

PROGRAM IN SUPPORT OF JUDICIAL REFORM

(GU-0092)

EXECUTIVE SUMMARY

BORROWER AND
GUARANTOR: Republic of Guatemala

EXECUTING AGENCY: Secretaría Ejecutiva de la Instancia Coordinadora de la Modernización del Sector Justicia [Executive Secretariat of the Coordinating Authority for Modernization of the Justice Sector] (ICMSJ).

Coexecuting agencies: The Judicial Branch, the Public Prosecutor's Office, the Public Defender's Office, and the Ministry of the Interior.

AMOUNT AND SOURCE: IDB: OC/IFF US\$25 million
Local counterpart: US\$ 6 million
Total: US\$31 million

FINANCIAL Amortization period: 30 years
TERMS AND Grace period: 4 years
CONDITIONS: Disbursement period: 4 years
Interest rate: variable
Inspection and supervision: 1% of the loan amount
Credit fee: 0.75% annually of the undisbursed balance
Currency: United States dollars - single currency facility

OBJECTIVES: The objective is to strengthen the democratic and pluricultural rule of law by providing support to the institutions of the justice system, at the individual institutional level as well as in terms of coordination between the institutions, in order to improve access to justice and the quality of judicial services.

DESCRIPTION: The program is divided into two subprograms, whose specific objectives are as follows: **Access to Justice - Subprogram A** (US\$12.1 million), which consists of improving coverage of the judicial system in deprived communities, facilitating physical, linguistic, and cultural access to justice through the construction and placement in operation of eight *centros de administración de justicia* [justice administration centers] (CAJs), 47 *juzgados de paz* [justice of the peace offices, similar to U.S. small

claims courts but without conducting full-scale trials], and 10 district prosecutor's offices, as well as the implementation of special activities designed for the indigenous communities; and Institutional Strengthening - Subprogram B (US\$5.7 million), which in an initial phase would provide support to institutions in the sector seeking to strengthen their managerial, technical, and administrative capacities as a means to improve their internal efficiency and the quality of the services they provide to the public, and in a second phase would establish mechanisms for interinstitutional coordination, allowing for greater recourse to deliberation and joint action in addressing common problems within the sector.

**ROLE OF THE
PROJECT IN THE
SECTORAL STRATEGY
OF THE BANK AND
THE COUNTRY:**

The proposed program is consistent with the Bank's country strategy in terms of supporting government efforts to consolidate a modern, pluricultural, and multiethnic state, enabling poor, indigenous, and rural population segments to participate in the development process. The program is also consistent with the frame of reference for Bank action in modernization of the state and civil society strengthening projects.

**ENVIRONMENTAL AND
SOCIAL REVIEW:**

Environmental and social considerations have been reflected in the training and infrastructure components of the program. In addition, terms of reference were prepared for the development of an environmental action plan, explained in paragraph 4.20.

BENEFITS:

Execution of the program will result in a more efficient and accessible justice system for the majority of the population, greater capacity to coordinate activities, and an improved environment in terms of legal and citizen security.

RISKS:

The success of the program depends in large part on its acceptance by the beneficiary communities, particularly the indigenous communities. Such acceptance is difficult to predict, particularly in view of the country's limited experience in activities that entail the integration of Mayan and other indigenous communities. The program is expected to mitigate these risks through the active participation of these beneficiaries in the process of extending judicial services into the country's interior.

Another central issue relates to the proper functioning of the interinstitutional coordinating mechanisms. It is believed that strengthening ICMSJ Executive Secretariat with program support will provide an effective means to minimize the related risks.

**SPECIAL
CONTRACTUAL
CLAUSES:**

Conditions precedent to the first disbursement:

- a. Providing the ICMSJ Executive Secretariat with the resources necessary to execute the program (see paragraph 3.3);
- b. Signature of a subsidiary agreement for the transfer of resources and program execution between the borrower, ICMSJ, and the coexecuting agencies (see paragraph 3.2);
- c. Implementation of the operating regulations (see paragraph 3.5).

Conditions precedent to the disbursement of resources for execution of each of the subprograms:

- a. Formation of the corresponding coexecuting unit, providing it with the means necessary to execute the program (see paragraph 3.4).
- b. Presentation of a work plan for the first year of program execution (see paragraph 3.4).

Other conditions:

The contract will also set forth the conditions necessary for execution, monitoring, and evaluation of the program (see paragraph 3.25 and 3.26).

**POVERTY TARGETING
AND SOCIAL SECTOR
CLASSIFICATION:**

As a project to provide greater access to justice for a population segment that is for the most part poor, the project qualifies for "poverty-targeted investment" (PTI) status under criterion (c) geographical classification (see paragraph 4.17).

**EXCEPTIONS TO
BANK POLICY:**

None.

PROCUREMENTS:

International public bidding will be conducted in cases where resources from the financing are used to procure: works in amounts exceeding US\$1.5 million; goods in amounts exceeding US\$250,000; and consulting services in amounts exceeding US\$200,000.

I. FRAME OF REFERENCE

A. Economic, social, and political context

- 1.1 The historic signature of the peace agreements on December 29, 1996, put an end to 36 years of conflict in Guatemala. As a result, the present government must contend with a dual challenge: strengthening democracy and accelerating economic growth. The consolidation of peace and domestic reconciliation constitute the essence of the commitments undertaken in the peace agreements and should facilitate the government's strategy for implementing a comprehensive and sustainable development model.
- 1.2 As part of its social development strategy, the government is giving priority to support for the most vulnerable sectors. Increased productivity will be its main weapon in fighting poverty – directly and by generating surpluses that will permit compensatory policies. The government's economic policy remains committed to the stabilization and structural reform process initiated in the early 1990s, mainly through new privatizations. Despite the relative success of the reforms, the incidence of poverty in Guatemala is approximately 62%, which excludes a large segment of the population from the benefits of development. Poverty affects 86% of the rural population – 96% in the case of indigenous rural inhabitants. ^{1/}
- 1.3 In the political sphere, one of the priority commitments under the peace agreements is judicial reform. The agreement to strengthen civilian authority and the role of the military in a democratic society (hereinafter "the civilian authority") and the agreement on the identity and rights of indigenous peoples (hereinafter "indigenous peoples agreement") are of particular importance. A priority under the civilian authority agreement is to modernize the administration of justice, correcting inefficiencies and ensuring free access to justice. In the indigenous peoples agreement, the government expresses recognition and respect for the identity and rights of indigenous peoples, undertaking to promote the effective defense of these rights and to heighten public awareness of the issue through education, the media, and other channels. To assure indigenous peoples of effective recourse to the national judiciary, the government has undertaken to provide free legal assistance services for persons with limited economic resources and to provide indigenous communities with free legal interpretation to ensure

^{1/} Approximately 50% of the Guatemalan population is indigenous. Twenty-three languages are spoken in the country, 21 of which are of Mayan, Xinca and Garifuna origins. Approximately 85% of this population speaks four languages: Qeqchi, Mam, Kaqchikel, and Kiche.

their fundamental right not to be tried without the assistance of an interpreter in their own language.

- 1.4 The process of judicial reform faces major challenges, including: (a) a rise in the number of lynchings 2/; (b) the large number of unpunished crimes and the lack of public confidence in the country's justice system; and (c) a divided society, resulting from the historic exclusion of ethnic groups that has undermined any lasting conciliatory solutions. From the short-term economic standpoint, the constraints on more vigorous growth include: (a) a persistent climate of personal and legal insecurity combining to discourage investment (foreign as well as domestic), create uncertainty, and erode the credibility of public policies; and (b) transaction costs that distort the price and resource allocation systems, placing unnecessary competitive handicaps on national producers.

B. Strategy and role of Bank assistance

1. Bank strategy

- 1.5 The Bank's strategy in Guatemala, defined in the country paper, consists of: (a) the inclusion of poor, indigenous, and rural population segments in the process of sustained development, mainly through community participation programs designed to accelerate and consolidate the peace process; (b) the expansion and improvement of social services through programs designed to increase the coverage, quality, and efficiency of basic social services; (c) modernization of the state through support for reforms to increase the efficiency of the three branches of government, improve the delivery and regulation of public services, and restructure public spending and accountability; and (d) development and expansion of the private sector through measures to promote the efficient flow of private capital and improve the country's competitive position in international markets. The proposed project, which focuses on the issue of access to justice, particularly for the indigenous population, and on the strengthening of judicial institutions, is consistent with this strategy, particularly points (a) and (c).
- 1.6 As part of the strategy described, the Bank has undertaken to support the government's efforts to modernize public administration. The program is also consistent with the Frame of Reference for Bank action in State Modernization and Civil Society Strengthening Projects, approved by the Board of Executive Directors in March 1996.

2/ Lynchings represent violent acts of vigilante justice. According to press reports, there were 68 lynchings in the country in 1997.

2. The Bank's experience and lessons learned

- 1.7 Since 1994, the Bank has approved 14 loans and technical cooperation operations in the region in support of justice programs, as well as donations from the Multilateral Investment Fund for projects concerning the settlement of trade disputes. A review of the projects approved by the Bank reveals six basic areas of focus: institutional strengthening, access to justice, criminal justice reform, legislative reform, consensus building, and research.
- 1.8 The main objectives of these Bank-financed projects have been to: establish the predictability and reliability of law and law enforcement; develop a more efficient, equitable, and reliable justice administration system; improve access to justice; strengthen judicial independence; increase the transparency and impartiality of the judicial process; emphasize the importance of public security and the effectiveness of justice institutions in preventing impunity; facilitate trade transactions through more rapid settlement of disputes; and improve the quality of judicial decisions.
- 1.9 The first step towards a comprehensive and systematic vision is to recognize the independence of the judicial branch and the administrative and financial autonomy of its operations, free of undue external interference. Independence, in turn requires accountability, which means bodies dedicated to oversight of the judicial branch. At the same time, the ability for independent institutions to coordinate their actions will greatly enhance their combined effectiveness in promoting judicial reform, through new approaches to coordination between government bodies that have had only limited opportunities for dialogue in the past.
- 1.10 The issue of access to justice is a natural field for IDB action, given the Bank's close involvement in social reform and commitment to the weakest links in civil society, the poor and the excluded. Bank projects have gravitated in that direction, attempting to move local and community justice services closer to the people. In that regard, the role of civil society is considered critical to the active participation of key stakeholders in the design, execution, and supervision of justice reform projects.
- 1.11 The Program in Support of Judicial Reform in Guatemala draws effectively on the lessons learned from other processes in the region, with due regard for the country's own unique characteristics. Since preparation of the program began, the approach taken has been systematic and long-term, eliciting participation from the various justice institutions and agencies as well as civil society. The participatory character of the strategy has entailed numerous consensus-building activities organized in consultation with national stakeholders.

C. Justice in Guatemala

1. Institutional framework of the justice sector

Institutions of the Justice Sector and their functions	
Institutions	Functions
Judicial Branch	<ul style="list-style-type: none">- Administrative and jurisdictional functions.- Jurisdictional responsibility lies with the Supreme Court of Justice, its 13 judges, and the other courts subordinated to it.- Administrative responsibility lies with the Office of President. The President of the Supreme Court is also President of the Judicial Branch.
Public Prosecutor's Office	<ul style="list-style-type: none">- Auxiliary institution for public administration and administration of courts with autonomous functions. Responsible for criminal prosecution and supervising the investigation of crimes subject to criminal prosecution.
Public Defender's Office	<ul style="list-style-type: none">- Independent body as from July 1998; currently functions as a Judicial Branch agency.- If the accused does not have the economic means to hire a defense attorney in a criminal case, the state provides one by virtue of the constitutional right to defense for all persons, without discrimination.
Ministry of the Interior	<ul style="list-style-type: none">- Responsible for protecting the safety of persons and their property, maintaining public order, and preventing crime. Consists of the National Civil Police, the General Directorate of Migration, and the General Directorate of Prisons.
Coordinating Authority	<ul style="list-style-type: none">- Established in September 1997 and composed of the President of the Judicial Branch, el Minister of the Interior, and the Prosecutor General of the Republic, to permit a joint effort towards modernization of the sector. Executes its decisions through an Executive Secretariat created by means of an inter-institutional agreement signed on May 26, 1998.

2. Diagnostic of the justice sector

- 1.12 **Inaccessibility.** The difficulties of access to public services in general, and justice in particular, relate to geography, culture, language, economics, education, and organizational behavior. The various indigenous groups that together make up the majority of the country's population, are for the most part excluded from the justice system. Insufficient services, geographically restricted availability, the lack of a regulatory framework ensuring judicial pluralism, and misconceptions or ignorance about judicial procedures and institutions, tend to increase such exclusion.
- 1.13 Inasmuch as the administration of justice is a service of the state, through which the population can settle disputes in a peaceful manner – or in other words an instrument of peaceful coexistence – ineffective access to this service leads to impunity, conflict, and recourse to nonjudicial means of addressing grievances.

1.14 **Institutional weaknesses.** The problems of the justice system include: the fragility of judicial independence; obsolete legal procedures; ineffective criminal investigation procedures; inadequate material resources; failure to perform basic administrative functions; lack of modern administrative systems; unnecessarily prolonged criminal proceedings; inadequate medium- and long-term planning; and a crisis-driven decision-making process.

1.15 **Need for coordination.** Guatemala's justice system is plagued by poor coordination between participating judicial institutions, undermining efforts to implement joint policies. The sector requires a functional system for formulating policies, strategies, and joint action plans to improve its efficiency and credibility.

3. The justice sector reform process

1.16 Through judicial reform, and in particular revision of the criminal procedures code, the country has established rules for criminal indictment proceedings consistent with democratic conceptions of criminal justice, including the separation of investigative and judicial functions. This means ensuring the judge is not involved in the indictment, so that the accused is placed on an equal legal footing with his accuser. Proceedings are subject to requirements concerning public notice and oral proceedings to ensure open debate and equal treatment of the parties.

1.17 In the area of policy coordination, on September 25, 1997, the heads of the Judicial Branch, Public Prosecutor's Office, and the Ministry of the Interior signed a letter of intention to establish the *Instancia Coordinadora de la Modernización del Sector Justicia* [Coordinating Authority for Modernization of the Justice Sector] (ICMSJ), signaling the start of a coordinated effort. According to its mandate, ICMSJ is responsible for promoting integration of the sector; removing obstacles to joint work; guaranteeing the accessibility of the system; submitting legislation through the competent authorities to facilitate modernization of the sector, ensure equal opportunity, and provide for public security; and formulating coordinated strategies, plans, programs, and policies for implementing the reforms and regaining public credibility and support.

1.18 Among the reform initiatives, a recent program to improve access and inter-institutional coordination was the creation of a center for the administration of justice (CAJ), located in the municipality of Nebaj, in El Quiché Department. This pilot project was designed as a result of coordinated efforts by Guatemalan government institutions, including the judicial branch, the Public Prosecutor's Office, the National Peace Fund, the United Nations Joint Unit of the Mission for Verification of Human Rights in Guatemala (MINUGUA), the United Nations Development Program (UNDP)

(hereinafter MINUGUA-UNDP), and the Government of Sweden. ^{3/} Aside from offering judicial services in that locality, the CAJ conducts activities to strengthen grassroots organizations, relations with indigenous communities, and training for court interpreters in the area. The CAJ in Nebaj has incorporated the so-called "focal centers", administrative information and coordination systems financed by the U.S. Agency for International Development (USAID), which has improved the efficiency of the institutions involved.

D. Areas assigned priority for Bank assistance

- 1.19 Guatemala is in the process of reforming and strengthening its justice administration system with a view to ensuring free access to justice, impartiality in its application, and judicial independence; increasing judicial security and public confidence in the system; and eradicating existing inefficiencies. ^{4/} Within that context, the Bank has identified two priority areas for action: (a) improve access to justice for the communities most affected by the armed conflict and/or marginalized geographically; and (b) strengthen the managerial and planning capacity of justice institutions by establishing inter-institutional coordination mechanisms to improve the administration of justice.
- 1.20 Among the main obstacles encountered by the Guatemalan population in gaining access to the justice system are the lack of: legal services and basic information on how the system operates for persons with low income; and basic infrastructure, particularly in those regions most affected by the armed conflict. With regard to the first problem, the number of judges per capita nationwide is small (one per 21,809), ^{5/} and in rural areas with large indigenous population segments, the situation is even more critical (one per 24,601). With respect to infrastructure, urgent attention is required in the more remote areas, which are virtually without

^{3/} The Nebaj area presented a situation typical in the country: a limited governmental presence, with no justice administration system.

^{4/} This is emphasized in the final report of the commission for Strengthening of Justice established under the peace agreements of April 1998.

^{5/} By way of comparison, Honduras has one per 12,416 inhabitants and Costa Rica one per 8,104 inhabitants.

the physical presence of judicial authorities. 6/ What is more, unfamiliarity with the customary norms governing indigenous community life, and the lack of access for indigenous persons to the resources of the national judicial system have, made it difficult to protect their rights and has led to discrimination and distrust among indigenous peoples towards the formal justice system.

- 1.21 The second priority field of action is institutional strengthening, especially in the areas of management, planning, training, and information. Strengthening the justice administration will require medium and long-term action and strategies, justifying support for the development of coordinated and systematic strategic planning capacity. This support will be directed towards improving organizational structures and managerial methods, developing information systems, and applying new criteria geared to inter-institutional cooperation and more efficient management of resources. In this connection, the justice sector requires uniform criteria for action and procedures that will allow for a common national judicial vision. The ICMSJ mentioned earlier requires support for the formulation of policies, strategies, and action plans to implement the legal reforms and the justice administration modernization process.

6/ In Huehuetenango, for example, the population is multilingual, and the department is characterized by the limited presence of an accessible justice administration system. Vehicular access routes from villages in the border areas are largely nonexistent, forcing the inhabitants to travel on foot up to 10 hours to obtain transport to the capital cities, where justices of the peace are located. Even then, translators for the Mayan dialects represented in the department are normally not available.

II. PROGRAM

- A. Objectives, purposes, and institutions involved in the program
- 2.1 The objective is to strengthen the democratic and pluricultural rule of law by providing support to the institutions of the justice system, at the individual institutional level as well as in terms of coordination between the institutions, in order to improve access to justice and the quality of judicial services.
- 2.2 The program is divided into two subprograms, whose specific objectives are as follows: **Access to Justice (Subprogram A)**, which consists of improving coverage of the judicial system in deprived communities, facilitating physical, linguistic, and cultural access to justice through the construction and placement in operation of eight justice administration centers (CAJs), 47 *juzgados de paz* [justice of the peace offices], similar to U.S. small claims courts but without full-scale trials], and 10 district prosecutor's offices, as well as the implementation of special activities designed for the indigenous communities; and **Institutional Strengthening (Subprogram B)**, which in an initial phase would provide support to institutions in the sector seeking to strengthen their managerial, technical, and administrative capacities as a means to improve their internal efficiency and the quality of the services they provide to the public, and in a second phase would establish mechanisms for interinstitutional coordination, allowing for greater recourse to deliberation and joint action in addressing common problems within the sector.
- 2.3 Four public institutions will participate in this program: the Judicial Branch (JB), the Public Prosecutor's Office (PPO), the Ministry of the Interior (MOI), the Public Defender's Office (IDPP), as well as the Coordinating Authority for Modernization of the Justice Sector (ICMSJ). University law schools, civil society organizations (CSOs), and local indigenous governing structures will also participate.
- 2.4 Taking into account the problems and priority areas for support indicated in the frame of reference, and given the objectives described above, the following table summarizes the program strategy and components.

PROGRAM IN SUPPORT OF JUDICIAL REFORM		
PROBLEMS	STRATEGY	COMPONENTS
LIMITATIONS TO ACCESS	ACCESS TO JUSTICE 1. Improvement and expansion of physical, linguistic, and cultural access to judicial services	<ol style="list-style-type: none"> 1. <u>Construction and placement in operation of 8 CAJs</u> <ul style="list-style-type: none"> - Infrastructure and equipment - Support services for the CAJs 2. <u>Multiculturalism and access to justice</u> <ul style="list-style-type: none"> - Research and workshops on customary law - Interpreter training programs 3. <u>Expansion of the sector's services coverage</u> <ul style="list-style-type: none"> - 47 Justice of the Peace offices - Citizen education workshops - Public defender services - 10 district prosecutor's offices - Victims assistance offices
NEED TO STRENGTHEN THE INSTITUTIONS	INSTITUTIONAL STRENGTHENING Strengthening of the managerial, technical, and administrative capacity of institution in the judicial sector	<ol style="list-style-type: none"> 1. <u>Institutional strengthening of the Judicial Branch</u> <ul style="list-style-type: none"> - Strengthening of the Planning Department - Strengthening of the UCPMJ 2. <u>Institutional strengthening of the Public Prosecutor's Office</u> <ul style="list-style-type: none"> - Strengthening of the Planning Unit - Development of Judicial Branch computer systems - Training - Coordination between prosecutors and police - Architectural studies and designs 3. <u>Institutional strengthening of IDPP</u> <ul style="list-style-type: none"> - Creation of the Planning Unit - Renovation of offices - Dissemination of public information on IDPP's mandate - Training for Public Defenders 4. <u>Institutional strengthening of Ministry of the Interior</u> <ul style="list-style-type: none"> - Strengthening of the Planning Unit - Case information, registration, monitoring, and control system - Diversification of occupational options for convicts
INSUFFICIENT INTRAINSTITUTIONAL COORDINATION	ESTABLISHMENT OF INSTITUTIONAL COORDINATION MECHANISMS WITHIN THE ICMSJ	<ol style="list-style-type: none"> 1. <u>Institutional strengthening of ICMSJ</u> <ul style="list-style-type: none"> - Institutionalization of the Executive Secretariat of ICMSJ - Operational support for ICMSJ - Sectoral support in the fight against corruption

B. Description

1. Subprogram A: Access to justice (JB, PPO, IDPP, national universities and local CSOs) (US\$12.1 million)
 - a. First component: construction and startup of the eight justice administration centers (CAJs) (US\$5.1 million)
- 2.5 This component will provide support for judicial institutions in Guatemala in order to improve access to justice for the general population. Special attention will be given to indigenous communities, and areas most affected by the armed conflict or with major access difficulties for reasons of geography.
- 2.6 The CAJs will constitute a decentralized, functionally and physically integrated justice service whose mission is to establish the presence of the state in localities where the availability of judicial services does not meet the demand for them. The CAJs would consist of a district court (under the JB), a prosecutor's office with a victim's recourse office (under the PPO), an IDPP office (for criminal cases), a legal aid office (free, for noncriminal cases), L/ a police department, and an inter-institutional coordination service. University law schools will also participate in the legal aid offices and in training court interpreters in the CAJs.
- 2.7 The CAJs represent: a response to the need for access to judicial services; public recognition of customary law as a system for the settlement of disputes; a means to strengthen civil society through local development processes carried out with broad community participation; the decentralization and modernization of justice services; a means of conveying to historically excluded communities that the attitude among judicial service institutions has changed.
- 2.8 **Infrastructure and equipment (US\$2.9 million).** The proposal calls for the construction of eight furnished and equipped CAJs, approximately 720 square meters each. The location of the CAJs will be determined by applying, *inter alia*, eligibility criteria, to be established in the Operating Regulations of the program, designed to benefit areas with: (a) limited governmental presence; (b) limited or no presence of the justice administration system; (c) a large indigenous population; (d) problems stemming from the recent armed conflict; (e) high rates of poverty; (f) difficulties with public transportation and access routes to other municipalities with district courts; (g) a high degree of social cohesion within the indigenous communities; and (h) substantial

L/ The peace agreements recognize the need to create legal aid offices to provide legal advice and representation, free of charge, to low-income persons, and thereby facilitate access to justice.

participation by civic authorities and civil society organizations. By means of a preliminary analysis, 12 areas have been identified as satisfying most of these criteria. 8/ In those areas, indigenous groups account for an average of 85% of the population.

2.9 The support services for the CAJs (US\$2.2 million). The process of setting up the CAJs and consolidating their operations entails a series of activities, including:

- a. **Local coordination of the CAJs (US\$850,000).** In view of the operational challenges resulting from the presence of various national, municipal, and nongovernmental institutions among the CAJs, financing will be provided to hire a local coordinator and advisory team composed of an interpreter, an information systems analyst, an educator, and a technical assistant. The activities will include: the administration of resources for joint programs; logistical and technical coordination of the services; administrative supervision of the work plan; and production of monthly statistical reports.
- b. **Legal aid office (US\$835,000).** Financing is provided to hire services for the implementation of free legal assistance in noncriminal cases for poor individuals living in the CAJ areas. 9/ These services will be offered through universities and CSOs. The universities will provide law school professors and student interns.
- c. **Training program (US\$151,000).** An on-site training program will be provided for CAJ officers and will cover, inter alia: the norms and practices of customary indigenous law; the rights and duties associated with justice administration and due process; basic instruction on fundamental human rights, including the violation of women's rights, domestic violence, and environmental matters under indigenous customary law (Mayan cosmic vision).
- d. **Awareness campaigns (US\$120,000).** To establish ties with civil society, financing will be provided to hire a local CSO for basic design of a public information campaign on CAJ services. Radio information programs and dramas, printed materials, and a short video program will be used to promote the CAJs in Spanish and the predominant indigenous languages in the areas selected. Special communication techniques will also be used to effectively reach the female audience.

8/ Some of the departments meeting these criteria are: Huehuetenango, Totonicapán, San Marcos, Quiché, Petén, Baja Verapaz and Sololá.

9/ Among the indigenous populations, 81.3% live in extreme poverty and 71.9% are illiterate. The mortality rate for children between ages one and four is 70.9 per thousand.

- e. **Public education in the law through judicial information officers (US\$38,000).** Financing will be provided to hire a CSO to train a judicial information officer for each of the municipalities where CAJs have been set up. Bilingual speakers of Spanish and local indigenous languages – men and women – will be recruited. The information officers will provide a link enabling CAJ operators to inform the indigenous communities about the judicial services offered and learn about local community norms. The presence of a CAJ will not only facilitate physical access to justice, but will also heighten awareness among the population – women in particular – about their rights to judicial recourse.
 - f. **Evaluation and monitoring of the CAJs (US\$126,000).** Financing will be provided for technical assistance services to conduct and evaluate CAJ performance under the program, with a view to recommending improvements in service. Financing will also be provided for the preparation and organization of annual meetings of CAJ operators for the purpose of exchanging experience and making recommendations on operations, impact, and the replication of CAJs elsewhere in the country. In both cases, evaluation will focus in particular on the level of acceptance of CAJ services by the beneficiary communities, particularly among the indigenous groups.
 - g. **Information systems (US\$29,000).** Financing will be provided for technical assistance services for computerization and statistical application of the management information system to be used in the CAJs. This includes a centralized single-entry registration system for coordinating case information, generating statistics, and providing permanent user access.
- b. Second component: multiculturalism and access to justice
(US\$965,000)
- 2.10 Given the limited knowledge of the norms, institutions, authorities, and procedures governing indigenous community life and the settlement of disputes ("customary law"), financing will be provided for research on the practices and norms of customary law prevailing in the CAJ areas. Activities are also included to promote the establishment of a justice system reflecting the multilingual character of the country, thus helping to ensure the right to use indigenous languages when resorting to the justice

system. 10/ These activities will be particularly beneficial and useful to the CAJ operators. The activities will draw in particular on the experiences of other participating donors in this area, and in particular MINUGUA and the European Union.

2.11 **Research and advisory workshops on customary law (US\$464,000).** Financing will be provided for an interdisciplinary team to conduct research on customary law. This team will include a historian, a sociologist, two jurists specialized in legal anthropology and sociology, a computer expert with experience in bibliohemerographic records, and a technical assistant. These studies will be conducted by means of advisory workshops with the indigenous authorities. 11/

2.12 **Interpreter training programs (US\$501,000).** Financing will be provided for interpreter training programs covering the preparation of teaching materials, instruction, logistics, management and technical assistance. Execution of these programs will initially be based in the first CAJs and will take place at two levels. The first level would consist of (a) a cultural evaluation and profile of the region; (b) an agreed program for the training of interpreters, justice institution operators, and judicial information officers; (c) convocation and selection of students from the communities; and (d) the organization of modular courses. The second level would consist of the development, reproduction, and dissemination of judicial glossaries in the indigenous languages of the area, including the translation of national and international legal instruments and terminology used in customary law and its cultural derivation.

c. Third component: expanded coverage of judicial services
(US\$6 million)

(i) the Judicial Branch (US\$2.7 million)

2.13 **Justices of the peace (US\$2.5 million).** The aim of this activity is to strengthen the presence of civil authorities within the interior of the country through justices of the peace, which

10/ To guarantee the right to use indigenous languages in resorting to the justice system, under articles 58 and 66 of the political constitution of the Republic of Guatemala, article 12 of convention 169 of the international labor organization and the peace agreements, in particular the agreement on the identity and rights of indigenous peoples.

11/ The indigenous authorities include all those who take part in regulating social life and the settlement of disputes, such as auxiliary mayors, members of municipal corporations, the elderly, principles, cofrades, comadronas, and AJ'Quij Ab (spiritual guides) in the area selected.

represent the courts of first instance for small claims, offenses and, and routine disputes. ^{12/} Under the Master Plan for Judicial Branch Infrastructure ^{13/} the program will finance the construction and/or remodeling of the basic equipment and furnishings required for the offices of 47 justices of the peace. ^{14/} The program will give preference to the eligibility criteria established by the JB for the construction of these justice of the peace offices, taking into account, inter-alia: a) the existence of a lot belonging to the judicial branch; b) the existence of a building in which only minor adaptations will be necessary; c) local initiative requesting establishment of the office; d) the minimum sufficient population level, including the transient population; e) the presence of police authority to support the work of the judge, as well as other state authority; f) the presence of demobilized and returning military personnel; g) land dispute; and h) a high degree of unmet basic needs. In the case of justice of the peace offices located in largely indigenous areas, the judicial branch is appointing justices of the peace originating from the communities with bilingual staff, or translators, criteria to be considered during the execution of this program.

- 2.14 **Citizen's education workshops (US\$190,000).** The program will finance citizen education and awareness workshops - under contract with local CSOs - to be conducted in the justice of the peace offices, to contribute positively to the population's system of perceptions. The approach to be taken in these workshops will consist of disseminating information on the legal services provided.

(ii) Public Defender's Office (US\$2.1 million).

- 2.15 The services of the Public Defender's Office (IDPP) will be expanded for general criminal cases and the defense of minors. The coverage of the IDPP will be expanded through case-by-case contracting of trial attorneys from the private sector. The design and implementation of an accreditation system for defense attorneys and a system for bidding on cases by accredited attorneys.

^{12/} In recognition of the direct relationship between the justice of the peace and the population the recent reform of the code of criminal proceedings broaden the jurisdiction of justices of the peace (when requested by one of the parties to the dispute in question) in an effort to reach a mediated settlement.

^{13/} The master plan is being prepared by a consulting firm hired with resources from the project preparation facility (No. PPF/014-GU).

^{14/} According to the program for implementation of the judicial branch, 229 offices of justices of the peace will be constructed during the period 1998-2002. This complements the measures being considered by the World Bank in this area (see paragraph 3.37).

Technical assistance will be financed for the design of the accreditation and bidding system and approximately 2,200 cases will be tendered annually (which means approximately 20% of all public defender cases during the program period).

(iii) Public Prosecutor's Office (US\$1.2 million).

- 2.16 **District prosecutors (US\$909,000).** Under the plan for reorganization of the Public Prosecutor's Office (PPO), district and municipal prosecutors' offices will play a very important role in assuring access to justice by decentralizing state processing and investigation of charges brought by the general public. Most of these prosecutors' offices require substantial improvements in infrastructure. The construction of ten district prosecutors' offices will be financed according to criteria that gives priority to those owning or in the process of purchasing their own location.
- 2.17 **Victim Assistance Offices (US\$276,000).** The objective of this activity is to strengthen the services of the victim assistance office of the Public Prosecutor's Office. The necessary technical advisory services and training will be financed to develop an inventory of existing social assistance services in each of the 22 district and municipal prosecutors' offices ^{15/} and to establish victim referral networks in order to formalize the office's assistance mechanisms. Technical assistance funding will be provided for a support, monitoring, and evaluation program for these services in the district and municipal prosecutors' offices. Financing will also be provided for an annual national seminar on victim assistance issues, such as intrafamily violence, sexual crimes, and child abuse. Public information on these services will also be financed.
2. Subprogram B: Institutional Strengthening (JB, PPO, IDPP, MOI, and ICMSJ (US\$5.7 million)
- a. First component: Judicial Branch (US\$1 million)
- 2.18 **Strengthening of the Judicial Branch planning unit (US\$390,000).** This support includes technical assistance financing for the

^{15/} At the current time, this inventory of existing services has been conducted on a preliminary basis for Guatemala City. To perform their work, the victim assistance offices need to know which hospitals, clinics, asylums, and charitable institutions exist in a particular locality; they also need to establish formal mechanisms for coordination with these institutions for the purposes of victim referral. Without such an inventory of resources, the offices will not have the tools they need to work. In the interior of the country, OSCs will provide an important resource for assisting the indigenous communities.

planning and development unit 16/ in: (a) the design and implementation of a budget formulation and monitoring system for the Judicial Branch; (b) the design of management information and indicator systems; (c) redesign of processes and institutional analysis; (d) strategic planning and operations programming; (e) formulation, evaluation, and administration of projects; (f) studies and the transfer of knowledge and technology to planning unit officials. The planning and development unit will be responsible for management training, particularly for senior and mid-level management. Financing will also be provided for the purchase of equipment and furniture for this new department.

- 2.19 **Strengthening of the Coordinating Unit for the Judicial Branch Modernization Program (UCPMOJ) (US\$621,000).** The UCPMOJ is the executive arm of the Judicial Branch Modernization Commission, which is in the preliminary phases of executing an ambitious modernization program. The UCPMOJ is responsible for designing, developing, and coordinating the execution of modernization activities for the Judicial Branch. The program will provide support to the UCPMOJ through technical assistance for the strengthening of project execution, as well as the purchase of basic equipment and furniture, especially for the infrastructure and studies and project units.

b. Second Component: Public Prosecutor's Office
(US\$2.5 million)

- 2.20 **Strengthening of the Planning Unit of the Public Prosecutor's Office (US\$183,000).** The Public Prosecutor's Office has a solid planning unit which nonetheless has a number of weaknesses in terms of providing proper support for the introduction of computer technology and automated financial administration. The program will finance technical assistance in both areas.
- 2.21 **Development of Criminal Justice Information Systems (US\$998,000).** The objective is to create a national case registration and monitoring system through a network linking the Public Prosecutor's Office with the Judicial Branch, the Ministry of the Interior, and the IDPP. 17/ Support would include the purchase of software, hardware, technical assistance for system installation and startup and training for operating staff and users.
- 2.22 **Support for Continuous Training (US\$820,000).** The program will strengthen the Training Unit of the Public Prosecutor's Office

16/ The unit was set up with support technical cooperation operation ATN/SF-5467-GU.

17/ Financial support for the Judicial Branch and the Interior Ministry system would come from the World Bank and the European Union, respectively.

(UNICAP) to improve the efficiency of its substantive activities in the area of training for career staff of the Public Prosecutor's Office. ^{18/} The strategy is to decentralize the training function and optimize productivity through the multiplier effects of trainer training in various subjects, including prosecution in the environmental field (see paragraph 4.20). Program support for UNICAP will include: (a) development of courses and preparation of instructional modules; (b) the execution of modular courses under contract; (c) instructional materials; (d) the purchase of bibliographical materials; and (e) strengthening of the evaluation and monitoring system to strengthen the linkage between continuous training and career functions. In each of these areas the relevant environmental aspects will be taken into account.

- 2.23 **Strengthening of coordination between district and municipal prosecutors' offices and the National Civil Police (US\$94,000).** Financing will be provided for technical assistance in applying the criminal procedures code to improve joint action by prosecutors and police through coordination committees, which will meet monthly and will be composed of members elected by both institutions. The program will also finance two on-site workshops per year in each department on the specific coordination problems of each locality.
- 2.24 **Preparation of studies and architectural, topographical, engineering designs (US\$400,000).** The financing to be provided will cover the cost of architectural, topographical, and engineering studies and designs for construction of the Public Prosecutor's Office building on a lot owned by the Guatemala City prosecutor's office. Specifically, the program will help to finance: (a) a study of specific space requirements; (b) soil and topographical studies; (c) the final architectural and structural designs; (d) the building water supply and plumbing plan; (e) drainage analysis of the location; and (f) environmental impact analysis.

c. Third Component: Public Defender's Office (IDPP)
(US\$702,000)

- 2.25 **Creation of the IDPP Planning Unit (US\$369,000).** The program will support the institutionalization and operational startup of a planning unit responsible for activities programming, financial administration, and investment project execution. The program will finance specialized technical assistance in the areas of information and statistics, research and development, financial planning and programming, and projects. Financing will also be provided for equipment and furniture for office operations and two years of work by the new officials assigned to the unit.

^{18/} Includes District and Section prosecutors, agents, and auxiliaries.

- 2.26 **Renovation of Public Defender Offices (US\$55,000).** Assistance will be provided to the Public Defender's Office with its transition into an autonomous institution by financing the purchase of equipment and furniture for its offices in the 21 department capitals.
- 2.27 **Dissemination of information on the mandate of the Public Defender's Office (US\$184,000).** The Public Defender's Office in Guatemala is misperceived by the public, which often regards it as a system for protecting criminals rather than a means of guaranteeing the right of the accused to legal defense. The program will provide support for the IDPP in disseminating information on its mandate and the service it offers to the public through radio programs and other means (in Spanish as well as in indigenous languages) providing public information on the right to due process, the presumption of innocence, and the functions of prosecutors, judges, and public defenders *inter alia*.
- 2.28 **Strengthening for Public Defender training (US\$94,000).** Support will be provided to the Public Defender's Office to improve the system of continuous training by financing training courses on theory and technique in the subjects and instruments most relevant for public defense services: investigation, interrogation techniques, oral debate, the use and rebuttal of expert opinions, and oral and written argument theory.

d. Fourth Component: Ministry of the Interior (US\$702,000)

- 2.29 **Strengthening of the Planning Unit (US\$144,000).** The Ministry of the Interior has a good but new and limited planning unit with weaknesses in the following areas: the administration of external cooperation; management, monitoring, and evaluation of investment projects; and use of computer technology. The program will provide financing for technical assistance in these three areas as well as the purchase of equipment and furniture required to strengthen the unit.
- 2.30 **Implementation of a case information, registration, monitoring, and control system (US\$82,000).** Financing will be provided to purchase the computers and computer programs necessary to link the criminal justice centers, prevention centers, and the General Directorate of the penitentiary system with the newly acquired information system. These computer resources will help to expedite criminal proceedings, in particular with detailed information on unsentenced detainees.
- 2.31 **Providing and diversifying of occupational options for convicts (US\$476,000).** In order to improve the general living conditions in penitentiaries and in particular help facilitate the reintegration of convicts into society, financing will be provided for a study on current and potential occupational options for convicts and the

design of an occupational program especially designed for young and female convicts. Technical assistance financing will also be provided for the development of a strategy, in cooperation with the private sector, for initial execution of the program, the creation of jobs, and training for convicts while in prison.

e. Fifth Component: Coordinating Authority for Modernization of the Justice Sector (ICMSJ) (US\$744,000).

- 2.32 **Support for Institutionalization of the ICMSJ Executive Secretariat (US\$330,000).** During its initial phases, the ICMSJ will be provided support to ensure greater continuity and executive capacity. Temporary financing will be provided for the salaries of an Executive Secretary, basic secretariat support, technical assistance, and office furniture and equipment.
- 2.33 **Operational Support for the ICMSJ (US\$131,000).** Technical assistance financing will be provided for preparation of: (i) a medium-term sectoral plan and annual operating plans; (ii) the design of performance indicators; (iii) a register of external assistance projects for the justice sector; (iv) the coordinated publication of public information materials on the justice sector.
- 2.34 **Sectoral support for anti-corruption efforts (US\$283,000).** Technical assistance financing for: (i) specialized workshops and seminars on preventing and combating corruption, to seek concrete solutions and apply lessons learned from experience in other countries; (ii) the drafting of legislation to fight organized crime and develop criminal law provisions and procedural and disciplinary mechanisms to combat corruption, particularly by incorporating the provisions of the Inter-American Convention on Corruption into national law.

C. Costs and Financing

- 2.35 **Costs.** The total cost of the program is estimated at US\$31 million equivalent, of which US\$25 million (80.6%) will be financed with resources from the ordinary capital and US\$6 million (19.4%) will come from the local counterpart. It is proposed that IFF resources be used to cover up to five interest rate points.
- 2.36 **Financing.** The terms and conditions of the Bank financing will be as follows: Amount: US\$25 million; Disbursement: 4 years; Grace period: 4 years; Amortization: 30 years; Interest Rate: variable; Credit Fee: 0.75% of the undisbursed balance (annual); Inspection and monitoring: 1% of the loan amount.
- 2.37 **Local Counterpart.** The local counterpart has been estimated at US\$6 million equivalent (19.4% of the total). Local counterpart funding for the Executive Secretariat of the Coordinating Authority

and the Co-executing Agencies will be appropriated annually from the national budget.

- 2.38 **Recurring Costs (US\$6.7 million).** These consist of the estimated costs resulting from net increases in staff, salary adjustments, and maintenance of the equipment and the new and renovated infrastructure works. The size of this amount results from the great extent to which services will be expanded.

D. Program Technical Information

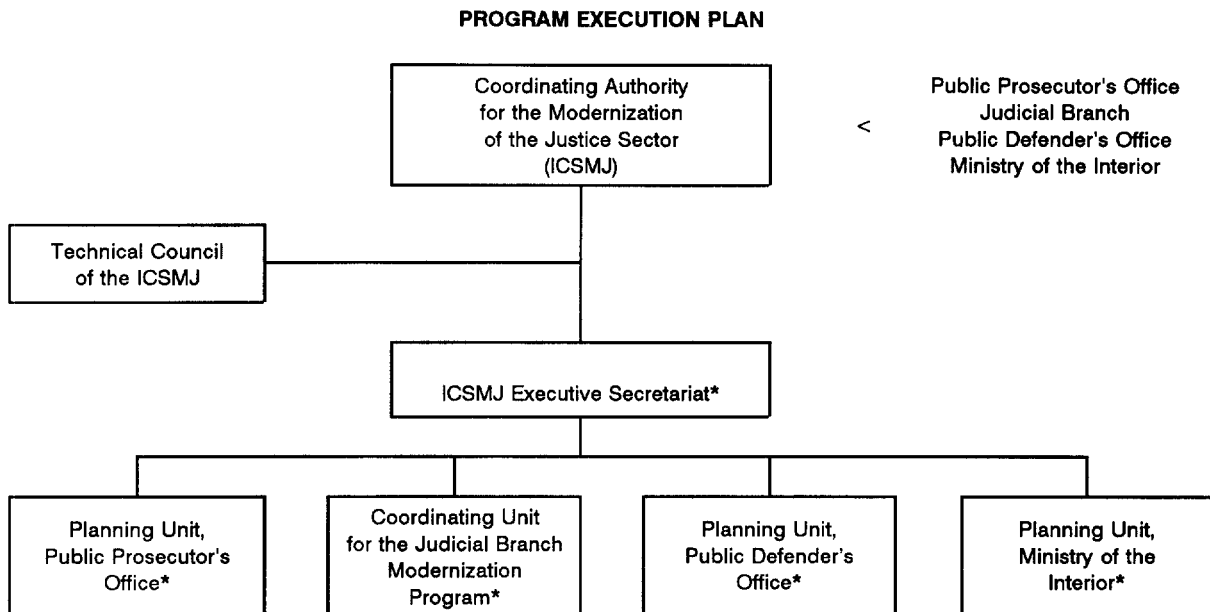
- 2.39 The program execution plan, the description of justice sector institutions and their functions, the terms of reference for the environmental action plan consultancy, and the program cost breakdown can be found in the technical files of the operation.

PROGRAM COSTS (US\$ thousands)				
	IDB	LOCAL	TOTAL	%
1. Administration	2,293		2,293	7.4
1.1 Coordinating unit	1,048		1,048	3.4
1.2 Co-executing unit	1,245		1,245	4.0
2. Direct costs	18,533		18,533	59.8
2.1 Infrastructure and equipment	7,253		7,253	23.4
2.1.1 CAJs	2,854		2,854	9.2
2.1.2 Justices of the peace	2,544		2,544	8.2
2.1.3 Prosecutors' offices	909		909	2.9
2.1.4 Management and supervision	946		946	3.1
2.2 Access to justice	5,627		5,627	18.2
2.2.1 Justice administration Centers	2,150		2,150	6.9
2.2.2 Justices of the Peace	190		190	0.6
2.2.3 Victim Assistance Offices	276		276	0.9
2.2.4 Expanded IDPP coverage	2,046		2,046	6.6
2.2.5 Multiculturalism	965		965	3.1
2.3 Institutional strengthening	5,653		5,653	18.2
2.3.1 Judicial Branch	1,011		1,011	3.3
2.3.2 Public Prosecutor's Office	2,494		2,494	8.0
2.3.3 Ministry of the Interior	702		702	2.3
2.3.4 IDPP	702		702	2.3
2.3.5 ICMSJ	744		744	2.4
3. Recurring costs	748	6,000	6,748	21.8
3.1 Salaries	619	5,031	5,650	18.2
3.2 Other operations		829	829	2.7
3.3 Maintenance	22	140	162	0.5
3.4 Materials/services	107		107	0.3
4. Not specifically allocated	803		803	2.6
4.1 Contingencies	509		509	1.6
4.2 Escalation	294		294	0.9
Subtotal	22,377	6,000	28,377	91.5
5. Financial costs	2,373		2,373	7.7
5.1 Interest	1,828		1,828	5.9
5.2 Credit fee	295		295	1.0
5.3 F.I.V.	250		250	0.8
6. Loan reimbursement (PPF 014-GU)	250		250	0.8
Total	25,000	6,000	31,000	100.0
% of total	80.6	19.4	100.0	

III. INSTITUTIONAL AND OPERATIONAL ASPECTS

A. Borrower and Executing Agencies

- 3.1 The borrower for the proposed financing will be the Republic of Guatemala. Liaison with the Bank, general coordination of the program, and execution of the sector activities will be the responsibility of the Executive Secretariat of the Coordinating Authority for Modernization of the Justice Sector (ICMSJ), with the participation, as co-executing agencies in their respective fields of competence, of the Judicial Branch, the Public Prosecutor's Office, the Public Defender's Office, and the Ministry of the Interior.
- 3.2 With the exception of the Ministry of the Interior, these entities are autonomous from an administrative and budgetary standpoint. Accordingly, the transfer of resources from the loan and the local counterpart and the obligations with respect to program execution undertaken by the entities mentioned, will be effected under an agreement between the borrower (represented by the Ministry of Finance), the ICMSJ, and the co-executing agencies. Signature of this agreement will be a condition precedent to the first disbursement of resources from the Bank financing.
- 3.3 A further condition precedent to disbursement of the Bank financing is provision to the ICMSJ Executive Secretariat of the means necessary for execution of the program.
- 3.4 In the case of the other co-executing agencies, the program will draw upon their existing capacity. The existing planning units will be strengthened so as to enable them to act as executing units for their respective program components as well as to equip them for their permanent functions. The formation of each co-executing unit with the means necessary to execute its respective program component will be a condition precedent to the disbursement of resources for each entity, so that any delays in one will not affect execution in the others. Similarly, presentation to the Bank of the activity plans for each co-executing agency, through the Coordinating Authority, will be a condition precedent to the disbursement of resources for each agency, again so that delays in one do not affect execution in others.
- 3.5 The co-executing agencies will also receive support and advice from the ICMSJ Executive Secretariat, which will serve as the channel for communications with the Bank. The relationship between the ICMSJ Executive Secretariat and the co-executing agencies will be clearly defined in the program operating regulations. The entry into force of these operating regulations will be a condition precedent to the first disbursement of Bank financing.



* With additional support staff hired with program resources.

1. Coordinating Authority

- 3.6 The Coordinating Authority, currently composed of the President of the Judiciary, the Minister of the Interior, and the Prosecutor General of the Republic--and starting in July 1998, the Director of the IDPP--is responsible for coordinating the institutions of the justice system, defining policies and strategies for developing the sector, and deciding on the joint plans, programs, and projects to be conducted in the sector.
- 3.7 To perform its work, the Coordinating Authority has an Executive Secretariat and is advised by a Technical Council composed of the manager of UCPMOJ and the planning directors in each of the agencies making up the ICMSJ.
- 3.8 The ICMSJ Executive Secretariat, which was established for the purpose of promoting sectoral programs, coordinating external financing projects, and conducting joint activities to strengthen and modernize the justice system in Guatemala, was institutionalized by means of an agreement signed by the members of the Coordinating Authority on May 26, 1998.
- 3.9 The Executive Secretariat, as general coordinator for the program and interlocutor with the Bank, will be responsible for coordinating, programming and monitoring, evaluation, and preparation of the reports required by the Bank, including the program financial statements, processing of disbursement requests,

and supervision of compliance with the procedures required in each case.

- 3.10 The Executive Secretariat will also be responsible for executing the sectoral program activities not covered by a single institution, such as the components for the CAJs, multiculturalism, combating corruption, and institutional strengthening of the Coordinating Authority. The regulations governing the decision making process, will be formulated with particular care so as to respect the purviews, autonomy, and independence of the various agencies.
- 3.11 To better enable the Executive Secretariat to perform its program functions, financing will be provided to set up a unit composed of one coordinator and three experts. The coordinator will be responsible for managing, controlling, and supervising the activities entrusted with the executing unit, and the experts will be responsible for: (a) execution of the technical components in the area of institutional strengthening; (b) programming, evaluation, and liaison; and (c) financial administration and accounting in respect of program resources.

2. Co-executing agencies

- 3.12 In general terms, with the technical support provided under the program, the co-executing institutions have the professional personnel required to respond effectively to the challenges of modern management.
- 3.13 In designing and determining the level of support to be provided to the co-executing agencies, the following criteria were taken into account: (i) their capacity for effectively administering the resources required to execute the program in relation to the number and types of contracts to be handled by each agency; and (ii) the ability of their organizational structure to respond effectively to the activities planned under the program.
- 3.14 In executing the program components in the respective institutions, the co-executing agencies will be responsible, *inter alia*, for financial administration and accounts, administrative formalities, preparing the bidding specifications and invitations, preparing the terms of reference, selecting and awarding contracts to bidders, administering the contracts, preparing the technical reports required, and monitoring execution and compliance with targets.
- 3.15 The co-executing agencies will have the technical staff needed to properly perform the functions of: (a) coordination of the component within the institution; (b) programming, evaluation, and liaison; (c) financial administration and accounting; and (d) execution of the technical components in the area of institutional specialization.

- 3.16 In the case of the Judicial Branch, execution will be entrusted with the Coordinating Unit of the Judicial Branch Modernization Program (UCPMOJ) 19/, currently responsible for executing the Judicial Branch modernization program and coordinating the sources of external financing. The UCPMOJ has adequate administrative units for management, monitoring and evaluation, finance, studies and projects, institutional development, human resources, infrastructure, and public information. Plans call for strengthening the UCPMOJ as a program co-executing agency by hiring a component coordinator coordination within the the institution, as in the case of the other program execution units.
- 3.17 Execution within the Public Prosecutor's Office will be carried out by the Planning Unit 20/ which is responsible for: planning the work of the Public Prosecutor's Office; carrying out the institution's mission, objectives, and strategy; and advising on and coordinating the analysis of procedures and setting guidelines to ensure the effective execution of activities. The unit reports to the Office of the Prosecutor General and is composed of: a department of organization and methods; an information systems department; a control and evaluation section; a projects section; and a technical cooperation section. This unit is to be strengthened in its capacity as program co-executing agency by hiring a coordinator and two experts. The experts will be responsible for: (i) programming, evaluation, and liaison; and (ii) financial administration and accounting.
- 3.18 Execution within the Public Defender's Office will be the responsibility of a planning unit to be created with program resources 21/. This unit will be responsible for: designing programming strategies; deciding on the use of resources and programming activities; investigating access to alternative financing; and developing and executing national and foreign assistance projects. This planning unit is to be strengthened for program execution by hiring a coordinator and four experts. The experts will be responsible for: (a) programming, evaluation, and liaison; (b) financial administration and accounting; (c) execution of technical components in the area of institutional specialization; and (d) execution of technical components outside the institution's area of specialization.
- 3.19 In the case of the Ministry of the Interior, execution will be handled by the planning unit 22/, responsible for planning,

19/ The UCPMOJ is being strengthened with program resources (see paragraph 2.19).

20/ The Planning Unit of the Public Prosecutor's Office is being strengthened with program resources (see paragraph 2.20).

21/ See paragraph 2.25.

22/ The Planning Unit of the Ministry of Interior is being strengthened with program resources (see paragraph 2.28).

coordinating, directing, and evaluating the planning activities of the Ministry of the Interior. This unit has sections on information systems, organization and methods, international cooperation, projects programming, and control and evaluation. The planning unit will be strengthened in its capacity as co-executing agency of the program by hiring a coordinator and three experts. The experts will perform the functions of financial administration and accounting and execution of the technical components in the institutional specialization area.

- 3.20 Based on the institutional and budgetary analysis of the co-executing agencies, it was concluded that they have the financial execution capacity and mechanisms needed to meet the program's administration needs and contend with the related recurring costs (see paragraph 4.13). It should be noted that the local counterpart will be provided by the Government of Guatemala through a budgetary transfer of additional funds to each of the co-executing agencies.

B. Program Administration

1. Selection and supervision of consultants

- 3.21 The following criteria will be applied to ensure the quality and effective supervision of the consultants:
- a. The co-executing units, responsible for procurement of most of the goods and services for the program, will consist of small teams (with size depending on the volume and complexity of responsibilities) of highly qualified persons for the selection, hire and supervision of consultants.
 - b. In the ICMSJ Executive Secretariat, professionals with knowledge of Bank and Guatemalan government procedures to provide the necessary support and advice to the co-executing units.
 - c. To execute activities connected with setting up the CAJs, given the large number of individual consultants, consulting firms, and service providers concerned (including those for training activities) and the many equipment purchases, the ICMSJ Executive Secretariat will hire a consulting firm, CSO, or specialized agency. ^{23/} The Bank, at its annual follow-up meetings, will review progress under this consultancy with the Executive Secretariat.

^{23/} The contract will be signed jointly by the beneficiary institutions.

2. Supervision of the physical works

- 3.22 For development of the bidding specifications, supervision of execution, and detailed engineering of the physical works of the CAJs and justice of the peace offices, financing will be provided to hire consulting services before the works are begun. This contract will be managed by the infrastructure unit of the UCPMOJ.
- 3.23 The other civil works planned consist essentially of repairing existing facilities or small-scale works, with small local firms hired for that purpose.

3. Work plans, monitoring, and evaluation

- 3.24 As a condition precedent to the disbursement for each component, a detailed plan of activities for the first year of execution must be presented including monitoring and monitoring indicators. Program activities have been programmed, but on an indicative basis, given their nature, so that the annual plans will permit the flexibility necessary for the proper execution of the program. The work plans for years two to four will be revised during the annual review process referred to in the following paragraphs.
- 3.25 The program will be monitored and evaluated by means of semiannual progress reports and annual meetings between the ICMSJ Executive Secretariat and the Bank. One month prior to the end of each year of program execution, the ICMSJ Executive Secretariat will send the Bank the report on program execution relative to the corresponding plan, applying the specified progress indicators and a budget execution statement showing the source of funds, together with a detailed proposed work plan with budget for the following year. The Bank and the Executive Secretariat will meet to review this report, evaluate progress in executing the plan, analyze any problems which may have arisen during execution and means to overcome them, and agree on a detailed plan for the following period.
- 3.26 In addition, given that the agencies participating in the program are new interlocutors with the Bank and that the co-executing institutions will participate in a sector-wide project, financing will be provided for a computer system to assist the participating entities with the control, management, supervision, and monitoring of project performance.

4. Supervision and monitoring

- 3.27 The program will be supervised by the Bank's country office in Guatemala with the support of the Project Team and consultants hired for that purpose. The monitoring will be continuous starting from the beginning of program execution.

C. Execution and disbursement timetable

- 3.28 The estimated period for execution of the program is four years. The tentative disbursement timetable is provided in the following table:

DISBURSEMENT TIMETABLE (in millions of US\$)					
	Year 1	Year 2	Year 3	Year 4	Total
IDB	6.0	6.75	6.65	5.6	25.0
Local	0	0.05	1.85	4.1	6.0
Total	6.0	6.8	8.5	9.7	31.0
Percentage	19.0	22	20	31	100

D. Procurement of goods and services

- 3.29 The contracts for procurement of goods and services for the Program, the execution of works, and the hire of consulting services will be conducted in accordance with Bank procedures, which will form part of the loan contract.
- 3.30 **Civil works.** The program calls for the construction of 47 justice of the peace offices, eight justice administration centers, and ten district prosecutors' offices.
- 3.31 Works contracts for amounts equal to or greater than US\$1.5 million will be awarded by means of public international bidding. Works contracts in amounts between US\$250,000 and US\$1.5 million will be awarded by local public bidding. Works contracts for amounts less than US\$250,000 will be awarded by private bidding with the invitation of at least five contractors or suppliers. For works in remote rural areas, contracts for amounts less than US\$30,000 equivalent will be awarded directly.
- 3.32 **Equipment and materials.** The purchase of goods costing US\$250,000 or more will be conducted by means of international public bidding. For lesser amounts, the provisions of national law, which are compatible with Bank procedures, will apply.
- 3.33 **Technical assistance and studies.** The program will finance technical assistance and consulting services for the purposes of conducting studies, designing training, preparing materials, conducting public information campaigns and other support activities. Contracts for consulting services in amounts greater than US\$200,000 will be awarded by means of public international

bidding. For lesser amounts, private bidding will be conducted among at least three invited consultants or consulting firms.

E. Maintenance of infrastructure works and equipment

- 3.34 The borrower will undertake to ensure that the co-executing agencies properly operate and maintain the works and equipment financed with program resources. To that end, the borrower, through the executing agency, must include sufficient resources in its annual expense budget to ensure such maintenance. For five years following completion of the first set of works under the Program, within the first quarter of each calendar year, the borrower will provide the Bank with a report on the condition of the works and the annual maintenance plan for that year.

F. Recognition of expenses against the financing

- 3.35 Expenditures prior to the approval of the loan for the purpose of taking steps toward fulfilling the conditions of the contract, hiring consulting services, and conducting other program activities in accordance with Bank procedures will be recognized up to an amount of US\$400,000.

G. External audit

- 3.36 The program financial statements must be audited by an external auditing firm during the program execution period in accordance with the applicable Bank rules.

H. Coordination with other international organizations

- 3.37 The World Bank and the IDB have arranged for close coordination in executing new programs to be financed by each bank beginning in 1998 (see description of external cooperation with the justice system of Guatemala in the technical files). Whereas the IDB focuses its support on decentralized services in rural areas at the individual institutional level, with emphasis on coordination among them, the World Bank program is designed to support the Judicial Branch, promote its administrative modernization, improve the functioning of courts, and promote alternative dispute settlement methods. Several other agencies are expected to assist Guatemala in improving its judicial services during the same period in which the project financed by the Bank will be executed. These include USAID, which will support training activities and technical assistance in connection with implementation of the criminal procedures code by the Public Prosecutor's Office, as well as training for judicial system operators; MINUGUA (United Nations Verification Mission for Guatemala), with funding support from the Governments of Canada, Denmark, Spain, the United States, Norway, Netherlands, and Sweden, is providing technical assistance and training in the areas of human rights and institutional strengthening, and also contributed to the establishment of the

country's first CAJ; UNDP (United Nations Development Program) is focusing its efforts on training for public defenders; and the European Union has a program directed towards human rights and democratization, providing significant support to the Ministry of the Interior and technical assistance to the National Civil Police.

IV. FEASIBILITY AND RISKS

A. Institutional feasibility

- 4.1 The institutional feasibility of program execution should be assured mainly by the Executive Secretariat of the Coordinating Authority which will help to coordinate program execution, from a specifically sectoral perspective, from the top of the justice sector, with the legitimacy that flows from this high-level involvement. Similarly, the type of structures designed for the Executive Secretariat and co-executing units is appropriate for the requirements of execution.
- 4.2 The various components for strengthening of the planning units within the co-executing agencies will perform the dual function of developing their planning capacity and providing them with a technical unit capable of the directing and executing their components under the program. In that sense, the agreements to be signed by the Executive Secretariat and the co-executing agencies will facilitate the supervision, conditions, and procedures governing the program and will regulate the transfer of loan and local counterpart resources to the co-executing agencies.
- 4.3 Program feasibility is also supported by the participation of specialized firms as contract intermediaries facilitating, through third party involvement in execution, the tasks of control and monitoring. In the case of the construction works and rehabilitation included in the program, the works involved are simple and their execution should therefore not be hindered by technical restrictions.
- 4.4 Finally, it should be stressed that the projects promoted through international cooperation - the United Nations through the UNDP and MINUGUA, the European Union, and the bilateral cooperation activities - especially those with USAID - have fostered the development of local professional capacity with know-how in the execution of external cooperation projects similar to the IDB program.

B. Political feasibility

- 4.5 The urgent need to solve the problems stemming from the ineffectiveness of the dispute settlement system represents a high priority on the public agenda. The lack of confidence in the judicial system has resulted in a broad consensus in favor of corrective measures. Similarly, there is a variety of evidence of the high social and economic costs that inconsistency in the effectiveness of justice administration places on Guatemalan society.

- 4.6 The clear political will of justice authorities to continue with the reform process, and the existence of a sectoral coordinating authority, recently institutionalized with the creation of its Executive Secretariat, provide building blocks for a political and institutional framework that should bolster the feasibility of program execution.
- 4.7 The imperative for authorities to incorporate historically excluded population groups into the institutional, organizational, and regulatory structure and find paths to intercultural harmony has become an additional argument in support of the proposal's political feasibility.
- 4.8 The process of program preparation has led to an unprecedented consensus among the four co-executing agencies with regard to the content of the components and the respect for autonomy and independence in the processes of assigning responsibilities for execution. The organizational arrangements for program execution has also met with the agreement of all the participating institutions.

C. Financial feasibility

- 4.9 The financial feasibility of the program was analyzed taking into account the capacity of the Government of Guatemala to service the debt and provide timely access to the local counterpart resources – considering the budgetary effort it represents. Consideration was also given to the impact of incremental recurring costs (for operation and maintenance) connected with the program.

1. The indebtedness of the Central Government

- 4.10 The increase in Guatemala's total foreign debt that would result from the proposed Bank loan represents approximately 1% of its current foreign debt. Servicing total debt in 1997 will cost US\$323 million: US\$172 million for principle and US\$151 million for interest. Debt service payments on the Bank loan, relative to these figures, would represent a fairly insignificant amount. Also noteworthy is the relative stability of long-term and public-sector debt in Guatemala over the past four years and the decline in relative indebtedness (debt as a percentage of GDP).
- 4.11 Total spending (US\$151.4 million) by the beneficiary institutions represents 0.8% of GDP and 10% of total budgetary appropriations for 1997. The government deficit has stabilized at about 1.1% of GDP in 1997. 24/

24/ It should be noted that the country's GDP grew during the 1990-1996 period by an average rate of approximately 4% per year and that inflation fluctuated near the 10% level.

2. Local counterpart

- 4.12 The local counterpart would be assured by the commitment of the Government of Guatemala (Ministry of Finance) to effect annual budget transfers, in the amounts required, to the institutions involved in the program.

3. Recurring costs

- 4.13 These costs relate to: (i) the net increase in staff required once implementation of the planned activities begins; (ii) the rise in grade within the salary scales of the agencies as a result of the specific training processes to be implemented under the program; (iii) the increased spending on materials and supplies necessary to maintain an adequate level of operation; (iv) maintenance of the equipment and works constructed and rehabilitated under the program. The recurring costs with budgetary repercussions for each of the participating agencies would be as follows:

RECURRING COSTS RELATIVE TO PROJECTED SPENDING (Expressed as percentage of the projected budget)				
	YEAR 1	YEAR 2	YEAR 3	YEAR 4
JB		0.55	2.04	3.51
IDPP		2.37	7.91	12.13
PPO		0.93	2.67	4.61
MOI		0.13	0.66	1.55
TOTAL		0.32	1.23	2.38

- 4.14 In developing services for access to justice, the program entails relatively large recurring costs. Accordingly, the sustainability of the program depends mainly on the budgetary capacity and political will to continue providing these services in the future. During the period 1994 - 1997, total spending by the beneficiary institutions, measured as a percentage of total public spending, increased from 6.5% to 10.3%, which reflects the determination of the country's authorities to meet the growing needs of the justice system. ^{25/} In that regard, the Government of Guatemala has expressed its intention to allocate the resources necessary to

^{25/} During this period, the executed budget grew by 48% within the judicial branch; by 731% within the Public Prosecutor's Office; by 520% within the Public Defender's Office; and by 108% within the Ministry of the Interior.

ensure the continuity of program activities after the program has been completed. Moreover, a significant increase in public security spending, particularly in terms of the police deployments by the Ministry of the Interior, appears feasible considering: (a) that Guatemala's effective rate of taxation is very low (8% of GDP), and therefore offers considerable capacity for increased revenue and greater public spending financed with genuine resources; ^{26/} (b) the existing consensus as to the legitimacy of increased spending on the justice system; (c) the climate of insecurity in Guatemala.

D. Socioeconomic feasibility

- 4.15 The high social costs resulting from ineffective justice administration have unfavorable economic consequences. Such costs can be seen from various points of view. First, limited access to the system, with the consequences such exclusion entails, the lengthy duration of court cases, and the obsolescence of legal provisions all undermine and restrict economic activity and generate risk-management costs that directly affect growth and social well being. Second, the costs incurred by plaintiffs and defendants are higher than they would be with more efficient administration. Third, the internal costs of the justice system itself are increased.
- 4.16 Over the medium and long term, efforts to integrate and harmonize rules and practices so as to accommodate the country's diverse minorities, as well as groups and individuals at greater risk of exclusion, should lessen the pressure that current demand is exerting on the justice administration system.

E. Analysis of low income beneficiaries

- 4.17 In 1994, the percentage of Guatemala's population below the poverty line, as defined by the Bank, was 62% overall--36% in urban areas and 76% in rural areas--and the indicators are even more striking within the indigenous population (see footnote 9). Highly formal and complex judicial procedures tend to discriminate against these poorest segments of society. Considering that, on the one hand, the program would improve the internal efficiency of the systems, and on the other, would give preference to making services more available to disadvantaged population segments (the indigenous and rural populations) by expanding geographic coverage as well as through more specific solutions (legal aid offices, interpreter training, promotion of services, etc.), it can be concluded that the program will have beneficial distributional effects. As a program that will provide greater access to justice to largely poor population groups, the project qualifies to receive the status of

^{26/} Tax revenue in Guatemala has never even reached 9% of GDP in any of the last five years.

"poverty-targeted investment" (PTI) under criterion (c) "geographical classification".

F. Impact on women

- 4.18 Taking into account that the fundamental objective of the program is to improve access, in the broadest sense, to the services of the justice system, successful implementation will have an impact on all citizens, but especially women.
- 4.19 Women will benefit in particular from greater awareness of the rights and the services available to them to defend those rights in practice. The public awareness and legal education campaigns implemented together with the CAJs will help to familiarize women with their rights and the new means of judicial recourse. Training for the operators of these new services (JB, PPO, IDPP, MOI) on issues relevant to women will also expand access and benefit them directly. Strengthening of the office for victim assistance will address the needs of victimized women, particularly in the case of sexual crimes, intrafamily violence, and child abuse.

G. Environment

- 4.20 CESI/TRG recommended that this operation incorporate environmental protection measures and take into account the general impact of the program on the most vulnerable social groups. In that regard, it is planned to stress the application of existing municipal ordinances and environmental standards. There are also plans to hire technical assistant services to prepare an environmental action plan 27/ which consists of the following: (a) the formulation of environmental operating regulations, which include environmental eligibility criteria, technical standards and construction codes for the infrastructural works, and the appropriate institutional procedures for their implementation and supervision; (b) training on environmental regulatory issues for CAJ operators, the Judicial Branch infrastructure unit, and the training unit of the Public Prosecutor's Office (UNICAP); (c) development of mechanisms for evaluating the environmental and social impact of the program, particularly on the indigenous population and women; (d) community consultations in selected communities prior to the construction of works and the establishment of services, taking into account the relationship between indigenous culture and the environment, the land tenure situation, and the location of archeological sites. At its meeting on June 26, 1998, CESI/TRG approved the project report via short procedure.

27/ The terms of reference for the environmental consultancy can be found in the technical files of the program.

H. Program risks

- 4.21 The success of the program depends in large part on its acceptance by the beneficiary communities, particularly the indigenous communities. Such acceptance is difficult to predict, particularly in view of the country's limited experience in activities that entail the integration of Mayan and other indigenous communities. The program is expected to mitigate these risks through the active participation of these beneficiaries in the process of extending judicial services into the country's interior.
- 4.22 Another central issue relates to the proper functioning of the interinstitutional coordinating mechanisms. It is believed that strengthening ICMSJ with program support will provide an effective means to minimize the related risks.

**LOGICAL FRAMEWORK
PROGRAM IN SUPPORT OF JUDICIAL REFORM**

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Strengthen the democratic and natural rule of law	<p>Access</p> <ul style="list-style-type: none"> - 80% of the population living in the program area will have better access to justice at the basic levels* - 30% reduction in the time required to gain access to justices of the peace and the district courts* <p>Productivity</p> <ul style="list-style-type: none"> - Increase in case resolution capacity to 60% or more cases per year.* <p>Effectiveness</p> <ul style="list-style-type: none"> - The 8 CAJs will have the capacity to provide services in different languages to meet the needs of individual users. - Coordination between the four institutions providing services within the CAJs (judges, prosecutors, defenders' police) will be improved. 	<p>Semiannual reports</p> <p>Evaluation reports</p>	<p>Coordination between agencies participating in the program</p> <p>Political will to support the reform.</p>
Improve access to justice for populations in marginalized areas.	<ul style="list-style-type: none"> - 80% of the population living in the Program area will have better access to justice at the basic levels.* - Reductions in judicial delays at the basic level. 	<p>Semiannual reports</p> <p>Judicial statistics</p>	<p>Acceptance of the new services by the community</p>
COMPONENTS			
<p>Infrastructure and equipment for CAJ support services</p> <p>Training, awareness, and information programs</p>	<ul style="list-style-type: none"> - Construction of eight CAJs - Construction and placement in operation of 47 justice of the peace offices - All CAJ officials duly trained. - Eight legal aid offices within the CAJs functioning properly* - 24 self diagnostic workshops conducted in eight departments. - An interpreter training program designed and placed in operation. - Coordinated publication of instruction materials - Agreements reached with justice system institutions for the hire of trainees. 	<p>Inspection reports</p> <p>Semiannual reports</p>	<p>Budgetary allocation and staffing adequate for the CAJs</p> <p>Acceptance of the new services by the community</p> <p>Acceptance and cooperation of indigenous authorities in conducting the workshops consultations</p>

*measured based upon data collected at the beginning of the program (see paragraph 3.25).

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
multiculturalism	<ul style="list-style-type: none"> - Program to improve the career system for legal translators - 85 surveys conducted in eight departments on justice and multiculturalism 		Political will to consolidate coordination
institutional strengthening	<ul style="list-style-type: none"> - 5% annual growth in users of CAJ services* - 30% reduction in the time required for the resolution of cases in the prosecutors' offices* - The existence of victim assistance systems assisting an average of 2,000 cases in the capital and 500 in other locations, with 65% of the cases received consisting of victimized women or children - 70% training of human resources - 30% reduction in the number of cases dismissed for inadequate coordination in the collection of evidence by the prosecutors where coordination committees have been set up for the police and Public Prosecutor's Office.* 		

measured based upon data collected at the beginning of the program (see paragraph 3.25).

TENTATIVE PROCUREMENT PLAN

Main Program Procurements	Financing	Method	Prequalification	Publication Date
A. WORKS (include supervision:				
1. <u>Construction of the justice administration centers (CAJs)</u> Total Value: US\$2,914,560	IDB (100%)	IPB	NO	II/99
2. <u>Construction of justice of the peace offices</u> Total Value: US\$2,648,450	IDB (100%)	IPB	NO	II/99
3. <u>Construction of district prosecutor offices</u> Total Value: US\$1,006,250	IDB (100%)	LPB	NO	II/99
B. PROCUREMENT OF GOODS: Materials, equipment, furniture (includes computer, audio visual, and communications equipment and furniture)				
<u>Subprogram A: Access to Justice</u>				
1. <u>CAJs</u> Total Value: US\$320,000	IDB (100%)	IPB	NO	II/99
2. <u>Justices of the peace</u> Total Value: US\$240,640	IDB (100%)	LPB	NO	II/99
<u>Subprogram B: Institutional Strengthening</u>				
1. <u>Judicial Branch</u> Planning Department and UCPMOJ Total Value: US\$91,275	IDB (100%)	PB	NO	I/99
2. <u>Public Prosecutor's Office</u> Computer System Total Value: US\$314,700 -Training System Total Value: US\$153,500	IDB (100%)	IPB	NO	I/99
		LPB	NO	I/99
3. <u>Ministry of the Interior</u> Computer System Total Value: US\$82,000	IDB (100%)	PB	NO	I/99
4. <u>Public Defender's Office</u> Departmental Office Support Total Value: US\$54,600	IDB (100%)	PB	NO	I/99

IPB = International public bidding
 LPB = Local public bidding without restriction regarding the participation of bidders from Bank member countries.
 PB = Private bidding, with invitations sent to at least three bidders

Main Program Procurements	Financing	Method	Prequalification	Publication Date
C. CONSULTING SERVICES				
<u>Subprogram A: Access to justice</u> <u>1. CAJs</u> – Consulting firm for the training program Total Value: US\$151,200 – Consulting firm for the awareness campaign Total Value: US\$120,000 – Consulting firm for the public legal education program Total Value: US\$38,400	IDB (100%)	PB	YES	II/99
		PB	YES	II/99
		PB	YES	II/99
<u>2. Multiculturalism</u> – Interpreter training programs Total Value: US\$501,160	IDB (100%)	LPB	YES	II/99
<u>Subprogram B: Institutional Strengthening</u>				
<u>1. Public Prosecutor's Office</u> – Consulting firm, studies and design for Public Prosecutor's Office building Total Value: US\$400,000	IDB (100%)	IPB	YES	I/00
<u>2. Ministry of the Interior</u> – Consulting firm, convict occupational plan Total Value: US\$101,500	IDB (100%)	PB	YES	II/99
<u>3. Public Defender's Office</u> – Consulting firm, design, implementation, and information dissemination on the expansion of services Total Value: US\$121,200	IDB (100%)	PB	YES	II/99
<u>Program Administration</u>				
<u>1. Executive Secretariat (ICMSJ)</u> – Consulting firm for execution, CAJs Total Value: US\$260,000 – Consulting firm, Interinstitutional execution Total Value US\$60,000	IDB (100%)	IPB	YES	II/99
		PB	YES	II/99

IPB = International public bidding
 LPB = Local public bidding without restriction regarding the participation of bidders from Bank member countries.
 PB = Private bidding, with invitations sent to at least three bidders

RGII-GU142P
GU-0092
Original: Spanish

PROPOSED RESOLUTION

**GUATEMALA. LOAN ___/OC-GU TO THE REPUBLICA DE GUATEMALA
Program to Support the Reform of the Justice Sector**

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 Program to Support the Reform of the Justice Sector. Such financing will be for the amount of up to US\$25,000,000, 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.

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GU-0092
Original: Spanish

PROPOSED RESOLUTION

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

Program to Support the Reform of the Justice Sector

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, as Borrower, and to adopt such other measures as may be necessary to utilize the resources of the account to pay a part of the interest due by the Borrower on outstanding balances of up to US\$25,000,000 of the loan authorized by Resolution DE-___/___, in accordance with applicable Bank policy.