

# Municipal Development Program

## MEXICO

SECTOR: Urban Development

NAME OF PROJECT: Municipal Development Program  
(837/OC-ME)

TOTAL COST: \$833 million

FINANCING:

IDB \$500 million  
LOCAL \$333 million

DATE OF APPROVAL: November 23, 1994

GENERAL DESCRIPTION: The Municipal Development Program will help finance actions of the Government of Mexico that strengthen the ability of the municipalities in the participating states to deliver basic services, with particular attention to the needs of the low-income population. The program is aimed at providing financing for community-based small infrastructure projects, as well as institutional strengthening to small and medium municipalities to improve their financial status and to make public service delivery more efficient. The principal components of the program include: (a) support for the Municipal Funds Program (\$779.4 million); (b) institutional strengthening to medium sized municipalities (\$39.6 million); (c) support for a training program in project preparation (\$6.4 million); and (d) a study of legal and institutional framework (\$1.0 million).

**CONSULTANTS:** Consultants will be required to help improve municipal performance in the areas of financial management and basic services by providing initial diagnostic work, technical assistance, training and limited equipment upgrading. Consultants will also be hired to carry out annual project evaluations, as well as a study on the legal and institutional framework for financing municipal works and services.

**GOODS AND EQUIPMENT:** Small quantities of equipment will be purchased for training purposes.

**CIVIL WORKS:** In the first component, financing for small infrastructure projects including street paving, sanitation, water supply systems, road rehabilitation, electrification, and schools will be conducted by the communities or by the municipal works department. Accordingly, there will be no contracting of construction firms.

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