

Objectives include: c) strengthen the financial solvency and the initiative and managerial capacity of local governments.

Fields of activity include 3. **STRENGTHENING OF URBAN DEVELOPMENT INSTITUTIONS AND INSTRUMENTS.** The Bank contributes, through technical cooperation activities, to improving the managerial and planning capability of the authorities in charge of the development of small, medium and large cities in such areas as the preparation of plans, programs and projects, the undertaking of studies and research, and the training of personnel (specialists, middle-level technicians, municipal employees and extension workers). When it is necessary to reinforce the fiscal base of municipalities, the Bank receives proposals to modernize the cadastral, tax, tariff and other systems of revenue collection. The Bank also supports the dissemination of knowledge, information and results obtained from such operations, and promotes initiatives designed to improve the understanding of urban phenomena.

**Criteria include: Community Participation:** The participation of the beneficiary communities will be a basic element in the urban development projects supported by the Bank. In some projects, particularly in those designed to benefit the marginal population and the informal sector, it is essential that the beneficiaries take part in all phases of the project, exercising their capacity to understand and assume responsibilities as well as to take the necessary actions.

**Financial criteria indicates:** ....Special attention will be paid to the strengthening of financial institutions, both public and non-governmental, and to technical assistance which facilitate an effective mobilization and channeling of internal and external savings towards investments and other productive purposes for small entrepreneurs.

**Private sector participation in housing:** b) Improve public sector effectiveness both as a facilitator of private sector initiatives and in the management of public resources allocated to the **sector**.