

PREINVESTMENT PROGRAM FOR PEACE

(GU-0128)

EXECUTIVE SUMMARY

**BORROWER AND GUARANTOR:** Republic of Guatemala

**EXECUTING AGENCY:** Secretaria de Planificación y Programación de la Presidencia [Planning and Programming Department of the Office of the President] through the Sistema Nacional de Financiamiento de la Preinversión [national preinvestment financing system].

**AMOUNT AND SOURCE:** IDB: US\$ 8 million (OC)  
(contingent IFF)  
Local contribution: US\$ 2 million  
Total: US\$10 million

**FINANCIAL TERMS AND CONDITIONS:** Amortization period: 20 years  
Disbursement period: 4 years  
Commitment period: 3 years  
Interest rate: variable  
Inspection and supervision: 1%  
Credit fee: 0.75% on undisbursed balances  
Currency: US\$ from the Single Currency Facility of the OC

**OBJECTIVES:** The main objectives of this program are to help promote preinvestment activities in priority lines of action under the framework of the peace agreements, rationalize investments, and permit their timely presentation to the international community.

**DESCRIPTION:** The program will finance general and specific preinvestment studies for projects and programs pursuant to the peace agreements, which would be eligible for financing by the Bank or other bilateral and multilateral sources of financing, and grant funding.

It will include a technical-cooperation component to support the executing unit of the national preinvestment financing system (SINAFIP) and the preinvestment units of the beneficiaries.

**ENVIRONMENTAL SOCIAL REVIEW:** The CESI approved the profile with no specific recommendations.

**BENEFITS:**

This program implements part of the peace agreements through the preparation of studies determined to be necessary to solve critical problems in the country. The preinvestment studies will cover the four areas of the agreements, dealing with economic and social issues and State organization. The projects will make it possible to contract a sizeable amount of international funding for short-term investments through efficient methodological procedures.

The program will also strengthen the preinvestment system and, consequently, investment in the country by boosting the physical capacity of preinvestment units and providing training for personnel from SINAFIP, other government units, and institutions involved in the studies.

**RISKS:**

The main risks would be: (i) differences or disagreements between the government and the URNG in implementing the peace agreements, which could have a direct negative impact on the studies and on prospective financing for projects from international agencies; (ii) lack of coordination by the public sector in managing the development programs, which would lead to delays in decisions or changes in the studies; (iii) difficulties in finding financial backers for projects; and (iv) disagreements in operational planning between the beneficiaries and SINAFIP.

**THE BANK'S  
COUNTRY AND  
SECTOR STRATEGY:**

The Bank's strategy for Guatemala, approved on November 7, 1996, and reviewed with the country's authorities during the last programming mission in March 1997 and the 1998 preprogramming mission, is based on: (i) inclusion of the poor, indigenous, and rural populations in the development process; (ii) expansion and improvement of social services; (iii) modernization of the State; and (iv) development and growth of the productive sectors. The strategy largely coincides with the four major areas highlighted in the peace agreements: reintegration, human development, productive development, and modernization of the state.

**PROCUREMENT OF  
GOODS AND  
SERVICES:**

Program funds will be used mainly to contract consulting services for preinvestment studies. International public bids will be called for services costing US\$200,000 and over.

The procurements planned for the program fall below the threshold for international public bidding.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

As conditions precedent to the first disbursement of the loan, the borrower undertakes to present evidence to the Bank that is has:

- (i) Placed the program operating regulations in effect, based on the terms agreed upon in advance with the Bank (paragraph 3.19);
- (ii) Opened a special bank account called "the peace preinvestment program" to deposit program funds (paragraph 2.17); and
- (iii) Signed an agreement with an authorized bank to establish a trust in the terms agreed upon in advance with the Bank for program contracts and payments (paragraph 3.12).

Unless the Bank gives its express consent, program funds may not be used to finance individual studies costing more than US\$1 million equivalent (paragraph 3.15). Up to US\$180,000 of program resources may be used to hire specialized consulting services to support SINAFIP and for other support activities; and up to US\$170,000 may be used for institutional strengthening for units involved in the preinvestment program for peace (paragraph 3.17).

It is recommended that part of the local contribution, equivalent to US\$273,000, be recognized for expenses prior to financing approval (paragraph 2.18).

**POVERTY  
TARGETING:**

The program will have a significant social impact, since it is intended to support materialization of and compliance with the commitments contained in the peace agreements in the poorest rural and indigenous regions affected by 36 years of armed conflict. Overall, 80% of Guatemalans live in poverty and 60% of those live in extreme poverty, with the worst pockets found in rural and indigenous areas (86% and 93% respectively). However, the program is not considered to meet the criteria set for poverty-targeted investments.

## I. BACKGROUND

### A. Frame of reference

- 1.1 After the peace agreements were signed in Guatemala on December 29, 1996, in the wake of 36 years of armed conflict, a consultative group was established in 1997, chaired by the Bank. On that occasion the government presented its peace program to the international community, based on the 12 peace agreements. The program was presented in the form of a project pipeline classified into four main areas, 1/ costing an estimated US\$2.62 billion, 2/ with US\$1.842 billion of that figure coming from external aid. The international community responded with offers of assistance totaling more than US\$1.9 billion.
- 1.2 The size of the above-mentioned investments has created a bottleneck with respect to financing for prefeasibility and feasibility studies for timely consideration by donors and bilateral and multilateral sources of financing.
- 1.3 Furthermore, the inadequacy of the public sector in identifying, analyzing, and evaluating public investment requirements and in administering and carrying out programs and projects is one of the greatest obstacles to achieving a significant increase in the volume and quality of investments.
- 1.4 The Ministry of Public Finance and the Planning and Programming Department of the Office of the President are involved in the process of programming and budgeting for investment projects in the country.
- 1.5 The Planning and Programming Department is divided into two branches - the International Development Cooperation Branch and the Planning and Public Investment Branch. The national preinvestment financing system (SINAFIP) will implement the program through its technical executing unit. It reports to the Secretary of Planning and Programming, who chairs its executive board.
- 1.6 SINAFIP has the support of the Technical Project Division and the Regional Coordination Division of the Planning and Public Investment Branch in performing its functions. SINAFIP is responsible for coordinating the preparation of preinvestment

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1/ Demobilization and reintegration; comprehensive human development; sustainable productive development; and modernization of the State. The four areas are divided into 204 fields, which in turn are divided into projects, although some projects cover more than one field.

2/ Estimates from September 1997 place the figure at US\$3.222 billion.

profiles and terms of reference, and for monitoring preinvestment studies.

- 1.7 With the restructuring of SINAFIP, which was approved under government directive 794-97, and the resources allocated for preinvestment in the fiscal year 1998 budget, SINAFIP is expected to be in a position to carry out its functions satisfactorily.

B. SINAFIP and the peace agreements

- 1.8 SINAFIP's restructuring enables it to finance preinvestment studies through a trust to facilitate expeditious contract management. One or more of the country's eligible banking institutions act as trustees. Under this new mechanism, the trustees will contract the consulting services, under the supervision of SINAFIP's executing unit. This new operating tool is expected to save an estimated 60 days in contracting each study since there will be fewer bureaucratic requirements.
- 1.9 The Policy Council for Peace 3/ is responsible for determining the priority of preinvestment studies on the basis of the main themes of the peace agreements, 4/ and the timetable for implementing the agreements. Civil society was consulted during the process of negotiation and signature of the agreements.

C. Bank experience in preinvestment activities

- 1.10 On March 30, 1994, the Bank approved PPF/014-GU for US\$5 million which can only be used for projects in its pipeline whose profile II or sector loan profile has already been approved. The operation is progressing satisfactorily. The present program will be a complement to the PPF line, permitting a broader field of action with fewer restrictions on financing for preinvestment activities.

D. Strategy and justification

- 1.11 The main themes of the Bank's strategy for Guatemala, approved on November 7, 1996, and reviewed with the country's authorities during the last programming mission in March 1997 and the March 1998 preprogramming mission, are: (i) inclusion of the poor, indigenous, and rural populations in the development process;

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3/ The Political Council for Peace, which is the senior policy-making body for compliance with the peace agreements, has delegated to the Peace Secretariat (SEPAZ) the responsibility of ensuring that the peace program is carried out, with technical support from the Interinstitutional Committee to Expedite International Cooperation (CIACI).

4/ The 12 peace agreements were classified into four areas (see footnote 1).

(ii) expansion and improvement of social services; (iii) modernization of the State; and (iv) development and growth of the productive sectors. The strategy coincides very closely with the requirements of the peace agreements (see footnote 1).

- 1.12 The international community reiterated its support for financing the Brussels peace process at the Follow-up Meeting of the Consultative Group held in September 1997 in Antigua Guatemala. However, many donors and bilateral and multilateral assistance agencies have restrictions on the financing they can provide for preinvestment studies and activities for projects pursuant to the peace agreements.

## II. THE PROGRAM

### A. Program objectives

- 2.1 The main objectives of this program are to help promote preinvestment activities in priority lines of action under the framework of the peace agreements, rationalize investments, and permit their timely presentation to the international community.

### B. Program description

#### 1. Preinvestment studies component

- 2.2 The program will finance general and specific preinvestment studies for projects and programs pursuant to the peace agreements, in accordance with the selection criteria established in the operating regulations, by the Bank or other bilateral and multilateral sources of financing and grant funding.
- 2.3 The studies to be financed will belong to one of the four main areas into which the commitments arising from the peace agreements have been divided and, as has been mentioned, which coincide fully with the Bank's country strategy (see paragraphs 1.1 and 2.1).

#### 2. Institutional strengthening component

- 2.4 A technical-cooperation component will be included to support the national preinvestment financing system (SINAFIP) and the preinvestment units of centralized and decentralized agencies.
- 2.5 The program will also make it possible to contract consultants to develop profiles and/or to prepare terms of reference for and supervise studies.

### C. Environmental and social impact

- 2.6 As part of the studies and depending on the nature of the project, environmental and social impact assessments will be included to identify potential problems and propose solutions, including investments to prevent, control, or mitigate negative social and environmental impacts or to improve environmental quality. All the studies to be financed will include the beneficiary's obligation to: (i) comply with all applicable provisions of the country's legislation on the protection of the environment and natural resources and the procedures established by the Bank to assess environmental impact; and (ii) carry out timely consultations with communities in proposed project areas to identify how to achieve community participation.

- 2.7 With cooperation from the GTZ, general guidelines have been established for preparing project profiles, bidding conditions, and terms of reference for preinvestment studies. Regulations are available for environmental impact assessments, which were prepared by the National Environment Committee (CONAMA) and placed in effect through government directive XX-98 of February 1998. The Bank approved a technical-cooperation project (ATN/SF-4129-GU) for US\$2 million to consolidate the environmental management system.

D. Distributional effect

- 2.8 All the studies to be financed under the program will be required to take social benefits into account and an analysis will be performed of the distributional effect of the projects and their contribution to poverty reduction. All the relevant alternatives for scale, location, and timing of the projects will be considered in order to maximize the impact on development of the projects selected.

E. Participation by women

- 2.9 The terms of reference for the studies to be financed with proceeds from the Bank loan will include provisions to ensure that women will be able to contribute to each project. Project analysis will include a study of socioeconomic factors to determine the actions to be carried out to facilitate broad participation by women.

F. Impact on poverty

- 2.10 The program will have a high social impact, since it is intended to support materialization of and compliance with the commitments contained in the peace agreements in the poorest rural and indigenous regions affected by 36 years of armed conflict. Overall, 80% of Guatemalans live in poverty and 60% of them in extreme poverty, with the worst pockets found in rural and indigenous areas (86% and 93% respectively). However, the program does not meet the criteria set for poverty-targeted investments.

G. Program scale

- 2.11 Pursuant to the 12 peace agreements, approximately 250 technical briefs and profiles for projects have been prepared under the coordination and supervision of the Planning and Programming Department of the Office of the President. Such projects are either: (i) under way or negotiating financing; (ii) with contracts signed; or (iii) seeking financing.
- 2.12 Thirty-two of these projects, totaling investments of US\$530.3 million with preinvestment costs that could reach US\$14.5 million, are being prepared by the Planning and Programming Department in cooperation with future executing agencies. Twelve of these projects are undergoing final review, including the terms



of reference. They include projects in the fields of local community development, education, training, human resource management, agroindustrial development, weapons and munitions control, food assistance for families in extreme poverty, educational loans, etc. A further 61 are in the prefeasibility and feasibility stages and 47 are in the initial profile stage. It is expected that 40 additional profiles could be ready by September 1998.

- 2.13 On September 16, 1997, the Guatemalan government presented a request for financing for the preinvestment program for peace. The program will initially consider funding for studies belonging to the universe of profiles mentioned in paragraphs 2.11 and 2.12, and the aforementioned 40 profiles that will be ready by September 1998.
- 2.14 Interviews with experts from the Planning and Programming Department and a number of potential executing units have confirmed - on the basis of a representative sample of the 12 profiles already prepared which also have preliminary terms of reference (paragraph 2.11) - that the quality of the profiles and terms of reference is appropriate for purposes of contracting preinvestment studies under the prospective loan. 5/
- 2.15 The proposed scale of the program has been based on a review of the pipeline of available projects and installed institutional capacity to process operations within a normal implementation period for a program of this kind.

#### H. Program cost and financing

- 2.16 The program will cost a total of US\$10 million equivalent, with the Bank financing US\$8 million from the Single Currency Facility of the ordinary capital. The Guatemalan government will contribute US\$2 million equivalent. SINAFIP will periodically report to the international community of donors on preinvestment studies that require financing so that the community can contribute to their cost in full or in part. The following table shows costs by investment category.

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5/ The expanded representative sample contains projects in the fields of rural development, comprehensive human development, infrastructure, State modernization, and resettlement of the displaced population.

Cost table  
(US\$ thousands)

Investment category	IDB	Local contribution	Total	Percentage
1. Preinvestment studies	7,570	2,000	9,570	95.7
2. Institutional strengthening	170		170	1.7
3. Consulting and support services	180		180	1.8
4. Inspection and supervision	80		80	0.8
Total	8,000	2,000	10,000	100.0
Percentage	80.0	20.0		

I. Advance of funds

- 2.17 Given the progress made in preparing the project profiles and terms of reference to date, it is recommended that an advance of 5% of the prospective loan be established to enable costs to be covered expeditiously during the first 120 days of the program. Program resources will be deposited in a special account (condition precedent to first disbursement).

J. Cost recognition and reimbursement

- 2.18 It was necessary for the government to use its own funds to begin studies to comply with commitments made in the peace agreements, before the prospective loan could be approved. This initiative to speed up execution is justified owing to the importance of complying with the timetable for the peace accords. It is therefore recommended that up to US\$273,000 equivalent be recognized from the local contribution for costs incurred between the time that the request for financing was submitted and the date on which the loan is approved, in accordance with the guidelines to be established for investments from the local counterpart.

### III. PROGRAM EXECUTION

#### A. Executing agency

- 3.1 The Planning and Programming Department of the Office of the President will execute the program through the national preinvestment financing system (SINAFIP), in cooperation with the beneficiaries, which will be centralized and decentralized public agencies. SINAFIP will act through its technical executing unit.

##### 1. National preinvestment financing system

- 3.2 The new SINAFIP - whose restructuring was approved under government directive 794-97 of February 3, 1998, and is currently being implemented particularly with regard to the new trust system - will significantly reduce the time required to produce profiles and terms of reference and to complete bureaucratic formalities. SINAFIP will select several banks (probably two or three) in which to establish trusts, under a competition open to all commercial banks in the country. This will expand the capacity of the technical executing unit to perform its functions (condition precedent to first disbursement).
- 3.3 Further, to strengthen its institutional capacity, the Planning and Programming Department is arranging for training programs for its staff through international institutions, including the GTZ 6/ and the OAS. It has adopted a reasonable matrix (expandable/reducible) to comply with its commitments, using specialized consultants and executing agencies from government ministries and institutions. These factors will increase the institutional capacity of the Planning and Programming Department to carry out the preinvestment program for peace.

#### B. Beneficiaries

- 3.4 Centralized and decentralized public sector institutions may participate in the program as executing agencies for future projects. The Planning and Programming Department will work in close coordination with the beneficiaries in all aspects of project profile preparation, drafting of terms of reference for the studies, selection and contracting of consultants, and supervision of the studies.

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6/ With funds reformulated from other programs, the GTZ has begun to finance the preparation of some 50 profiles (April 1997 to September 1998). It is also implementing a training plan in project profile preparation, that will cover staff from 15 government departments (150 people) in 20 courses given over six months.

C. Operational considerations

1. Selection criteria

- 3.5 All the studies to be financed under the program must be compatible with the national plans and priorities established in the peace agreements. The Planning and Programming Department will determine which studies are to be included in the program, based on the criteria discussed below, which have been agreed on with the Bank.

a. General studies

- 3.6 The general studies proposed must correspond to sectors, subsectors, and/or areas that are priorities under the peace agreements, in which specific or general problems have been detected that require studies to determine how they can be solved. To optimize use of program resources, a preliminary definition will be made of the technical, economic, environmental, and social parameters to be examined more closely in the context of the proposed study. Each study proposal must present the expected outcomes and the uses that can be made of the conclusions.

b. Specific studies

- 3.7 In the case of specific studies, the following aspects will be taken into account for each type of study.
- 3.8 Prefeasibility studies. As a prerequisite for these studies, a preliminary identification must be made of the problems to be solved and alternative solutions. The alternatives should contain information on estimated costs and benefits, beneficiaries, technical, environmental, financial, and/or institutional problems, and other pertinent aspects.
- 3.9 Feasibility studies. As a prerequisite for these studies, a prefeasibility study must have demonstrated that the project appears to be economically, technically, environmentally, financially, legally, and institutionally feasible, and that the aspects requiring closer analysis have been adequately identified.
- 3.10 Final engineering designs. As a prerequisite for these studies, an adequate feasibility study must have demonstrated that the project is technically, environmentally, economically, financially, and institutionally feasible and prioritized with respect to its source of financing.

2. Participation by beneficiaries

- 3.11 Centralized and decentralized public sector institutions may participate in the program as executing agencies for future projects. The Planning and Programming Department will work in close coordination with the beneficiaries in all aspects of project

profile preparation, drafting of terms of reference for the studies, the selection and contracting of consultants, and supervision of the studies.

- 3.12 The executing agency will ensure that the beneficiaries contribute their own funds to finance part of the total costs of the respective studies, to the extent possible.

### 3. Use of program funds

- 3.13 The program funds will be granted to the Planning and Programming Department/SINAFIP for the purpose of financing specific and general preinvestment studies pursuant to the peace agreements and carrying out the institutional strengthening activities in accordance with the program's operating regulations.
- 3.14 The loan proceeds will be used to hire professional consulting services to perform the studies and conduct the institutional strengthening activities in keeping with the program's operating regulations.
- 3.15 The maximum financing for individual studies under the program will be US\$1 million equivalent. In duly justified cases involving higher costs, the Bank's nonobjection will be required.
- 3.16 The system of international open calls for offers will be used when the estimated value of consulting services is US\$200,000 or over.
- 3.17 Of total program funds: (a) up to US\$180,000 equivalent may be used to hire specialized consulting services to support SINAFIP and assist in the preparation of complementary studies necessary for projects being designed and/or preparation of terms of reference for studies to be financed with program funds; and (b) up to US\$170,000 equivalent may be used for institutional strengthening activities for the units involved in the preinvestment program for peace. A minimum of US\$98,000 will be used for personnel training.

### 4. Financing modality

- 3.18 The funds allocated to this program will be granted to government agencies as nonreimbursable transfers, for the purposes indicated in section C of this chapter.

### 5. Processing of operations

- 3.19 Operations will be processed as established in the operating regulations prepared by the Planning and Programming Department for management of the program, which have been agreed upon with the IDB. Presentation of evidence that the operating regulations have been approved by SINAFIP's executive board will be a condition precedent to the first disbursement.

- 3.20 Applications for use of program funds will be coordinated by the Planning and Programming Department, which will inform the executing unit of priorities through SINAFIP's executive board. The executing unit will advise and assist in preparing the necessary profiles, in cooperation with the respective beneficiaries.
- 3.21 The finished profiles will be presented to the executive board for approval, which will instruct the technical executing unit on preparing terms of reference in cooperation with the beneficiary.

#### 6. Selection and contracting of consulting services

- 3.22 SINAFIP and the beneficiary will be responsible for selecting consulting firms and/or individual consultants and the trust will be responsible for their actual contracting. Selection and contracting of consulting services will be carried out in accordance with the normal IDB procedures set forth in the loan contract and attached to the operating regulations as Annex A, which will be incorporated into the trust agreements for managing program funds.
- 3.23 The consulting firms and/or individual consultants selected will have high levels of technical know-how and expertise in the study areas, as defined in the terms of reference. Among other considerations, the services selected must show relevant working experience, success in previous work, knowledge of the region, and the ability to complete the work efficiently on schedule. Only consultants from the IDB's member countries will be eligible.

#### 7. Disbursements

- 3.24 The funds may be disbursed directly to the trustee, which will make the payments as required by the executing agency.
- 3.25 The term for committing the funds will be three years after the loan contract becomes effective, and the final disbursement will be made four years after that date.

#### 8. Supervision

- 3.26 The beneficiaries and SINAFIP will be responsible for direct supervision of study preparation and for consistency between the study recommendations and general economic policies.
- 3.27 When a study is completed, the beneficiary and SINAFIP will examine the consultant's draft final report and issue their opinions within 60 days. The consultant's final report will take account of the comments made by SINAFIP and the beneficiary.
- 3.28 During the program, the Planning and Programming Department will present semiannual progress reports, including the following

aspects: (a) the status of the profiles in preparation, including the studies planned for the following year in order of priority and the studies being carried out; (b) a profile of each of the studies contracted, identifying the cost and the consultants hired to perform them; (c) the findings of the studies concluded in the previous six months, including the final reports; (d) progress in institutional strengthening activities; (e) investments made during the six-month period and cumulative investments at the end of the period by category and source of financing; and (f) status of compliance with the contractual clauses.

9. Financial statements

- 3.29 The program's financial statements will be prepared each year by the Planning and Programming Department, in cooperation with the trustee and the trustor, in accordance with IDB standards. Within 120 days after the close of each calendar year, the department will submit to the Bank the financial statements certified by external auditors acceptable to the Bank.

#### IV. BENEFITS AND RISKS

##### A. Benefits

- 4.1 This program implements part of the peace agreements through the preparation of studies determined to be necessary to solve critical problems in the country. The preinvestment studies will cover the four areas of the agreements, dealing with economic and social issues and State organization. The projects will make it possible to contract for a sizeable amount of international funding for short-term investments through efficient methodological procedures.
- 4.2 The program will also strengthen the preinvestment system and, consequently, investment in the country by boosting the physical capacity of preinvestment units and providing training for personnel in the planning and Programming Department of the Office of the President, other government units, and possibly private institutions involved in the studies.

##### B. Risks

- 4.3 The main risks would be: (i) differences or disagreements between the government and the URNG [Guatemalan National Revolutionary Unit] in implementing the peace agreements, which could have a direct negative impact on the studies and on prospective financing for projects from international agencies; (ii) lack of coordination by the public sector in managing the development programs, which would lead to delays in decisions or changes in the studies; (iii) difficulties in finding financial backers for projects; and (iv) incompatible operational planning methods between the beneficiary entities and the Planning and Programming Departments.



<b>GUATEMALA</b> <b>Preinvestment Program for Peace</b> <b>BENCHMARKS</b>						
<b>Subprogram</b>	<b>Unit of measure</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>TOTAL</b>
<b>PREINVESTMENT STUDIES</b>						
- Preparation of profiles and terms of reference	Study	40	47	20	-	107
- Contracts for preinvestment studies	Study	7	10	10	-	27
<b>INSTITUTIONAL STRENGTHENING</b>						
- Contract for principal consultant	Persons	2	1	1	-	4
- Training workshops	Courses	2	2	2	-	6
- Traineeships	No. of grants	2	3	3	-	8
- Procurement of equipment, hardware and software	Time	Within 120 after contract becomes effective	-	-	-	-

**PREINVESTMENT PROGRAM FOR PEACE**  
**(GU-0128)**

<b>Procurement of goods and services (US\$ thousands)</b>			
<b>Category</b>	<b>Amount</b>	<b>Type of Contract</b>	<b>Date</b>
<b>1. CONSULTING SERVICES</b>			
Program for resettlement of displaced persons	1,000	International competitive bidding	Year 1
Plans for development of Chetumal agreements	74	Limited local bidding	Year 1
Educational radio programs	178	Local competitive bidding	Year 2
Social participation program	250	International competitive bidding	Year 2
Program to hire and train court interpreters	55	Limited local bidding	Year 2
Rural health program, stage VI	354	International competitive bidding	Year 2
Accelerated primary school program	240	International competitive bidding	Year 1
Support for SINAFIP	96	Limited local bidding	Year 1
<b>2. PROCUREMENT OF GOODS</b>			
Procurement of office equipment for SINAFIP	46	Limited local bidding	Year 1
Digital information system	25	Limited local bidding	Year 1
<b>3. WORKS</b> <span style="float: right;"><b>N/A</b></span>			
a. Unrestricted local competitive bidding for goods between US\$150,000 and US\$199,999 and for consulting services between US\$100,000 and US\$199,999. b. Limited local bidding for goods under US\$150,000 and consulting services under US\$100,000. c. Bank procedures will be used for these components. International competitive bidding will be conducted for goods over US\$250,000, and consulting services over US\$200,000. For lesser amounts the thresholds indicated in (a) and (b) will be used.			

RGII-GU133P  
GU-0128  
Original: Spanish

**PROPOSED RESOLUTION**

**GUATEMALA. LOAN \_\_\_/OC-GU TO THE REPUBLICA DE GUATEMALA  
Preinvestment Program for Peace**

**The Board of Executive Directors**

**RESOLVES:**

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Guatemala, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a Preinvestment Program for Peace. Such financing will be for the amount of up to US\$8,000,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the "Terms and Financial Conditions" and to the "Special Contractual Conditions" of the Executive Summary of the Loan Proposal.

RGII-GU140P  
GU-0128  
Original: Spanish

PROPOSED RESOLUTION

GUATEMALA. PARTIAL PAYMENT OF INTEREST ON  
LOAN No. \_\_\_\_/OC-GU TO THE REPUBLICA DE GUATEMALA

Preinvestment Program for Peace

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as administrator of the Intermediate Financing Facility Account, hereinafter referred to as the "account", to enter into such contract or contracts as may be necessary with the República de Guatemala, the resources of the account to pay a part of the interest due by the Borrower on outstanding balances of up to US\$8,000,000 of the loan authorized by Resolution DE-\_\_\_\_/\_\_\_\_, in accordance with applicable Bank policy.

This resolution will take effect only if the Bank determines that it has sufficient resources available, for the República de Guatemala, in the Account of the Intermediate Financing Facility, in accordance with Resolution DE-\_\_\_\_/\_\_\_\_.