

TITLE: FRAME OF REFERENCE FOR BANK ACTION IN PROGRAMS FOR MODERNIZATION OF THE STATE AND STRENGTHENING OF CIVIL SOCIETY. NEW VERSION

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Page No.	Parra. No.	Text
i	3	The challenge that now has to be taken up involves achieving new forms of organization and political and social management that work with the new development strategy. This is precisely what should be the objective of programs to further State reform and modernization and strengthen civil society.
ii	5	It is recognized that fiscal pressures in the wake of the crisis of the 1980s and the adjustment programs imposed greater emphasis on a resizing of the State, which in some cases impaired the ability of institutions to effectively provide goods and services that are essentially the responsibility of the public sector.
ii	6	As economic reform programs have unfolded, it has been observed that the operation of the economy can run up against the traditional structure of State institutions, makeshift government management, inadequate public policies, and obsolete legal systems. Thus, in the last few years a consensus has grown around the importance of governance to promote a solid policy of sustained and equitable development. It is recognized that a direct relationship exists between the sustainability of the economic model and the quality of governance.
ii	7	(...) the Bank began to support efforts by nearly all the countries in the region to strengthen fiscal policy and fiscal management.
ii	8	(...) In recent years the Bank has been receiving and has started to process and approve requests from the countries for support in modernizing and strengthening the judicial system, the legislative branch, public records systems, and other areas outside the traditional sphere of the executive branch, and in strengthening civil society organizations. The Bank also has been supporting activities (meetings, seminars, conferences, studies) that seek to build a consensus for economic, social, and political reform programs; (...)
iii	9	(...) i) to function effectively, a market of the State must be comprehensive and encompass the entire institutional and regulatory framework in which economic, social and political activities take place.
iii	10	(...) Lastly, the effectiveness of State actions will hinge in large measure on the strength of civil society.

iv	11	(...) the costs of adjustment have weakened institutional capabilities in important areas of government (...) the following areas have been identified as proposed focuses for enhanced Bank support to the countries (...) (i) (...) to achieve greater transparency and accountability of government; (iii) promote a professional civil service, including training of different levels of public administrators, to enhance the effectiveness of State management, make for greater insulation of government from corporate interests, and do away with gender-based and other forms of discrimination; (...) (vi) Promote education in good citizenship, to promote democratic values, instill a culture of tolerance and peaceful dispute settlement, and put and end to racial and sex stereotyping.
iv	12	The Bank can help the countries improve the political and technical capacity of these bodies for the performance of their representative, legislative, oversight and control functions through programs for: (iv) the setting up of modern information systems; (v) the development of channels for communication and dialogue with participation and consensus.
v	13	(...) (iii) the establishment of alternative conflict-resolution methods; (iv) the execution of programs of legal aid and legal education for the population.
v	14	(...) There can be no efficient State with a weak civil society. There can be no effective democracy or sustainable and equitable development without a strong civil society. The greatest constraints for such an effort in the countries of the region are the socioeconomic exclusion of vast sectors of the population, (...) the fragility of democratic institutions, (...) A robust civil Society is founded on the existence of economic opportunities and democratic freedoms for all its citizens. Civil society is strengthened by economic and social policies that promote employment, the broadening of the entrepreneurial base, with an emphasis on small business and microenterprise, the formation of human capital, the eradication of poverty, the strengthening of democratic institutions, decentralization, citizen participation, protection of the more vulnerable sectors, the elimination of sex-based and all other forms of discrimination, and the establishment of an institutional and regulatory climate in which civil rights may be exercised to the full.
v	15	In this view, the strengthening of civil society is one of the central objectives of the policies of the Bank's Eighth Replenishment, which gave priority to poverty reduction, modernization of the State and strengthening of the democratic system. Nevertheless, programs and specific actions are required to help strengthen civil society organizations, without diluting their autonomy. Some priorities could be as follows: i) promotion of a legal framework that favors associations of and the involvement of all citizens of both sexes; ii) identification of new ways of delivering services through local

		governments and intermediate grass-roots organizations; iii) promotion of philanthropy and volunteerism; and iv) establishment of financial and technical support mechanisms for giving the more vulnerable sectors of the society, notably women, an economic role to play.
vi	16	i) the country studies done should cover issues relating to modernization of the State and strengthening of civil society so that specific strategic guidelines may be defined to govern the Bank's collaboration with each country; ii) these issues should be included in the Bank's dialogue with the countries (...) iii) the Bank should operate through a wide range of activities such as loans and technical-cooperation funding, and consensus-building activities (studies, conferences and seminars), (...) iv) there should be closer cooperation with other multilateral institutions, bilateral cooperation agencies and specialized institutions in order to complement resources and mandates; v) the leadership of the regional departments is essential for inter-departmental coordination of the technical support (...) and vi) the Bank's Country Offices should have the resources to enable them to conduct a broad-based process of consultation and coordination with civil society organizations.
vi.	17	(...) it is recommended that i) (...) intensive research and studies be done, especially evaluations of the experiences of the Bank and other institutions, to draw on lessons learned; ii) indicators of management and results be established in the framework of institutional performance to measure the progress made in operations; iii) a strategic performance system be designed with technical support of EVO for use in evaluating operations; and iv) human resources be allocated as needed.
1	1.3	(...) the increasingly dominant role of the market, and the establishment of democratic systems have widened the sphere of responsibility of civil society defined as the activities of citizens, either individually or in association, in the economic, social and political spheres.