
LOAN NUMBER 7129-GU

Loan Agreement

(Financial Sector Technical Assistance Project)

between

REPUBLIC OF GUATEMALA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated *December 13*, 2002



LOAN NUMBER 7129-GU

LOAN AGREEMENT

AGREEMENT, dated *December 13*, 2002, between THE REPUBLIC OF GUATEMALA (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested the Bank to assist in the financing of the Project;

(B) the Borrower is carrying out a program to reform its banking sector as described in the letter from the Borrower to the Bank dated May 20, 2002 (the Program); and

WHEREAS the Bank has agreed, on the basis, inter alia, of the foregoing, to extend the Loan to the Borrower upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements for Fixed-Spread Loans" of the Bank dated September 1, 1999 (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "BANGUAT" means *Banco de Guatemala*, the Borrower's Central Bank;

(b) "Bridge Special Account" means the account referred to in Section 2.02 (b) of, and elsewhere in, this Agreement;

(c) "FFCB" means *Fondo Fiduciario de Capitalización Bancaria*, a trust fund to be established within, and administered by, BANGUAT;



(d) "FMR" means each financial monitoring report prepared in accordance with Section 4.02 (a) of this Agreement;

(e) "Implementation Letter" means the letter of even date herewith from the Borrower to the Bank setting forth the Project monitoring evaluation indicators;

(f) "Operational Manual" means the manual referred to in Section 3.06 (a) of this Agreement;

(g) "PCU" means the Project coordination unit referred to in Section 3.04 of this Agreement;

(h) "SB" means *Superintendencia de Bancos*, the Borrower's Superintendency of Banks; and

(i) "UNDP Agreement" means the agreement referred to in Section 3.07 (a) of this Agreement.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, an amount equal to five million Dollars (\$5,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.09 of this Agreement.

Section 2.02. (a) The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan and in respect of the front-end fee referred to in Section 2.04 of this Agreement and any premium in respect of an Interest Rate Cap or Interest Rate Collar payable by the Borrower in accordance with Section 4.04 (c) of the General Conditions.

- (b) (i) The Borrower may, for the purposes of the Project, open and maintain in Dollars a special deposit account in BANGUAT on terms and conditions satisfactory to the Bank; and
- (ii) payments out of the Special Account shall be made in accordance with the provisions of Schedule 5 to this Agreement.



Section 2.03. The Closing Date shall be June 30, 2005 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower of such later date.

Section 2.04. The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Loan. On or promptly after the Effective Date, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amount of such fee.

Section 2.05. The Borrower shall pay to the Bank a commitment charge on the principal amount of the Loan not withdrawn from time to time, at a rate equal to: (i) eighty five one-hundredths of one per cent (0.85%) per annum from the date on which such charge commences to accrue in accordance with the provisions of Section 3.02 of the General Conditions to but not including the fourth anniversary of such date; and (ii) seventy five one-hundredths of one per cent (0.75%) per annum thereafter.

Section 2.06. The Borrower shall pay interest on the principal amount of the Loan withdrawn and outstanding from time to time, in respect of each Interest Period at the Variable Rate; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the Borrower shall, during the Conversion Period, pay interest on such amount in accordance with the relevant provisions of Article IV of the General Conditions.

Section 2.07. Interest and commitment charges shall be payable semiannually in arrears on February 15 and August 15 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the provisions of Schedule 3 to this Agreement.

Section 2.09. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management:

- (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency;
- (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and
- (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on said Variable Rate.



(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a "Conversion", as defined in Section 2.01(7) of the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Without limitation upon the provisions of paragraph (a) of this Section and unless otherwise agreed by the Bank and the Borrower, the interest rate basis applicable to consecutive withdrawals from the Loan Account which in the aggregate is equal to \$5,000,000 shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of the General Conditions and of the Conversion Guidelines.

(d) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar in respect of which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.04 (c) of the General Conditions up to the amount allocated from time to time for such purpose in the table in paragraph 1 of Schedule 1 to this Agreement.

ARTICLE III

Execution of the Project

Section 3.01. The Borrower declares its commitment to the objectives of the Project, and, to this end, shall carry out the Project, through the PCU, with due diligence and efficiency and in conformity with appropriate financial, administrative, legal and technical practices, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

Section 3.02. Except as the Bank shall otherwise agree, procurement of the goods and consultants' services required for the Project and to be financed out of the proceeds of the Loan shall be governed by the provisions of Schedule 4 to this Agreement.

Section 3.03. For the purposes of Section 9.07 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Bank, and furnish to the Bank not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Bank, a plan for the future operation of the Project;



(b) afford the Bank a reasonable opportunity to exchange views with the Borrower on said plan; and

(c) carry out an in-depth review (the mid-term review), jointly with the Bank, on the progress achieved in the implementation of the Project.

Section 3.04. Throughout the course of the Project implementation, the Borrower shall maintain a Project coordination unit within SB. The Borrower shall ensure that the PCU is at all times, during the implementation of the Project, headed by a Project coordinator (the Project Coordinator) and assisted by staff in adequate numbers, all with qualifications and experience satisfactory to the Bank with functions and responsibilities as set forth in the Operational Manual.

Section 3.05. The Borrower shall:

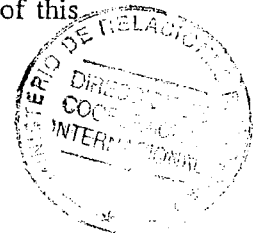
(a) maintain policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with the indicators set forth in the Implementation Letter, the carrying out of the Project and the achievement of the objectives thereof;

(b) prepare, under terms of reference satisfactory to the Bank, and furnish to the Bank, on or about February 15 of each year during the implementation of the Project a report integrating the results of the monitoring and evaluation activities performed pursuant to paragraph (a) of this Section, on the progress achieved in the carrying out of the Project during the period preceding the date of said report and setting out the measures recommended to ensure the efficient carrying out of the Project and the achievement of the objectives thereof during the period following such date; and

(c) review with the Bank, by April 15 of each year during the implementation of the Project or such later date as the Bank shall request, the report referred to in paragraph (b) of this Section, and, thereafter, take all measures required to ensure the efficient completion of the Project and the achievement of the objectives thereof, based on the conclusions and recommendations of said report and the Bank's views on the matter.

Section 3.06. (a) The Borrower shall, without limitation to the other provisions of this Agreement, carry out the Project in accordance with an operational manual, satisfactory to the Bank and to be prepared by the PCU, said manual to include specific rules and procedures for Project implementation; and

(b) the Operational Manual may be amended by the Borrower from time to time, in a manner satisfactory to the Bank, to facilitate continued Project implementation. In case of any conflict between the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.



Section 3.07. (a) For the purposes of providing assistance to the Borrower in the procurement of goods and services under the Project, the Borrower may enter into an agreement with the United Nations Development Programme (UNDP) under terms and conditions satisfactory to the Bank (the UNDP Agreement), including, inter alia, UNDP's obligation to maintain, on behalf of the Borrower, records and accounts adequate to reflect the operations, resources and expenditures of the Project, in order to enable the Borrower to comply with its obligations under Sections 4.01 and 4.02 of this Agreement.

- (b) (i) The Borrower shall exercise its rights and carry out its obligations under the UNDP agreement in such a manner as to protect the interest of the Borrower and the Bank and to accomplish the purposes of the Loan; and
- (ii) except as the Bank may otherwise agree, the Borrower shall not assign, amend, abrogate, suspend, waive, terminate or fail to enforce the UNDP Agreement or any provision thereof.

ARTICLE IV

Financial Covenants

Section 4.01. (a) The Borrower shall maintain a financial management system, including records and accounts, and prepare financial statements in a format acceptable to the Bank, adequate to reflect the operations, resources and expenditures related to the Project.

- (b) The Borrower shall:
 - (i) have the records, accounts and financial statements referred to in paragraph (a) of this Section and the records and accounts for the Special Account for each fiscal year audited, in accordance with auditing standards acceptable to the Bank, consistently applied, by independent auditors acceptable to the Bank;
 - (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year: (A) certified copies of the financial statements referred to in paragraph (a) of this Section for such year as so audited; and (B) an opinion on such statements, records and accounts and report of such audit, by said auditors, of such scope and in such detail as the Bank shall have reasonably requested including as part of the information to be provided in each said report, a management letter concerning the Recipient's internal controls; and

- (iii) furnish to the Bank such other information concerning such records and accounts, and the audit thereof, and concerning said auditors, as the Bank may from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the Loan Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Bank has received the audit report for the fiscal year in which the last withdrawal from the Loan Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Bank's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

Section 4.02. (a) Without limitation upon the Borrower's progress regarding obligations set out in Section 3.05 (b) of this Agreement, the Borrower shall and furnish to the Bank a financial monitoring report, in form and substance satisfactory to the Bank, which:

- (i) sets forth sources and uses of funds for the Project, both cumulatively and for the period covered by said report, showing separately funds provided under the Loan, and explains variances between the planned and actual uses of such funds;
- (ii) describes physical progress in Project implementation, both cumulatively and for the period covered by said report, and explains variances between the actual and planned implementation; and
- (iii) sets forth the status of procurement under the Project, as at the end of the period covered by said report.



(b) The first FMR shall be furnished to the Bank not later than 45 days after the end of the first calendar semester after the Effective Date, and shall cover the period from the incurrence of the first expenditure under the Project through the end of such first calendar semester; and thereafter, each FMR shall be furnished to the Bank not later than 45 days after each subsequent calendar semester, and shall cover such calendar semester.

ARTICLE V

Remedies of the Bank

Section 5.01. Pursuant to Section 6.02 (p) of the General Conditions, the following additional events are specified:

(a) A situation has arisen which shall make it improbable that the Program, or significant part thereof, will be carried out.

(b) UNDP shall have failed to perform any of its obligations under the UNDP Agreement.

ARTICLE VI

Effective Date; Termination

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Loan Agreement within the meaning of Section 12.01(c) of the General Conditions:

(a) that the PCU has been properly staffed as set forth in Section 3.04 of this Agreement; and

(b) that the Operational Manual has been issued and put into effect.

Section 6.02. The date *March 13, 2003* is hereby specified for the purposes of Section 12.04 of the General Conditions.

ARTICLE VII

Representative of the Borrower; Addresses

Section 7.01. The Minister of Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.03 of the General Conditions.



Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Borrower:

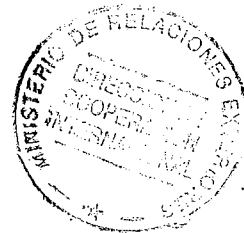
Ministerio de Finanzas Públicas
8a Avenida y 21 Calle
Centro Cívico,
Zona 1, Guatemala

Cable address:	Telex:	Facsimile:
MINFIP Guatemala, Guatemala	9207 MINFIO GU	(502) 230-0333

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America

Cable address:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391



IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, USA, as of the day and year first above written.

REPUBLIC OF GUATEMALA

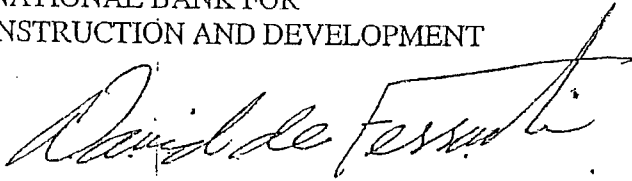
By



Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By



Regional Vice President
Latin America and the Caribbean

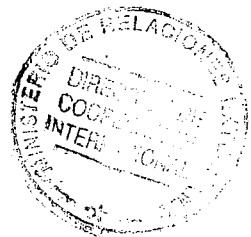


SCHEDULE 1

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Loan, the allocation of the amounts of the Loan to each Category and the percentage of expenditures for items so to be financed in each Category:

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollars)</u>	<u>% of Expenditures to be Financed</u>
(1) Goods	1,535,000	100% of foreign expenditures; for local expenditures please see paragraph 4 of this Schedule
(2) Consultants' services and fees for audits referred to in Section 4.01 (b) of this Agreement	2,995,000	100% of foreign expenditures; for local expenditures please see paragraph 5 of this Schedule
(3) Training	420,000	100% of foreign expenditures; for local expenditures please see paragraph 6 of this Schedule
(4) Front-end fee	50,000	Amount due under Section 2.04 of this Agreement
(5) Premia for Interest Rate Caps and Interest Rate Collars	0	Amount due under Section 2.09 (d) of this Agreement
TOTAL	<u>5,000,000</u>	



2. For the purposes of this Schedule:
 - (a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Borrower for goods or services supplied from the territory of any country other than that of the Borrower;
 - (b) the term "local expenditures" means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower; and
 - (c) the term "training" means the non-consultant expenditures incurred by the Borrower in connection with the carrying out of training activities under the Project, including reasonable travel costs and per diem of trainees, rental of facilities and equipment, and training materials.
3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of: (a) Categories (1), (2) and (3) (either as advances to UNDP or for reimbursement made to UNDP) unless the UNDP Agreement has been signed by the parties thereto; and (b) payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding \$500,000, may be made in respect of Categories (1), (2) and (3) set forth in the table in paragraph 1 of this Schedule on account of payments made for expenditures within twelve months prior to the date of this Agreement.
4. The percentage of local expenditures for goods to be financed by the Bank shall be: (a) 100% in case of goods procured through the services of a tax-exempt procurement agent; or (b) 88% in case of all other goods.
5. The percentage of local expenditures for consultant services and audit fees to be financed by the Bank shall be: (a) 100% in case of services procured through the services of a tax-exempt procurement agent; or (b) 80% in case of all other services.
6. The percentage of local expenditures for training activities to be financed by the Bank shall be: (a) 100% in case of services procured through the services of a tax-exempt procurement agent; or (b) 80% in case of all other services.
7. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures for: (a) contracts for goods costing less than \$150,000 equivalent each; (b) contracts for consulting firms costing less than \$100,000 equivalent each; (c) contracts for individual consultants costing less than \$50,000 equivalent each; and (d) training, all under such terms and conditions as the Bank shall specify by notice to the Borrower.



SCHEDULE 2

Description of the Project

The objective of the Project is to assist the Borrower with the implementation of the necessary actions to carry out the Program.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objectives:

Part A: Exit and Resolution of Insolvent Banks

1. Provision of technical assistance to the SB to: (a) establish benchmarks to carry out a financial assessment of selected banks of the Borrower's banking sector; (b) design templates to prepare and assess bank rehabilitation plans.

2. Provision of technical assistance to the SB to develop legal and financial instruments to: (a) transfer assets and liabilities from insolvent to solvent banks; (b) to compensate banks acquiring assets and liabilities of insolvent banks; (c) liquidate remaining assets of insolvent banks rapidly.

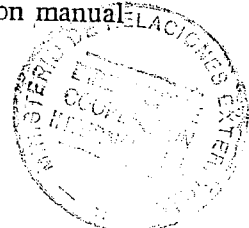
3. Provision of technical assistance to establish mechanisms to repay insolvent bank depositors.

Part B: Establishment of FFCB

Provision of technical assistance, training and equipment as necessary to establish FFCB, including technical assistance to: (a) assess banking institutions' capitalization requirements; (b) assess potential mergers among banking institutions; (c) draft operating rules for FFCB; (d) formulate strategies to sell FFCB's participations in banking institutions; (e) monitor capitalized banking institutions' performance; (f) audit FFCB; and (g) design a plan to close FFCB once its goals have been achieved.

Part C: Strengthening of SB

Provision of technical assistance, training and equipment as necessary to: (a) strengthen SB through the establishment of a national credit bureau; (b) draft a proposed new law on secured transactions (*Ley de Garantías Mobiliarias*); (c) review and propose the necessary amendments to improve the legal framework on debt recovery; (d) draft a proposed new legal framework on non-bank financial institutions; (e) draft a proposed new law for insurance companies and collective investment vehicles (mutual funds and investment firms); (f) implement updated accounting principles and disclosure practices for all type of financial intermediaries; (g) design and implement a supervision manual.



for off-shore entities; and (h) carry out an assessment of BANGUAT's capital requirements to cover its accrued losses.

Part D: Anti-Money Laundering

Provision of technical assistance, training and equipment as necessary to assist the Borrower with the implementation of its new anti-money laundering law (*Ley Contra el Lavado de Dinero u Otros Activos*, dated December 17, 2001) through the strengthening of the special unit established within SB to prevent and sanction money laundering activities.

Part E: Strengthening of BANGUAT

Provision of technical assistance, training and equipment as necessary to: (a) design a strategy for the medium- and long-term development of the Borrower's financial system; (b) modernize the Borrower's payment system for large financial transactions; and (c) implement international accounting standards.

Part F: Project Coordination

Provision of technical assistance, training and equipment as necessary to strengthen the operational capacity of the PCU to monitor and evaluate the implementation of the Project components (including audit services for purposes of Section 4.01 (b) of this Agreement).

* * *

The Project is expected to be completed by December 31, 2004.



SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<u>Payment Date</u>	<u>Installment Share</u> <u>(Expressed as a %)</u>
On each February 15 and August 15	
Beginning February 15, 2008 through February 15, 2018	4.55%
On August 15, 2018	4.45%

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second



Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.



SCHEDULE 4

Procurement

Section I. Procurement of Goods

Part A: General

Goods shall be procured in accordance with the provisions of Section I of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in January 1995 and revised in January and August 1996, September 1997 and January 1999 (the Guidelines) and the following provisions of Section I of this Schedule.

Part B: International Competitive Bidding

1. Except as otherwise provided in Part C of this Section, goods shall be procured under contracts awarded in accordance with the provisions of Section II of the Guidelines and paragraph 5 of Appendix 1 thereto.
2. The following provisions shall apply to goods to be procured under contracts awarded in accordance with the provisions of paragraph 1 of this Part B.

(a) Grouping of Contracts

To the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost \$150,000 equivalent or more each.

(b) Preference for Domestically Manufactured Goods

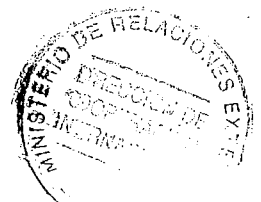
The provisions of paragraphs 2.54 and 2.55 of the Guidelines and Appendix 2 thereto shall apply to goods manufactured in the territory of the Borrower.

Part C: Other Procurement Procedures

1. National Competitive Bidding

(a) Goods estimated to cost less than \$150,000 equivalent per contract, up to an aggregate amount not to exceed \$350,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.3 and 3.4 of the Guidelines.

(b) Procurement of all goods under this Part C.1 shall be carried out using standard bidding documents acceptable to the Bank.



2. International or National Shopping

Goods estimated to cost less than \$25,000 equivalent per contract, up to an aggregate amount not to exceed \$180,000 equivalent, may be procured under contracts awarded on the basis of international or national shopping procedures in accordance with the provisions of paragraphs 3.5 and 3.6 of the Guidelines.

3. Direct Contracting

Computer software licenses and services which are proprietary and obtainable from only one source (including technical support and software updates) up to an aggregate amount not to exceed \$180,000 equivalent, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraph 3.7 of the Guidelines.

Part D: Review by the Bank of Procurement Decisions

1. Procurement Planning

Prior to the issuance of any invitations to bid for contracts, the proposed procurement plan for the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Guidelines. Procurement of all goods shall be undertaken in accordance with such procurement plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.

2. Prior Review

With respect to: (a) each contract for goods to be awarded under Part B.1 of this Section; (b) the first two contracts of each calendar year during the implementation of the Project awarded under Part C.1. (a) of this Section; and (c) the first two contracts awarded under Part C.2. of this Section, the procedures set forth in paragraphs 2 and 3 of Appendix 1 to the Guidelines shall apply.

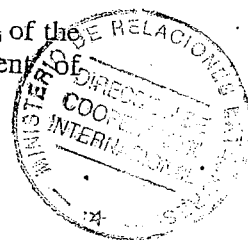
3. Post Review

With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines shall apply.

Section II. Employment of Consultants

Part A: General

Consultants' services shall be procured in accordance with the provisions of the Introduction and Section IV of the "Guidelines: Selection and Employment



Consultants by World Bank Borrowers" published by the Bank in January 1997 and revised in September 1997 and January 1999 (the Consultant Guidelines) and the following provisions of Section II of this Schedule.

Part B: Quality- and Cost-based Selection

Except as otherwise provided in Part C of this Section, consultants' services shall be procured under contracts awarded in accordance with the provisions of Section II of the Consultant Guidelines, paragraph 3 of Appendix 1 thereto, Appendix 2 thereto, and the provisions of paragraphs 3.13 through 3.18 thereof applicable to quality- and cost-based selection of consultants.

Part C: Other Procedures for the Selection of Consultants

1. Selection Based on Consultants' Qualifications

Services rendered by consulting firms under the Project estimated to cost less than \$100,000 equivalent per contract, up to an aggregate amount not to exceed \$250,000 equivalent, may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.7 of the Consultant Guidelines.

2. Least-cost Selection

Consultants services under the Project estimated to cost less than \$100,000 equivalent per contract may be procured under contracts awarded in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

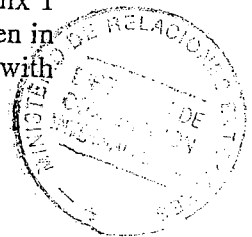
3. Individual Consultants

Services rendered by individual consultants, for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines, up to an aggregate amount not to exceed \$1,600,000 equivalent shall be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Part D: Review by the Bank of the Selection of Consultants

1. Selection Planning

Prior to the issuance to consultants of any requests for proposals, the proposed plan for the selection of consultants under the Project shall be furnished to the Bank for its review and approval, in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines. Selection of all consultants' services shall be undertaken in accordance with such selection plan as shall have been approved by the Bank, and with the provisions of said paragraph 1.



2. Prior Review

(a) With respect to each contract for the employment of consulting firms estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 1, 2 (other than the third subparagraph of paragraph 2 (a)) and 5 of Appendix 1 to the Consultant Guidelines shall apply.

(b) With respect to each contract for the employment of consulting firms estimated to cost less than the equivalent of \$100,000, the terms of reference for the assignment shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

(c) With respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the qualifications, experience, terms of reference and terms of employment of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

(d) With respect to each contract for the employment of individual consultants estimated to cost less than the equivalent of \$50,000, the terms of reference of the consultants shall be furnished to the Bank for its prior review and approval. The contract shall be awarded only after the said approval shall have been given.

3. Post Review

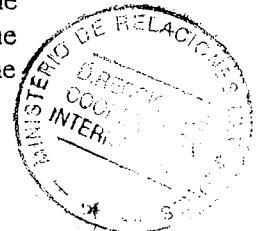
With respect to each contract not governed by paragraph 2 of this Part, the procedures set forth in paragraph 4 of Appendix 1 to the Consultant Guidelines shall apply.



SCHEDULE 5

Special Account

1. For the purposes of this Schedule:
 - (a) the term "eligible Categories" means Categories (1), (2) and (3) set forth in the table in paragraph 1 of Schedule 1 to this Agreement;
 - (b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and
 - (c) the term "Authorized Allocation" means the amount of \$500,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule; provided, however, that unless the Bank shall otherwise agree, the Authorized Allocation shall be limited to the amount of \$200,000 until the Bank determines based on the amounts and frequencies of withdrawals applications that a higher balance not to exceed the amount of \$500,000 is necessary.
2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.
3. After the Bank has received evidence satisfactory to it that the Special Account has been duly opened in BANGUAT, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:
 - (a) For withdrawals of the Authorized Allocation, the Borrower shall furnish to the Bank a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.
 - (b)
 - (i) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposits into the Special Account at such intervals as the Bank shall specify.
 - (ii) Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the



Special Account such amount as the Borrower shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Bank from the Loan Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Bank shall have determined that all further withdrawals should be made by the Borrower directly from the Loan Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement;

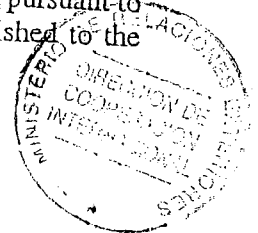
(b) if the Borrower shall have failed to furnish to the Bank, within the period of time specified in Section 4.01 (b) (ii) of this Agreement, any of the audit reports required to be furnished to the Bank pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Bank shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Loan allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount of the Loan allocated to the eligible Categories shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Bank shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Bank shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the



Bank; the Borrower shall, promptly upon notice from the Bank: (A) provide such additional evidence as the Bank may request; or (B) deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Bank shall otherwise agree, no further deposit by the Bank into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Bank shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

(c) The Borrower may, upon notice to the Bank, refund to the Bank all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Bank made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.



externas citadas anteriormente, circunstancia que origina que para dar plena cumplimiento a la Ley Orgánica del Presupuesto, previo a su ejecución, dichos recursos se incorporen mediante ampliación al presupuesto vigente.

PQR TANTO:

En ejercicio de las atribuciones que le confiere artículo 171 literal a) de la Constitución Política de la República de Guatemala.

DECRETA:

ARTICULO 1. Ingresos. Se amplía el Presupuesto General de Ingresos del Estado para el ejercicio fiscal 2002, en la cantidad de SESENTA Y DOS MILLONES TRESCIENTOS NOVENTA Y CUATRO MIL OCHOCIENTOS DIEZ QUETZALES EXACTOS (Q.62,394,810.00), de la forma siguiente:

CODIGO	DESCRIPCION	VALOR QUETZALES
16	TRANSFERENCIAS CORRIENTES	4,291,812.00
4	Donaciones corrientes	4,291,812.00
20	De organismos e Instituciones Internacionales	4,291,812.00
25	ENDEUDAMIENTO PUBLICO EXTERNO	58,102,998.00
4	Obtención de préstamos externos a largo plazo	58,102,998.00
20	De organismos e Instituciones regionales e Internacionales	58,102,998.00
TOTAL:		62,394,810.00

ARTICULO 2. Egresos. Se amplía el Presupuesto General de Egresos del Estado para el ejercicio fiscal 2002, en la cantidad de SESENTA Y DOS MILLONES TRESCIENTOS NOVENTA Y CUATRO MIL OCHOCIENTOS DIEZ QUETZALES EXACTOS (Q.62,394,810.00), de la forma siguiente:

DESCRIPCION	TOTAL FUNCIONAMIENTO	GASTOS DE ADMINISTRACION
TOTAL	62,394,810.00	62,394,810.00
Ministerio de Finanzas Públicas	4,291,812.00	4,291,812.00
ATN/SF-7575-GU "Programa de Apoyo para la Preparación y Seguimiento del Grupo Consultivo".	825,598.00	825,598.00
ATN/SF-7820-GU "Programa de Apoyo al Cumplimiento de los Compromisos con el Grupo Consultivo".	648,800.00	648,800.00
ATN/SF-7211-GU "Programa de Modernización del Control del Patrimonio del Estado".	303,314.00	303,314.00
ATN/SF-7668-GU "Programa de Apoyo a la Transparencia y el Ajuste Fiscal".	2,514,100.00	2,514,100.00
Ministerio de Economía	10,137,500.00	10,137,500.00
Préstamo BIRF-7044-GU "Proyecto Nacional de Competitividad".	10,137,500.00	10,137,500.00
Obligaciones del Estado a cargo del Tesoro	47,965,498.00	47,965,498.00
Superintendencia de Administración Tributaria, Préstamo BIRF-4225-GU "Asistencia Técnica para la Administración Tributaria".	47,965,498.00	47,965,498.00

ARTICULO 3. Ejecución. Para la ejecución de la presente ampliación se remite al Organismo Ejecutivo para que a través del Ministerio de Finanzas Públicas, y base en los requerimientos presentados por las instituciones que se mencionan en artículo 2 del presente Decreto, apruebe por medio de Acuerdo Gubernativo referendado únicamente por el Ministro de Finanzas Públicas, la distribución en detalle de los recursos mencionados, asignando las partidas específicas para su utilización.

ARTICULO 4. Vigencia. El presente Decreto entrará en vigencia el día siguiente de su publicación en el diario oficial.

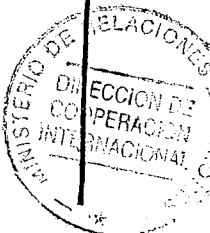
REMITASE AL ORGANISMO EJECUTIVO PARA SU SANCION, PROMULGACION Y PUBLICACION.

EMITIDO EN EL PALACIO DEL ORGANISMO LEGISLATIVO, EN LA CIUDAD DE GUATEMALA, A LOS VEINTINUEVE DIAS DEL MES DE OCTUBRE DEL AÑO DOS MIL DOS.

Jose Efraim Rios Montt
JOSE EFRAIN RIOS MONTT
PRESIDENTE

Haroldo Eric Quej Chen
HAROLDO ERIC QUEJ CHEN
SECRETARIO

Marvin Haroldo Garcia Buenafe
MARVIN HAROLDO GARCIA BUENAFE
SECRETARIO



SANCION AL DECRETO DEL CONGRESO NUMERO 70-2002

PALACIO NACIONAL: Guatemala, veintisiete de noviembre del año dos mil dos.

PUBLIQUESE Y CUMPLASE

Juan Francisco Reyes Lopez
JUAN FRANCISCO REYES LOPEZ
VICEPRESIDENTE DE LA REPUBLICA
EN FUNCIONES DE LA PRESIDENCIA



Dr. Jose Adolfo Retes Calderon
DR. JOSE ADOLFO RETES CALDERON
MINISTRO DE GOBERNACION

Eduardo Weymann
EDUARDO WEYMAN
MINISTRO DE FINANZAS PUBLICAS



Edic. J. Luis Alvarado C.
EDIC. J. LUIS ALVARADO C.
SECRETARIO GENERAL
PRESIDENCIA DE LA REPUBLICA

(E-832)—29—noviembre

CONGRESO DE LA REPUBLICA DE GUATEMALA

DECRETO NUMERO 74-2002

EL CONGRESO DE LA REPUBLICA DE GUATEMALA

CONSIDERANDO:

Que la Constitución Política de la República establece que es obligación fundamental del Estado proteger la formación de capital, el ahorro y la inversión y que la Junta Monetaria debe velar por la liquidez y solvencia del sistema bancario nacional, asegurando la estabilidad y el fortalecimiento de la banca privada nacional.

CONSIDERANDO:

Que en la Matriz de Política Económica 2000-2004 del Gobierno de la República de Guatemala se considera como objetivo estratégico que para la creación de un clima apropiado para la inversión, es necesario establecer reglas claras, positivas y estables que, en un marco de respeto a los principios fundamentales del mercado, den certeza y confianza a los agentes económicos y permitan así generar condiciones macroeconómicas y de seguridad, favorables a la inversión privada nacional y extranjera, dentro de un esquema de fortalecimiento del estado de derecho.

CONSIDERANDO:

Que los proyectos "Ajuste al Sector Financiero" y "Asistencia Técnica al Sector Financiero" responden a los compromisos adquiridos en los Acuerdos de Paz, específicamente a los contenidos en el "Acuerdo Sobre Aspectos Socioeconómicos y Situación Agraria", que estipula que el Estado propiciará medidas concretas con los distintos sectores sociales, tendientes a incrementar la inversión y la productividad, en el marco de una estrategia general de crecimiento con estabilidad y equidad social.

CONSIDERANDO:

Que el Gobierno de la República, consciente de la necesidad de ejecución de los proyectos "Ajuste al Sector Financiero" y "Asistencia Técnica al Sector Financiero", ha gestionado por conducto del Ministerio de Finanzas Públicas, la suscripción de los convenios de préstamo números BIRF-7130-GU y BIRF-7129-GU con el Banco Internacional de Reconstrucción y Fomento -BIRF-, para el financiamiento parcial de los proyectos mencionados y contando con el dictamen favorable número 07/2002 de fecha 2 de julio 2002, emitido conjuntamente por el Ministerio de Finanzas Públicas y la Secretaría de Planificación y Programación de la Presidencia -SEGEPLAN- y la opinión favorable de la Junta Monetaria, la cual se encuentra contenida en la Resolución JM-242-2002, es procedente emitir la disposición legal que lo apruebe.

CONSIDERANDO:

Que para apoyar los planes de reestructuración de bancos que se encuentran sometidos a un plan de regularización; apoyar fusiones y adquisiciones de bancos, as como apoyar la adquisición, por parte de bancos solventes, de activos y pasivo exiguados de entidades bancarias que, conforme la Ley de Bancos y Grupo Financiero contenida en el Decreto Número 19-2002 del Congreso de la República, se encuentren sometidos a un régimen de exclusión de activos y pasivos, es necesario constituir, con recursos provenientes del préstamo BIRF-7130-GU, un fondo fiduciario

Fiduciario de Capitalización Bancaria" no podrá ejercitar derecho a voto alguno a que dieren lugar tales acciones.

En casos específicos, y cuando sea estrictamente necesario, dicho fondo podrá apoyar financieramente al Fondo para la Protección del Ahorro a que se refiere la Ley de Bancos y Grupos Financieros.

ARTICULO 4. Fideicomiso. Los recursos del fondo a que se refiere el artículo anterior serán administrados mediante la constitución de un fideicomiso en el Banco de Guatemala, institución que actuará como fiduciario del mismo, en tanto que el fideicomitente será el Estado de Guatemala, por medio del Ministerio de Finanzas Públicas y fideicomisarios los bancos que tengan interés y que resulten elegibles para el financiamiento, y el Estado de Guatemala. Para tal efecto, el Organismo Ejecutivo solicitará al Procurador General de la Nación la designación del Ministro de Finanzas Públicas para que, por medio del instrumento legal correspondiente, en representación del Estado, otorgue el convenio de constitución de dicho fideicomiso ante los oficios del Escribano de Cámara y de Gobierno de la República de Guatemala, conjuntamente con el representante legal del Banco de Guatemala. El plazo del fideicomiso será de hasta dieciséis años, al cabo de los cuales, de ser necesario, el mismo podrá prorrogarse.

ARTICULO 5. Comité Técnico del Fideicomiso. El órgano superior del fideicomiso a que se refiere el artículo anterior será un comité técnico, integrado por dos representantes del Ministerio de Finanzas Públicas y dos representantes del Banco de Guatemala. Dicho comité será presidido por uno de los representantes del Ministerio de Finanzas Públicas. Las decisiones se adoptarán por mayoría de votos; en caso de empate, quien presida el comité tendrá doble voto.

El comité técnico emitirá las disposiciones reglamentarias para su funcionamiento, así como las del fideicomiso a que se refiere el artículo 4 de este Decreto. Estas disposiciones deberán ser aprobadas, mediante acuerdo ministerial, por el Ministerio de Finanzas Públicas.

ARTICULO 6. Las fuentes de financiamiento del Fondo Fiduciario de Capitalización Bancaria estarán constituidas por:

- a) Un aporte inicial por el equivalente en quetzales de setenta y cinco millones de dólares de los Estados Unidos de América (US\$75,000,000.00) provenientes del segundo y tercer desembolso del préstamo BIRF-7130-GU. Para determinar el monto en moneda nacional deberá utilizarse el tipo de cambio de referencia, para la compra, publicado por el Banco de Guatemala, vigente el día en que se realicen las aportaciones al mismo;
- b) Aportes provenientes de organismos internacionales;
- c) Facilidad crediticia que, en los casos específicos y cuando sea estrictamente necesario, dentro del esquema de red de protección bancaria, le otorgue el Fondo para la Protección del Ahorro -FOPA- a que se refiere la Ley de Bancos y Grupos Financieros, a cuyo efecto el Banco de Guatemala, en su calidad de administrador de dicho fondo, queda plenamente autorizado para realizar los actos y las operaciones que correspondan; y,
- d) Otras fuentes que incrementen los recursos del Fondo Fiduciario de Capitalización Bancaria.

Los recursos del Fondo Fiduciario de Capitalización Bancaria serán inembargables y sólo podrán ser aplicados para las finalidades previstas en el convenio correspondiente.

ARTICULO 7. Cumplimiento de las obligaciones derivadas de los convenios de préstamo. Las amortizaciones del capital, pago de intereses y demás gastos derivados de estos empréstitos estarán a cargo del Organismo Ejecutivo, por conducto del Ministerio de Finanzas Públicas, para lo cual deberá prever las asignaciones presupuestarias correspondientes en cada ejercicio fiscal, hasta la cancelación total de la deuda.

ARTICULO 8. Vigencia. El presente Decreto entrará en vigencia el día de su publicación en el diario oficial.

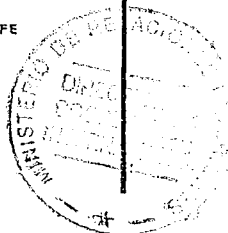
REMITASE AL ORGANISMO EJECUTIVO PARA SU SANCIÓN, PROMULGACION Y PUBLICACION.

EMITIDO EN EL PALACIO DEL ORGANISMO LEGISLATIVO, EN LA CIUDAD DE GUATEMALA, A LOS QUINCE DIAS DEL MES DE NOVIEMBRE DEL AÑO DOS MIL DOS.

JOSE EFRAIN RIOS MONTT
PRESIDENTE

HAROLD ERIC QUEJ CHEN
SECRETARIO

MARVIN HAROLD GARCIA BUENAFE
SECRETARIO



SANCION AL DECRETO DEL CONGRESO NUMERO 74-2002

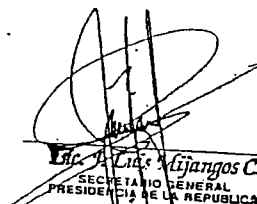
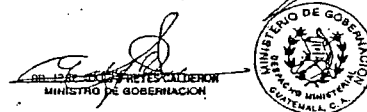
PALACIO NACIONAL: Guatemala, veintiocho de noviembre del año dos mil dos.

PUBLIQUESE Y CUMPLASE

JUAN FRANCISCO REYES LOPEZ
VICEPRESIDENTE DE LA REPUBLICA
EN FUNCIONES DE LA PRESIDENCIA



EDUARDO WEYBMAN
Ministro de Finanzas Públicas



(E-833)—29—novies



ORGANISMO EJECUTIVO

PRESIDENCIA DE LA REPUBLICA

Acuérdase autorizar a la Comisión Liquidadora del Banco Nacional de Vivienda, para que, a título gratuito, adjudique al señor Alberto Fern Méndez Cotom y su grupo familiar el inmueble consistente en la c ubicada en la 9a. avenida 1-24, zona 4, Proyecto Ciudad del Sol, V Nueva, Guatemala.

ACUERDO GUBERNATIVO No. 192-2001

Guatemala, 7 de junio de 2001

El Presidente de la República,

CONSIDERANDO:

Que la vivienda constituye un elemento de vital importancia para garantizar familias una vida digna y decorosa y el Estado está llamado a proveer los rec que hagan posible la adquisición de la misma a fin de satisfacer dicha necesi