtenga información más detallada sobre las OSFL.

- Susana Picardo Prats de Uruguay reportó que hay aproximadamente 55-65.000 ISFL en Uruguay. Indicó que no ha habido todavía una decisión sobre la implementación del Manual en Uruguay, pero una encuesta sobre renta/costos empieza este año y la próxima encuesta sobre la población será en el año 2007, en la cual cuestiones sobre el voluntariado podrían ser incluidas. La Sra Picardo también dice que las informaciones sobre los fondos de pensiones también podría ser una buena fuente de información sobre las OSFL en su país y que podría servir como medio de codificar todas las empresas con pensiones.

- Oscar Flores de México reportó las actividades que el INEGI esta actualmente involucrado, incluyendo el cambio del año base de las Cuentas Nacionales. Por otra parte mencionó que muchas fuentes de información sobre las ISFL ya fueran identificadas, incluyendo la existencia de dos códigos legales y otras reglamentaciones. Además, reportó acerca de la importancia de la relación del INEGI con CEMEFI y El Colegio de México, y expresó su esperanza respecto que estas instituciones deseen seguir colaborando con la medición del sector de SFL en México. El Sr. Flores dice que la conclusión del proceso de implementación del Manual en México es posible, pero es necesario que se asegure recursos financieros, especialmente si ellos planean medir el valor económico de las actividades relacionadas al voluntariado.
José Luis Robles Franco reportó su fuerte interés en implementar una cuenta satélite en Perú y dice que su país ya se comprometió a implementar el Manual ahí. Según él, información sobre impuestos, en particular, será muy importante para generar información sobre las ISFL en Perú.

- Muchos participantes expresaron preocupaciones sobre las restricciones financieras que podrían limitar sus capacidades de completar el proyecto. Basado en las discusiones con los participantes, Lester Salamon sugirió la preparación de un presupuesto tipo que podría ser utilizado para estimar los costos de crear una cuenta satélite de las ISFL en los países. Sabiendo que los costos variarán de país para país, y dependiendo de si será necesario la implementación de encuestas, Salamon y los participantes estimaron que para el inicio del proyecto, el monto necesario está alrededor de USD $100,000-$120,000 por país. Se presentan las estimaciones más abajo:

<table>
<thead>
<tr>
<th>Personal</th>
<th>Ano 1</th>
<th>Ano 2</th>
<th>USD $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coordinador</td>
<td>1 persona por $900-1000/mes = $12,000</td>
<td>1 persona por $900-1000/mes = $12,000</td>
<td>$24,000</td>
</tr>
<tr>
<td>Asistente</td>
<td>2 personas por $500-700/mes = $14,000</td>
<td>2 personas por $500-700/mes = $14,000</td>
<td>$28,000</td>
</tr>
<tr>
<td>Encuestas</td>
<td>2 por $30,000</td>
<td></td>
<td>$60,000</td>
</tr>
<tr>
<td>Otros Costos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costos de talleres</td>
<td>$1,500 (1)</td>
<td>$3,000 (2)</td>
<td>$4,500</td>
</tr>
<tr>
<td>Diversos</td>
<td>$2,500</td>
<td>$1,000</td>
<td>$3,500</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$120,000</td>
</tr>
</tbody>
</table>

Salamon también mencionó sobre la fuerte posibilidad de una parcial provisión de fondos para los cinco países allí representados y enfatizó que obteniendo firmes compromisos de esos países facilitaría una más rápida disponibilidad de fondos.

- Quedo claro en las discusiones con los participantes en ese taller, que los implementadores del Manual tendrán que conducir un “trabajo de detective” y buscar formas creativas de identificar las ISFL en sus países. Quedo claro también que muchos de los países ya hicieron bastante progreso en la implementación. JHU/CCSS tiene confianza que la Guía del Manual presentada en este taller ayudará a desarrollar este importante proceso.

Para más informaciones sobre el Manual, favor entrar en contacto con el Centro de Estudios de la Sociedad Civil de Johns Hopkins University. Email: UNHandbook@jhu.edu
Overview

Lester Salamon of JHU/CCSS welcomed participants and highlighted the importance of the meeting, saying that this workshop signaled the formal beginning of the NPI Handbook implementation process in Africa. Dr. Salamon outlined the rationale for this NPI Handbook and the basic steps required to implement it. He pointed out the growing importance of the nonprofit sector to the economies of countries throughout the world and its growing role in shaping public policy. He also pointed out that nonprofit organizations exhibit distinctive features that justify examining them separately, and that the new NPI Handbook on Nonprofit Institutions has identified an internationally approved, workable way to generate more reliable and comprehensive data on them within the context of the System of National Accounts, using a nonprofit institutions “satellite account.” Dr. Salamon reported that twenty-six countries, eight of which are in Africa (Cameroon, Ghana, Kenya, Mali, Morocco, Mozambique, South Africa, Uganda, and Zimbabwe), have committed to implementing the NPI Handbook.

Dr. Salamon and Wojciech Sokolowski introduced the participants to a new Guidance Manual for the NPI Handbook and explained their hope that this document will serve as a useful tool for statisticians as they navigate the process of implementing the NPI Handbook in their countries. They explained that the Guidance Manual offers advice, suggestions, and examples for implementing the NPI Handbook, but was intended merely to supplement country knowledge.

Over the course of the two day session, Dr. Salamon and Dr. Sokolowski led a discussion of the Handbook implementation process and participants offered their reactions to the material, shared country experiences in implementing the NPI Handbook, and identified areas where local circumstances presented challenges to implementing the NPI Handbook and might require creative solutions. Attention focused particularly on four key NPI “satellite account” tasks:

1) Identification of NPIs
2) Collection of core SNA data on NPIs
3) Collection of additional data on NPIs, particularly on volunteering and the nonmarket output of market NPIs
4) Classification and reporting on the resulting data.

Key Decisions Reached

Among the highlights and primary decision points of the Workshop were these:

1) Identifying NPIs: NPISH+

Central to the NPI Handbook is a definition of NPIs that goes beyond the SNA’s Nonprofit Institutions Serving Households (NPISH). Dr. Salamon pointed out that under the 1993 SNA sectoring rules, many NPIs get allocated to the corporations or general government sector rather than to the NPISH sector, based largely on their source of revenue. This makes NPISH an inadequate representation of the entire NPI sector. To bring this entire NPI sector into view, therefore, it is necessary to go beyond NPISH. This means:

- Dropping the “source of revenue” as a criterion of what constitutes an NPI;
- Substituting for this the five (5) criteria identified in the NPI Handbook [(i) organizations; (ii) private; (iii) non-profit distributing; (iv) self-governing; and (v) non-compulsory;
- Applying this definition to broad classes of organizations defined by legal form (e.g. foundations, associations) or by field (hospitals, universities, schools, social service organizations) to identify which are NPIs

2) Generating Data

The next discussion centered on general approaches to finding the needed data on NPIs. The data needed basically tracks the basic variables used in SNA. The major challenge is to identify NPIs amongst all private sector organizations in existing economic data. Here several suggestions were offered:

- There are more data on NPIs in existing data sources than is commonly assumed. Many data sources (e.g. employment surveys) cover NPIs but do not break them out separately in data reporting. However, it is sometimes possible to identify the NPIs if there are known identification numbers for the NPI entities in the data source (e.g. a registration number or code for tax status) or if some other data matching or estimating technique is available. Do not resort to special surveys until all the other information sources are exhausted;

- Use available administrative or tax records. Registries of nonprofits can often contain extremely valuable listings of nonprofits as well as data on nonprofits, and tax filings can provide information on which entities are active. These should be mined carefully;
• Use proxies and estimates where necessary. Often it is necessary to make rough estimates based on proxies (e.g. estimating nonprofit hospital expenditures from total hospital expenditures using the nonprofit share of hospital beds as a proxy for the allocation of expenditures). This is a common approach in national accounting and should be applied as well to the NPI satellite account.

3) Capturing Additional Variables: Volunteering and Non-market Output of Market NPIs

In addition to the standard SNA variables, the *NPI Handbook* calls for the collection of data on two additional features of NPIs: (a) the non-market output of market NPIs and (b) the extent, distribution, and value of volunteer labor.

a. Nonmarket output of market NPIs

So far as the nonmarket output of market NPIs is concerned, the allocation of many significant NPIs to the corporate sector under the 1993 SNA leads to the under-valuation of their output. This is so because the value of the output of market producers under the 1993 SNA is set equal to sales receipts. NPIs assigned to the corporates sectors often have non-market output in addition to their market output, however, and the value of this output is not reflected in sales revenue. Hence, the *NPI Handbook* recommends an adjustment to take account of this under-valuation. In particular, where the expenditures of market NPIs exceeds their sales, the *Handbook* recommends adding the difference to the market revenue of these NPIs to capture the full value of their output.

b. Volunteer labor

An important contribution of the *NPI Handbook* is to recommend that the volunteer labor utilized by NPIs be calculated and included in both the output and input measures of NPI activity. This involves three basic steps:

• Determining the extent of volunteering

Volunteers are persons who work without monetary pay or legal obligation for persons living outside the volunteer’s own household, as noted in paragraph 4.45 of the *NPI Handbook.*

The first step in measuring volunteering activity is to determine the extent of volunteering. This can be done in one of three ways: (a) household or population surveys; (b) organization surveys; or (c) time-use surveys.

*Time-use surveys* are probably the most accurate way to gauge volunteer effort, but they are expensive and difficult to implement and therefore potentially unavailable.

*Organization surveys* addressed to nonprofit institutions provide a reasonable picture of the extent of volunteering but have the drawback of only capturing the volunteering that takes place in and through formal organizations that can be
identified through existing registries or other means. This potentially leaves out a considerable amount of volunteering that takes place through informal organizations.

*Household or population surveys* therefore provide the optimal means of capturing volunteering. Coverage of volunteering can often be integrated into on-going population surveys conducted by statistical agencies, or even surveys carried out by commercial survey firms for other purposes. Care must be taken in framing questions about volunteering, however, because there is often confusion about what actually constitutes volunteering. The *NPI Handbook* contains sample survey components that can be used for this purpose.

- **Converting volunteer time into full-time equivalent workers**

To express volunteer effort meaningfully, it is necessary to determine not only how many people volunteer, but also how many hours they volunteer. This then provides a basis for converting the number of volunteers into the corresponding number of full-time equivalent workers. This is accomplished by dividing the number of volunteer hours, overall and by field, by the average number of hours considered to represent a full-time job in the country.

- **Assigning a value to volunteer time**

To convert the amount of volunteering into the valuation of this work, *NPI Handbook* recommends the use of a “replacement cost method.” This method assigns to the work of volunteers what it would cost to replace the work of the volunteer with a paid employee. Ideally, the value of volunteer work should be the same as the value of comparable paid work. If information on the type of volunteer work is not available, the default method recommended by the *Handbook* is using the *average wage for community workers* as a proxy for the replacement cost of volunteers (see *NPI Handbook* paragraph 4.39).

4) **Classification of NPIs**

The Workshop next took up the topic of classification of NPIs. Dr. Salamon explained that ISIC Rev. 3 uses a number of large “catch-all” categories in areas in which NPIs are especially active, making it difficult to capture important differences among NPIs. To remedy this, the *NPI Handbook* proposes a classification system called the International Classification System of Non-Profit Organizations (ICNPO) that elaborates on ISIC Rev. 3 to provide a clearer picture of non-profit institutions. Fortunately, a new ISIC, Rev. 4, is under development in the SNA community that promises to incorporate much of the ICNPO detail, but until that revision is formally adopted, countries will have to make some adjustments to their existing data reporting systems to accommodate the ICNPO structure. To do so, four steps are required:

- **Identify direct ISIC to ICNPO matches**
Most of the forty-six (46) ISIC industry classes correspond directly and easily with ICNPO subgroups. Assuming countries are using ISIC or a cross-walk exists between country classification systems and ISIC, most categories of organizations can thus be translated into the appropriate ICNPO category. The NPI Handbook Guidance Manual distributed at the workshop contains a table to guide this mapping, and an electronic version is also available.

- **Find additional detail to guide mapping of “catch-all” ISIC categories**

  Thirteen (13) of the ISIC classes contain organizations that could go into more than one ICNPO subgroup. To deal with these categories, the recommended method is to try to find in the country’s classification system sub-classes of organizations within the catch-all ISIC classes that could permit more accurate mapping of the affected organizations to their appropriate ICNPO sub-group. The Guidance Manual offers some suggestions about the type of sub-classifications that might exist, but implementers were encouraged to locate more suitable sub-classifications if they exist in their countries. In the event no more detailed classification of these catch-all categories is available in the country, the Guidance Manual suggests a variety of estimating procedures.

- **Map non-service categories to ICNPO**

  Since the ICNPO classification covers a subset of service activities, other steps are required to map organizations that might be found outside that subset to the ICNPO. If the economic weight of such NPIs is substantial, effort should be made to allocate them to appropriate ICNPO groups. Generally speaking, these are likely to be economic activities (e.g. manufacturing, trade, transportation or agriculture), which would be mapped to ICNPO Group 6, Development and Housing. If this allocation cannot be justified, then the organizations affected should be grouped to ICNPO Group 12, Not Elsewhere Classified.

5) **Timetable**

   A number of participants indicated that work on the satellite account in their country might not be able to begin immediately due to other pressing obligations of the statistical agency. Dr. Salamon indicated that we were aware of this problem and suggested a target date of March 2008 for the completion of at least preliminary NPI Satellite Accounts for the committed African countries. Participants agreed that this was a workable target date.

**Outstanding Issues**

   In the course of the discussion, participants raised a number of issues that were noted for future resolution or further review. Included here were the following:

1) **NPIs Staffed by Governments**
Several participants called attention to the phenomenon of NPIs in their countries that are fundamentally staffed by employees paid directly by government. This includes, for example, schools. The question is whether to consider these NPIs or government agencies and how to handle the employee salaries. The tentative conclusion was that if the organizations otherwise met the NPI Handbook definition of an NPI, they should be included and the government payments treated as government revenue. Participants agreed to report back to JHU with further details on these arrangements in their countries;

2) In-kind Compensation of Volunteers

Volunteers may receive assistance, often in-kind (e.g. free meals), that could be considered a kind of payment for their work. In some regions this may constitute an important source of sustenance for people have limited or no other employment opportunities. The question therefore becomes whether this is truly volunteering or a form of paid employment even though the compensation is very low. If such situations are common, this suggests the need to inquire about such in-kind compensation when gathering data on volunteering. There are two questions that need to be answered.

1) Are people receiving this form of compensation for their work considered paid employees or volunteers?
2) If they are volunteers, how does the in-kind compensation they receive affect the imputation of the value of volunteer work?

With regard to the first question, the general principle is that if the value of in-kind compensation they receive is comparable to the compensation that paid workers customarily receive in that area, this work is considered paid employment rather than volunteering even if it is called volunteering by the employing agency.

With regard to the second question, since the in-kind payments will already have been included in the expenditures of the organization (e.g. as purchases of food from a restaurant or other vendor), their value will need to be deducted from the imputed wage of volunteers that the Handbook recommends in order to compute the additional value that volunteer effort produces for the organization. If the in-kind payments are not already included in organizational expenditures, however, this rule will not apply.

It should be emphasized that expense reimbursements (e.g. for travel, lodging, lost wages, etc.) to volunteers are not a part of compensation that volunteers, or for that matter employees, receive.

3) Volunteering vs. Unpaid Family Work

Potential problems may also arise in differentiating volunteer work from unpaid family work, especially in micro-enterprises and other development activities. As noted earlier, unpaid labor for persons living within one’s own household is not considered volunteering. For purposes of the satellite account, where possible, therefore, questions need to be added to surveys to determine whether volunteers are working for their own households.
4) **Bridge Table between NPI and SNA Variables**

Participants expressed interest in having a “bridge table” identifying typical NPI variables and how they would be matched to typical SNA variables. This would require consulting NPI accounting standards to determine the types of expenditure and income items common to NPIs that may not translate easily to SNA variables, and then providing a suggested crosswalk. JHU/CCSS staff agreed to explore this and get back to participants on it;

5) **Access to Tax and Administrative Data**

An important issue for many countries is the degree of access by national accounts staff to existing tax and other administrative data, such as registration data on NPIs. Such data can be enormously helpful to identify NPIs and secure financial information on them. Participants agreed to check on the availability of such data in their respective countries and to report back to JHU/CCSS;

6) **Computerization of Data**

A related data question involves the computerization of key data sources (e.g. workforce surveys, household and population surveys). Where such data are computerized, the task of identifying and pulling out NPIs is far simpler than in cases where only paper files are available. Participants agreed to report back to JHU/CCSS on this;

7) **Availability of ISIC Sub-classes**

The allocation of some organizations to ICNPO classes will depend on the availability of a level of detail in national classification systems that allows disaggregation of the 4-digit ISIC, Rev. 3 classes. Country representatives will need to check on the availability of such sub-class information and report back to JHU/CCSS on this;

8) **Provision of Technical Assistance**

Several participants expressed concerns that financial restrictions would limit their ability to complete the project. Dr. Salamon reported that JHU/CCSS is actively seeking funding sources to assist countries with this work. In some countries, and where this option best suits the national accounts department, UN Volunteers may be able to recruit a volunteer statistician to assist with this work. Dr. Salamon also mentioned that JHU/CCSS would be in a position to offer technical assistance, through email, telephone, in-country visits, and additional regional meetings where requested.

9) **Sharing of Information/ Preparation of Comparative Reports**

JHU/CCSS plan to develop a reporting form on which to capture the data being generated through the implementation of the *NPI Handbook* in the various countries. While it is the end goal of this project to obtain information on all variables outlined in the *NPI Handbook*, it
may be necessary in the short term to focus only on the variables identified in the short form of the satellite account (which is spelled out on p. 99 of the NPI Handbook).

Participants then discussed working relationships between national accounts departments, JHU/CCSS, and third party organizations (advisory committees, reference groups, and the UNV for example). Dr. Salamon explained that JHU/CCSS would like to remain in touch with the NPI Handbook implementers for three primary reasons:

- To ensure that the data are produced in way that allows them to be compared among countries;
- To allow JHU to serve as a sounding board to ensure that complications that arise in one country are resolved similarly in all countries (for example, determining the status of mutuals); and
- To learn of useful techniques that country teams develop that could be transmitted to other countries and incorporated into subsequent revisions of the NPI Handbook or Guidance Manual;

To this end, Dr. Salamon requested that the implementing agencies sign a Collaboration Agreement with JHU/CCSS similar to the one circulated at the March 2005 Nairobi Workshop if they had not already done so. He emphasized that the document’s main purpose is to clarify expectations about the roles and responsibilities of the respective agencies and JHU/CCSS. He noted that the document need not be signed at the highest level within the agency and that it can be modified to suit the needs of individual countries (e.g., by adding a third party or adding/deleting language).

Next Steps

Participants agreed to:

- Report to their respective agencies on the results of the Workshop;
- Secure signatures on letters of agreement and Collaboration Agreements where they have not yet been submitted;
- Develop and submit initial Work Plans by the first week of May 2006 outlining the initial steps they plan to take to implement the NPI Handbook in their respective countries, including plans to recruit a statistical volunteer, and reporting major challenges to the implementation process they identify in their countries.

JHU staff, in turn, agreed to

- Respond to the outstanding issues;
- Review the country workplans and offer guidance where possible, including arranging possible country technical assistance missions once the work is under way.
Country Reports

In addition to the general discussion, participants reported on the status of nonprofit data and *Handbook* implementation in their own statistical systems. What became clear in these accounts is that many of the region’s countries have already made considerable headway on a number of the tasks that the implementation of the new *NPI Handbook* will require. This includes, particularly, creating basic registries of nonprofit institutions and identifying ways to pull data on these institutions out of national accounts data sources. A summary of these country reports is provided in Attachment A.

Conclusion

Despite the difficulties, participants at the meeting expressed considerable support for the *NPI Handbook* and the contribution it can make to improving understanding of the development process and the achievement of important social and economic objectives in Africa, and considerable confidence in their ability to make important headway in implementing the *Handbook*. There was also a great deal of camaraderie among those involved in the work and a willingness to share experiences among countries and with the core team at JHU.
Country Reports

Country participants provided immensely helpful summaries of the data situation relating to NPIs in their countries. The following summarizes just the main points of these overviews.

Ghana – The representative from Ghana reported that the NPI registration process in his country generally occurs at the local level, and that this information is then transmitted to the national level through the Department of Social Welfare Register. He thought he might be able to obtain an initial list of establishments in this register by the beginning of April 2006. He said that where NPIs provide the requested information, data on NPIs should be wide in scope. However, he also suggested that NPI compliance in this area could prove to be a problem. On a positive note, he reported that a consultant is currently working in Ghana to computerize the data on NPIs and that this work should be completed by the end of March 2006.

Kenya – Representatives from Kenya reported that work on implementing the NPI Handbook goes hand-in-hand with work they are doing with World Bank support to expand their business register, which is very old and out of date. The lead person involved in implementing the NPI Handbook at the Central Bureau of Statistics, a UN volunteer, has identified four types of NPIs and has examined the legal structure in Kenya. He is in the process of developing relationships with various administrative bodies that collect data on NPIs, including the Kenya Revenue Authority and the NGO Administration Board, where he hopes to secure more information. He has been working with JHU/CCSS staff in recent months to analyze ways he might modify the upcoming Small and Medium Enterprise Survey (SME) to gather additional information on the NPI sector. Kenya representatives also mentioned that Kenya is currently in the process of implementing ISIC Rev. 3 and that they hope to build the ICNPO classification system into this process.

Mozambique – Representatives from the National Institute of Statistics (INE) reported that they had recently completed in cooperation with colleagues from ISTAT in Italy a census of NPIs currently identified in the country (some 4000 establishments). Final results will be available in April or May 2006, though it was not clear from preliminary data that were presented whether the survey covered all NPIs as defined in the NPI Handbook, or just NPISH. INE is currently focusing on changing the base year of its national accounts system and will therefore only be able to begin to implement the NPI Handbook in earnest at the beginning of 2007. In the interim, however, they plan to recruit a UN volunteer to develop a work plan and begin assembling a more complete list of NPIs in the country.

Nigeria – The representative from Nigeria reported that Nigeria is actively considering implementing the NPI Handbook. For Nigeria, this session served primarily as an information-gathering opportunity to help determine the feasibility of pursuing this work. He reported, however, that there is considerable interest in this effort in Nigeria and significant data sources that might be available in the Ministries of Health, Education, Labor, and Foreign Affairs, UNICEF, cooperative and trade societies, cultural groups, and national-level community groups.
He also identified household and establishment surveys that may prove to be useful vehicles for gathering additional information on NPIs.

**Uganda** – Uganda has implemented the 1993 SNA and the institutional sectors it calls for. The representative from Uganda reported that the business register in his country was updated as recently as 2000, and that NPIs could be flagged in the business register. However, the business register only accounts for private establishments so he will need to look into identifying NPIs in the government sector. The Ugandan Bureau of Statistics (UBOS) is currently negotiating a Memorandum of Understanding with the Revenue Authority to share information. Independently of this project, the Ugandan representative has completed other work on the impact of NPIs and said he would compare the definitions used in the *NPI Handbook* to his work to help determine how much information is currently available in Uganda.

**Zimbabwe** – The representative from Zimbabwe estimated there are approximately 3,300 NPIs that can currently be identified in Zimbabwe, but said that he would need to examine the definition of NPIs outlined in the *NPI Handbook* before he could make an exact determination of the currently available data. He hoped to find more information, particularly financial reports, from the Ministry of Public Service. He also said that information may be available from other administrative sources, including other ministries, government entities, and associations like the National Association of NGOs, which keeps a complete registry of NPIs. Given the strict regulations for NPIs in Zimbabwe, however, the representative suggested that NPIs may be reluctant to divulge information. Regarding surveys, the representative suggested it may be possible to include questions about NPIs in its upcoming household survey, and questions about volunteer labor in its upcoming labor force survey.
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Overview

Mr. Mohamed Moufakkir, Secretary-General of the Ministry of Social Economy, welcomed participants and opened the Workshop. He highlighted the link between the development of the third sector and the elimination of poverty in Morocco, and reminded participants that the King had said that fighting poverty would be important for increasing job opportunities in Morocco. Mr. Moufakkir also added that improving the understanding of the nonprofit sector would lead to increased “transparency of the sector,” and allow governments to “regularly follow the sector” and to “have indicators to develop action plans for the sector.”

Megan Haddock of JHU/CCSS welcomed participants and highlighted the importance of the meeting, saying that this workshop signaled the formal beginning of the NPI Handbook implementation process in French-speaking African countries. Mrs. Haddock reviewed the rationale for this NPI Handbook and the basic steps required to implement it. She pointed out the growing importance of the nonprofit sector to the economies of countries throughout the world and its growing role in shaping public policy. She also pointed out that nonprofit organizations exhibit distinctive features that justify examining them separately, and that the new NPI Handbook on Nonprofit Institutions has identified an internationally approved, workable way to generate more reliable and comprehensive data on them within the context of the System of National Accounts, using a nonprofit institutions “satellite account.” Mrs. Haddock reported that twenty-six countries, eight of which are in Africa (Cameroon, Mali, Morocco, Ghana, Kenya, South Africa, Uganda, and Zimbabwe), have committed to implementing the NPI Handbook.

Mrs. Haddock and Dr. Edith Archambault, who has worked with the Johns Hopkins Comparative Nonprofit Sector Project since its inception, and who played a key role in seeing the satellite account on NPIs developed at INSEE in France, introduced the participants to a new Guidance Manual for the NPI Handbook and explained their hope that this document will serve as a useful tool for statisticians as they navigate the process of implementing the NPI Handbook in their countries. They explained that the Guidance Manual offers advice, suggestions, and examples for implementing the NPI Handbook, but was intended merely to supplement country knowledge. They also introduced Dr. Salama Saidi, President of the Rawabit Association for
NGO Training Research and Communication. Dr. Saidi is also a local associate with Johns Hopkins and is an expert on the nonprofit sector in Morocco.

Over the course of the two-day session, Mrs. Haddock, Dr. Archambault, and Dr. Saidi led a discussion of the Handbook implementation process and participants offered their reactions to the material, shared country experiences to date in implementing the NPI Handbook, and identified areas where local circumstances presented challenges to implementation. Attention focused particularly on four key NPI “satellite account” tasks:

1) Identification of NPIs
2) Collection of core SNA data on NPIs
3) Collection of additional data on NPIs, particularly on volunteering and the nonmarket output of market NPIs
4) Classification and reporting on the resulting data.

Highlights and Primary Decision Points

1) Identifying NPIs: NPISH+

Central to the NPI Handbook is a definition of NPIs that goes beyond the SNA’s Nonprofit Institutions Serving Households (NPISH). Mrs. Haddock pointed out that under the 1993 SNA sectoring rules, many NPIs get allocated to the corporations or general government sector rather than to the NPISH sector, based largely on their source of revenue. This makes NPISH an inadequate representation of the entire NPI sector. To bring this entire NPI sector into view, therefore, it is necessary to go beyond NPISH. This means:

- Dropping the “source of revenue” as a criterion of what constitutes an NPI;
- Substituting for this the five (5) criteria identified in the NPI Handbook [(i) organizations; (ii) private; (iii) non-profit distributing; (iv) self-governing; and (v) non-compulsory; and
- Applying this definition to broad classes of organizations defined by legal form (e.g. foundations, associations) or by field (hospitals, universities, schools, social service organizations) to identify which are NPIs.

Mrs. Haddock introduced participants to the set of “decision trees” provided in the Guidance Manual to guide the identification process.

2) Generating Data

The next discussion centered on general approaches to finding the needed data on NPIs. The data needed basically tracks the variables used in SNA. The major challenge is to identify NPIs amongst all private sector organizations in existing economic data. Here several suggestions were offered:

- There are more data on NPIs in existing data sources than is commonly assumed. Many data sources (e.g. business surveys) cover NPIs but do not break them out separately in
data reporting. However, it is sometimes possible to identify the NPIs if there are known identification numbers for the NPI entities in the data source (e.g. a registration number or code for tax status) or if some other data matching or estimating technique is available. Do not resort to special surveys until all the other information sources are exhausted:

- **Use available administrative or tax records.** Registries of nonprofits can often contain extremely valuable listings of nonprofits as well as data on nonprofits, and tax filings can provide information on which entities are active. These should be mined carefully;

- **Use proxies and estimates where necessary.** Often it is necessary to make rough estimates based on proxies (e.g. estimating nonprofit hospital expenditures from total hospital expenditures using the nonprofit share of hospital beds as a proxy for the allocation of expenditures). This is a common approach in national accounting and should be applied as well to the NPI satellite account.

3) **Capturing Additional Variables: Volunteering and Non-market Output of Market NPIs**

   In addition to the standard SNA variables, the *NPI Handbook* calls for the collection of data on two additional features of NPIs: (a) the non-market output of market NPIs and (b) the extent, distribution, and value of volunteer labor.

   a. **Nonmarket output of market NPIs**

   So far as the nonmarket output of market NPIs is concerned, the *NPI Handbook* recommends an adjustment to take account of the under-valuation of NPI output for NPIs in the corporate sector. In particular, where the expenditures of market NPIs exceeds their sales, the *Handbook* recommends adding the difference to the market revenue of these NPIs to capture the full value of their output.

   b. **Volunteer labor**

   An important contribution of the *NPI Handbook* is to recommend that the volunteer labor utilized by NPIs be calculated and included in both the output and input measures of NPI activity. This involves three basic steps:

   - **Determining the extent of volunteering**

     Volunteers are persons who work without monetary pay or legal obligation for persons living outside the volunteer’s own household, as noted in paragraph 4.45 of the *NPI Handbook*. (Unpaid labor for persons living within one’s own household is not considered volunteering). The first step in measuring volunteering activity is to determine the extent of volunteering conducted outside the household. This can be done in one of three ways: (a) household or population surveys; (b) organization surveys; or (c) time-use surveys.

     *Time-use surveys* are probably the most accurate way to gauge volunteer effort, but they are expensive and difficult to implement and are therefore potentially unavailable.
Organization surveys addressed to nonprofit institutions provide a reasonable picture of the extent of volunteering but have the drawback of only capturing the volunteering that takes place in and through formal organizations that can be identified through existing registries or other means. This potentially leaves out a considerable amount of volunteering that takes place through organizations that are not captured in existing registries, including informal organizations. These organizations are likely to rely heavily on volunteers rather than paid labor for the delivery of services to members and the public.

Household or population surveys therefore provide the optimal means of capturing volunteering. Coverage of volunteering can often be integrated into on-going population surveys conducted by statistical agencies, or even surveys carried out by commercial survey firms for other purposes. Care must be taken in framing questions about volunteering, however, because there is often confusion about what actually constitutes volunteering. The NPI Handbook and the Guidance Manual contain sample survey instruments that can be used for this purpose.

- **Converting volunteer time into full-time equivalent workers**

To express volunteer effort meaningfully, it is necessary to determine not only how many people volunteer, but also how many hours they volunteer. This then provides a basis for converting the number of volunteers into the corresponding number of full-time equivalent workers. This is accomplished by dividing the number of volunteer hours, overall and by field, by the average number of hours considered to represent a full-time job in the country.

- **Assigning a value to volunteer time**

To convert the amount of volunteering into the valuation of this work, the NPI Handbook recommends the use of a “replacement cost method.” This method assigns to the work of volunteers what it would cost to replace the work of the volunteer with a paid employee. Ideally, the value of volunteer work should be the same as the value of comparable paid work. If information on the type of volunteer work is not available, the default method recommended by the Handbook is using the average wage for community workers as a proxy for the replacement cost of volunteers (see NPI Handbook paragraph 4.39).

4) **Classification of NPIs**

The Workshop next took up the topic of classification of NPIs. Mrs. Haddock and Dr. Archambault explained that ISIC Rev. 3 uses a number of large “catch-all” categories in fields where NPIs are especially active, making it difficult to capture important differences among NPIs. To remedy this, the NPI Handbook proposes a classification system called the International Classification of Non-Profit Organizations (ICNPO) that elaborates on ISIC Rev. 3 to provide a clearer picture of non-profit institutions. Fortunately, a new ISIC, Rev. 4, is under development in the SNA community that promises to incorporate much of the
ICNPO detail, but until that revision is formally adopted, countries will have to make some adjustments to their existing data reporting systems to accommodate the ICNPO structure. To do so, four steps are required:

- **Identify direct ISIC to ICNPO matches**

  Most of the forty-six (46) ISIC industry classes correspond directly and easily with ICNPO subgroups. Assuming countries are using ISIC or a cross-walk exists between country classification systems and ISIC, most categories of organizations can thus be translated into the appropriate ICNPO category. The *NPI Handbook* Guidance Manual distributed at the workshop contains a table to guide this mapping, and an electronic version is also available.

- **Find additional detail to guide mapping of “catch-all” ISIC categories**

  Thirteen (13) of the ISIC classes contain organizations that could go into more than one ICNPO subgroup. To deal with these categories, the recommended method is to try to find in the country’s classification system sub-classes of organizations within the catch-all ISIC classes that could permit more accurate mapping of the affected organizations to their appropriate ICNPO sub-group. The Guidance Manual offers some suggestions about the type of sub-classifications that might exist, but implementers were encouraged to locate more suitable sub-classifications if they exist in their countries. In the event no more detailed classification of these catch-all categories is available in the country, the Guidance Manual suggests a variety of estimating procedures.

- **Map non-service categories to ICNPO**

  Since the ICNPO classification covers a subset of service activities, other steps are required to map to the ICNPO organizations that might be found outside that subset. If the economic weight of such NPIs is substantial, effort should be made to allocate them to appropriate ICNPO groups. Generally speaking, these are likely to be economic activities (e.g. manufacturing, trade, transportation or agriculture), which would be mapped to ICNPO Group 6, Development and Housing. If this allocation cannot be justified, then the organizations affected should be grouped to ICNPO Group 12, Not Elsewhere Classified. At some time in the future the ICNPO classification will be reviewed in the light of country experiences with organizations that do not map readily to ICNPO and the significance of the ‘Not elsewhere classified’ category.

5) **Provision of Technical Assistance**

   Mrs. Haddock mentioned that JHU/CCSS would be in a position to offer technical assistance, through email, telephone, in-country visits, and additional regional meetings where requested.

6) **Sharing of Information/ Preparation of Comparative Reports**
Participants discussed working relationships between national accounts departments, JHU/CCSS, and third party organizations (advisory committees, reference groups, and the UNV for example). Mrs. Haddock explained that JHU/CCSS would like to remain in touch with the *NPI Handbook* implementers for three primary reasons:

a. To ensure that the data are produced in a way that allows them to be compared among countries;

b. To allow JHU to serve as a sounding board to ensure that complications that arise in one country are resolved similarly in all countries (for example, determining the status of mutuals); and

c. To learn of useful techniques that country teams develop that could be transmitted to other countries and incorporated into subsequent revisions of the *NPI Handbook* or *Guidance Manual*;

To this end, JHU/CCSS requested all implementing agencies to sign a Collaboration Agreement with JHU/CCSS if they had not already done so. Mrs. Haddock emphasized that the document’s main purpose is to clarify expectations about the roles and responsibilities of the respective agencies and JHU/CCSS. She noted that the document need not be signed at the highest level within the agency and that it can be modified to suit the needs of individual countries (e.g., by adding a third party or adding/deleting particular language).

**Country Reports**

In addition to the general discussion, participants reported on the status of nonprofit data and *Handbook* implementation in their own statistical systems. What became clear in these accounts is that many of the region’s countries have already made considerable headway designing a work plan that the implementation of the new *NPI Handbook* will require. A summary of these country reports is provided in Attachment A.

**Outstanding Issues**

In the course of the discussion, participants raised a number of issues for discussion or that were noted for future resolution or further review. A summary of these issues is provided in Attachment B.

**Conclusion**

Despite difficulties, participants at the meeting expressed considerable support for the *NPI Handbook* and the contribution it can make to improving understanding of the development process and the achievement of important social and economic objectives in their countries, and considerable confidence in their ability to make important headway in implementing the *Handbook*. 
Country Reports

Cameroon

Mr. Achille Pegoue reported that the National Institute of Statistics had a seven point plan in place to fully implement the *NPI Handbook* in Cameroon. Central to this plan is the NIS’ involvement in the International Comparative Program (ICP) nonprofit survey initiative in partnership with the African Development Bank. As part of this project, the NIS will begin a pilot survey in December 2006 in preparation for an expanded version scheduled to be completed a year from now. Having implementing SNA 1993, Mr. Pegoue believes the NIS can fully integrate the *NPI Handbook* in 3 years, with an initial estimate of the formal NPIs ready within a year and a half. Mr. Pegoue supported the formation of an advisory committee to seek for expertise on the nonprofit sector in Cameroon.

Mali

Mr. Brehima Sanogo, Head of National Accounts in Mali reported that the statistics agency will create an initial estimate of the NPI sector by reviewing the existing data within the SNA structure. Mr. Sanogo estimated that this initial report could be complete in 2008. He reported that the statistics agency was interested in capturing the NPIs currently outside of the existing data national accounts, but that finding sources of funding for this effort would be very difficult. Mr. Sanogo supported the formation of an advisory committee to gain local buy-in for this project.

Morocco

Mr. Aziz Ajbilou, Directeur des Estudes de la Cooperation et de la Legislation, from the Ministry of Social Economy, Industry, and Handicraft, outlined the arrangement for implementation of the NPI Handbook in Morocco. He explained that his department plans to form a partnership with the Department of National Accounts in order to mine the existing data. Further, Mr. Ajbilou also hopes to form a partnership with the Ministry of the Interior in order to obtain their NPI registry. Using data from these sources, Mr. Ajbilou’s department will compile the satellite account and hopefully integrate it into the national accounts structure.
Questions for Discussion

1) How should mutuals and cooperatives be treated in the NPI satellite account? What is the difference between the social economy and NPI sector?

The Issue. Nonprofit Institutions (NPIs), cooperatives, and mutual associations share many similar features, and together, these three groups comprise what is termed “social economy.” However, because cooperatives and mutual associations do not fully meet the “nonprofit distributing” criterion in the definition of a nonprofit institutions, these organizations are not considered NPIs.

Suggested Resolution. Recognizing the important role mutuals and cooperatives play in many countries, and the many similarities they share with the nonprofit sector, Mrs. Haddock recommended that countries that wish to collect data on cooperatives and mutual associations should be sure that they are capable of separately identifying and reporting these data when compiling the satellite account on nonprofit institutions. She emphasized this point, warning that if they are not separately identified then these data would not be internationally comparable.

2) How should we treat foundations created by Royal decree?

The Issue. In many countries, at both the national and local levels, NPIs are created by government authorities the purpose of either supporting government policy or improving public services, yet with the ability to operate with some degree of independence from government. In these cases, it can be difficult to determine whether or not the organization meets both the “independent from government” and “self-governing” criteria in the structural-operational definition of an NPI as outlined in the NPI Handbook. The question is whether the organization is an instrument of government or independent enough to be regarded as in-scope for the satellite account.

Suggested Resolution. The NPI Handbook regards NPIs empowered to distribute government subsidies, grants or contracts to individuals or other organizations, within a given set of regulations determined by government, as independent of government. However, these organizations should be examined carefully using the decision trees provided in the Guidance Manual to determine if they are truly independent. Some points for consideration of this question are listed below:

1) Are these organizations allowed to refuse government funding?
2) Are government employees appointed to the governing boards of these organizations, and if they are, do they have the power to exercise government authority or do they act as private citizens?
3) Do these organizations exercise powers of government to tax, jail, or regulate in their own right?

3) Is it possible to find NPI data by examining current data classification systems?

The Issue. Given that many NPIs are likely to be found in particular fields of activity, like health, education, and social services, Mrs. Saidi made the suggestion that statisticians identify
NPI data currently embedded within the existing data by looking first at the existing classification systems where NPIs might be found.

**Suggested Resolution.** In countries where it is possible to do so, statisticians are encouraged to following this suggestion to find NPIs within the existing data. If statisticians are able to identify classification categories where NPIs might be located (e.g., social services, associations, higher education, health), they should be able to locate organizations that might be considered NPIs. It should be emphasized that economic units identified in this process still need to be examined to determine if they meet the five criterion of the structural-operational definition of an NPI.

4) **How should one treat in-kind compensation of volunteers?**

**The Issue.** Volunteers may receive assistance, often in-kind (e.g. free meals), that could be considered a kind of payment for their work. In some regions this may constitute an important source of sustenance for people who have limited or no other employment opportunities. The question therefore becomes whether this is truly volunteering or a form of paid employment even though the compensation is very low. If such situations are common, this suggests the need to inquire about such in-kind compensation when gathering data on volunteering. There are two questions that need to be answered.

1) Are people receiving this form of compensation for their work considered paid employees or volunteers?
2) If they are volunteers, how does the in-kind compensation they receive affect the imputation of the value of volunteer work?

**Suggested Resolution.** With regard to the first question, the general principle is that if the value of in-kind compensation they receive is comparable to the compensation that paid workers customarily receive in that area, this work is considered paid employment rather than volunteering even if it is called volunteering by the employing agency.

With regard to the second question, since the in-kind payments will already have been included in the expenditures of the organization (e.g. as purchases of food from a restaurant or other vendor), their value will need to be deducted from the imputed wage of volunteers that the Handbook recommends in order to compute the additional value that volunteer effort produces for the organization. If the in-kind payments are not already included in organizational expenditures, however, this rule will not apply.

It should be emphasized that expense reimbursements (e.g. for travel, lodging, lost wages, etc.) to volunteers are **not** a part of compensation that volunteers, or for that matter employees, receive.
Implementers’ Meeting  
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