

# Financial Sector Modernization Program

## GUATEMALA

SECTOR: Financial

PROJECT NAME: Financial Sector Modernization Program  
(783/OC-GU; 784/OC-GU; 917/SF-GU)

TOTAL COST: \$132.0 million

FINANCING:  
IDB \$132.0 million

DATE OF APPROVAL: November 24, 1993

GENERAL DESCRIPTION: The objectives of the program are to increase the efficiency in the allocation of financial resources, to enhance the financial intermediation capacity and overall access to credit, as well as to ensure the solvency of the financial system. Achieving these objectives would permit eliminating the practice of state responsibility for the solvency of private financial institutions.

The program covers four main areas: (a) public sector financial policies; (b) expansion of financial services; (c) strengthening of prudential regulations; and (d) modernization of financial supervision. The activities in these areas will be complemented by reforms in public financial institutions. The program includes the execution of a technical support program to help restructure the Superintendency of Banks and thus provide the government of Guatemala with expertise to implement the prudential regulation and supervision components of the program. Proceeds of the loan will be used to finance 100% of the cost in foreign exchange of eligible imports.

CONSULTANTS: Consulting services will be contracted for strengthening

the institutional capacity of the Superintendency of Banks under the technical support program.

CIVIL WORKS: Not applicable.

GOODS AND EQUIPMENT: Not applicable.

EXECUTING AGENCY: Banco Central de Guatemala

ADDRESS: 7a. Avenida 22-01, Zona 1  
Guatemala City, Guatemala  
Telephone:(502-2) 2-5302  
Contact: Mr. Jose Alejandro Arevalo  
Manager