

**STATUS OF PROJECTS IN EXECUTION – FY06**  
**SOPE**  
**REGION: LATIN AMERICA AND THE CARIBBEAN**  
**COUNTRY: GUATEMALA**

**Operations Policy and Country Services**  
**SEPTEMBER 19, 2006**



**Report on the Status of Projects in Execution - FY06**  
**SOPE**  
**Region: Latin America and the Caribbean**  
**Country: Guatemala**

**Introduction**

The Status of Projects in Execution (SOPE) Report for FY06 provides information on all IBRD/IDA projects that were active on June 30, 2006.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY06 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date for all active projects.

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<sup>1</sup> Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.



**Country: Guatemala**

**Project Name (ID): RURAL AND MAIN ROADS ( P035737 )**

**Country: Guatemala**

**Board Approval Date : 12/11/1997**

**Midterm Review Date : 05/25/2001**

**Closing Date : 06/30/2007**

**Loan/Credit/Grant Number : IBRD-42600**

**Sector(s):** Roads and highways (77%), Central government administration (23%)

**Theme(s):** Rural services and infrastructure (P), Other financial and private sector development (S), Conflict prevention and post-conflict reconstruction (S)

**Project Development Objectives:**

The objectives are to: (a) build institutional capacity to administer and maintain rural roads; (b) improve the rural system in the ZONAPAZ Region, Department of San Marcos; and (c) improve the efficiency of the main and secondary road networks.

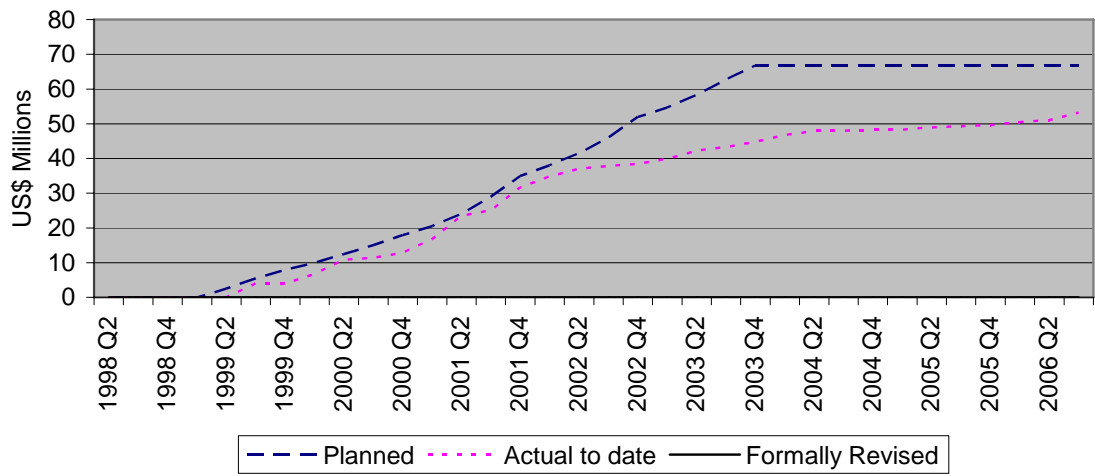
**Progress toward achieving development objective(s):**

The project has made good progress towards achieving its objectives, particularly with the creation of a new institutional model for administering and maintaining rural roads (on a pilot basis). This territorial approach with local participation has been tested in an association of 12 municipalities within the Department of San Marcos, and is fully operational. Works along the rural road network are almost completed and more than 350 kilometers have been rehabilitated. Unfortunately, Hurricane Stan damaged part of the rehabilitated network. In order to recover it, new funds will be allocated as per Government's request. Works along the RN12 corridor are ongoing, and are expected to be completed in early 2007.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-42600	Effective	66.70	53.25	13.45	0.00





**Project Name (ID):** JUDICIAL REFORM ( P047039 )

**Country:** Guatemala

**Board Approval Date :** 10/22/1998

**Midterm Review Date :** 10/06/2003

**Closing Date :** 12/31/2006

**Loan/Credit/Grant Number :** IBRD-44010

**Sector(s):** Law and justice (100%)

**Theme(s):** Law reform (P), Legal services (P), Other accountability/anti-corruption (S)

**Project Development Objectives:**

The objective is to create a more effective, accessible and credible judicial system that would foster public trust and confidence and improve consistency and equity in the application of law.

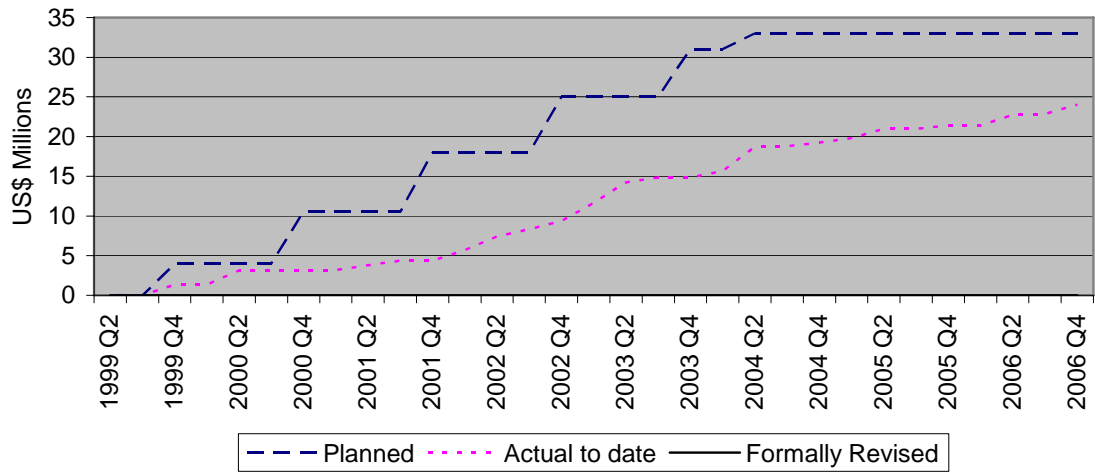
**Progress toward achieving development objective(s):**

The project continues to achieve its objectives. The new central administrative office is in operation. The Judicial Career Law is being implemented through the judicial counsel and other units. To facilitate access to justice, mediation centers have been established in more than 20 locations all over the country. The Judiciary currently has two Mobile courts in operation, one serving poor neighborhoods in the Department of Guatemala City, and the other in the historically indigenous Department of Quetzaltenango, where services are offered in the local language. The court records office "antecedentes penales" was streamlined and the service is now available to the public on a timely basis in more than 20 cities. On a pilot basis, court information and mediation services are being provided in the four main Maya dialects. The participation of the Ministry of Education has aided in the standardization of citizen outreach activities for youth. The Project is currently moving strongly forward in the three important areas of activities: (a) the installation of efficient case management systems and procedures, especially in new constructed facilities and pilot court locations; (b) modernizing management and decentralization of judicial services, and (c) study of judicial access constraints and piloting of access to justice programs for the poor and vulnerable (e.g., women).

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-44010	Effective	33.00	24.04	8.96	0.00





**Project Name (ID):** UNIVERSALIZATION OF BASIC EDUCATION ( P048652 )

**Country:** Guatemala

**Board Approval Date :** 05/22/2001

**Midterm Review Date :** 11/21/2005

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** IBRD-70520

**Sector(s):** Primary education (67%), Central government administration (12%), Sub-national government administration (12%), Tertiary education (7%), Other social services (2%)

**Theme(s):** Education for all (P), Rural services and infrastructure (P), Indigenous peoples (P), Decentralization (S), Gender (S)

### Project Development Objectives:

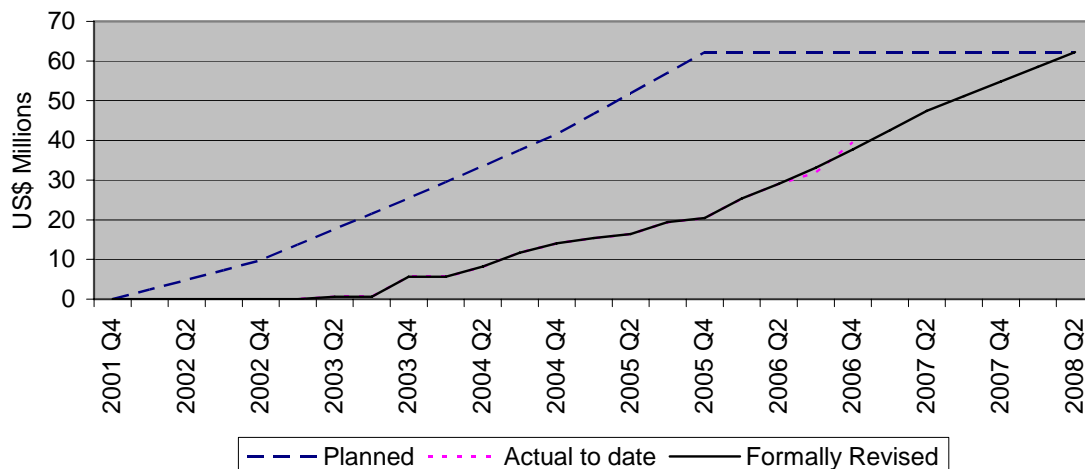
The objective is to improve the coverage, equity, efficiency and quality of primary education.

### Progress toward achieving development objective(s):

The project has exceeded its objective regarding expanding primary education in rural areas: 90,000 new students have (compared to the target of 40,000) been enrolled to date through a community-based program (the National Community-managed Program for Educational Development, or PRONADE). The implementation of institutional development objectives has also been excellent. The Ministry of Education is currently following an action plan and is creating a Strategic Alliance to launch the multigrade program in at least 3,500 schools, and has initiated investments in bilingual and intercultural education.

### Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-70520	Effective	62.16	39.55	22.61	0.00



**Project Name (ID):** TAX ADMINISTRATION ( P048654 )

**Country:** Guatemala

**Board Approval Date :** 08/28/1997

**Midterm Review Date :** 08/12/2002

**Closing Date :** 03/31/2007

**Loan/Credit/Grant Number :** IBRD-42250

**Sector(s):** Central government administration (100%)

**Theme(s):** Administrative and civil service reform (P), Tax policy and administration (P), Law reform (P)

**Project Development Objectives:**

The objectives are to: (a) improve the effectiveness and efficiency of tax and customs administration; and (b) increase tax revenues.

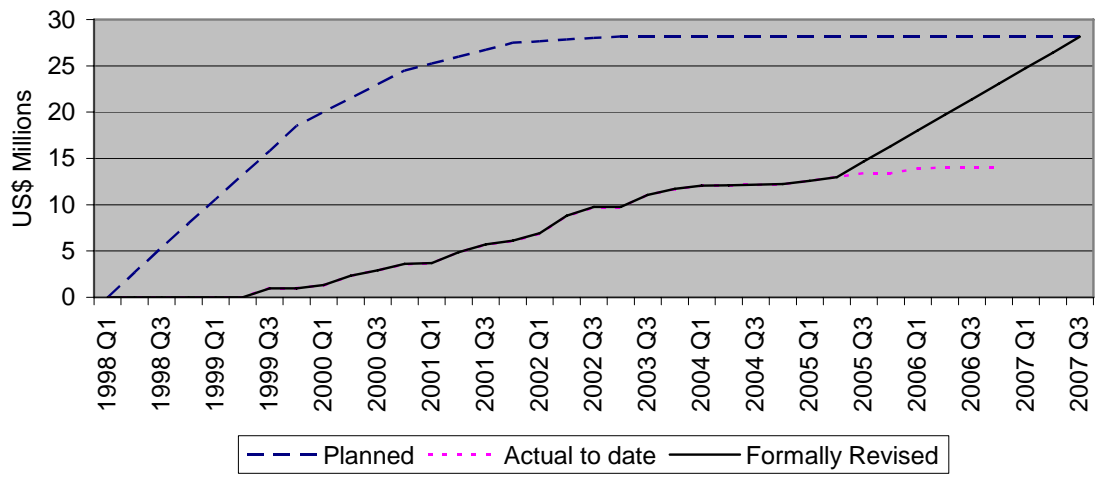
**Progress toward achieving development objective(s):**

The project's development objectives have been largely achieved. The Superintendency of Tax Administration's effectiveness and efficiency have increased substantially since the project began. Voluntary compliance has improved by over 50%, tax evasion and collections costs have decreased (precise measurements are being carried out), and SAT has become a solid, respected, and professional organization. Tax revenues have increased by over 2% of GDP since the project began, but this is still short of the targets of the Peace Accords and has been affected (mostly negatively) by changes in tax policy. Human resource policy in SAT has been significantly improved as professional and high-performing individuals have been brought on board. Major investments in customs infrastructure over the next semester should also have a significant impact on the reduction of contraband by project conclusion.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-42250	Effective	28.20	14.02	14.18	0.00





**Project Name (ID):** Land Administration ( P049616 )

**Country:** Guatemala

**Board Approval Date :** 12/03/1998

**Midterm Review Date :** 10/23/2003

**Closing Date :** 03/31/2007

**Loan/Credit/Grant Number :** IBRD-44150, IBRD-P3000

**Sector(s):** Central government administration (96%), Sub-national government administration (4%)

**Theme(s):** Land administration and management (P), Law reform (P), Decentralization (S)

### Project Development Objectives:

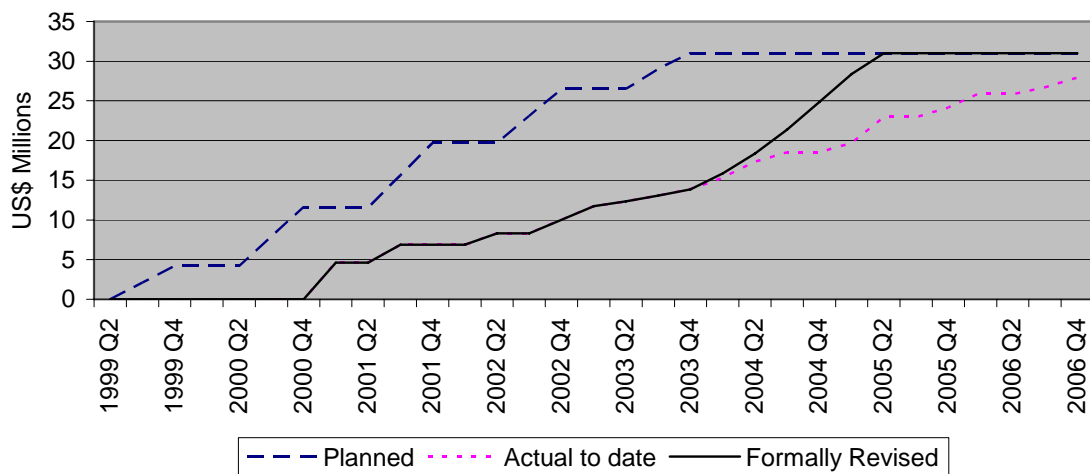
The objectives are to (a) increase legal security of land tenure in the Peten Department, and (b) strengthen the legal and institutional framework for land registry and cadastre services in the Peten.

### Progress toward achieving development objective(s):

The most important achievement during fiscal year 2006 was the establishment of the Cadastral Information Registry (RIC) as a result of the RIC Law becoming effective in August 2005. RIC's Board met for the first time in December 2005, and a new Director was appointed as of April 1st, 2006. The project continues to make progress towards meeting its component output targets and it has a reliable monitoring system. Some delays in titling of rural lands are the only area of weakness.

### Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-44150	Effective	31.00	27.94	3.06	0.00
IBRD-P3000	Closed	2.00	0.00	0.00	2.00



**Project Name (ID):** COMPETITIVENESS ( P055084 )

**Country:** Guatemala

**Board Approval Date :** 12/14/2000

**Midterm Review Date :** 02/15/2004

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** IBRD-70440

**Sector(s):** General industry and trade (42%), Central government administration (31%), Micro- and SME finance (25%), Law and justice (2%)

**Theme(s):** Regulation and competition policy (P), Export development and competitiveness (P), Small and medium enterprise support (P), Other financial and private sector development (P), Economic statistics, modeling, and forecasting (S)

**Project Development Objectives:**

The objectives are to: (a) advance the Guatemala National Competitiveness Program, (b) improve investment climate, and (c) promote foreign direct investment and exports, with special emphasis on small- and medium-size enterprises.

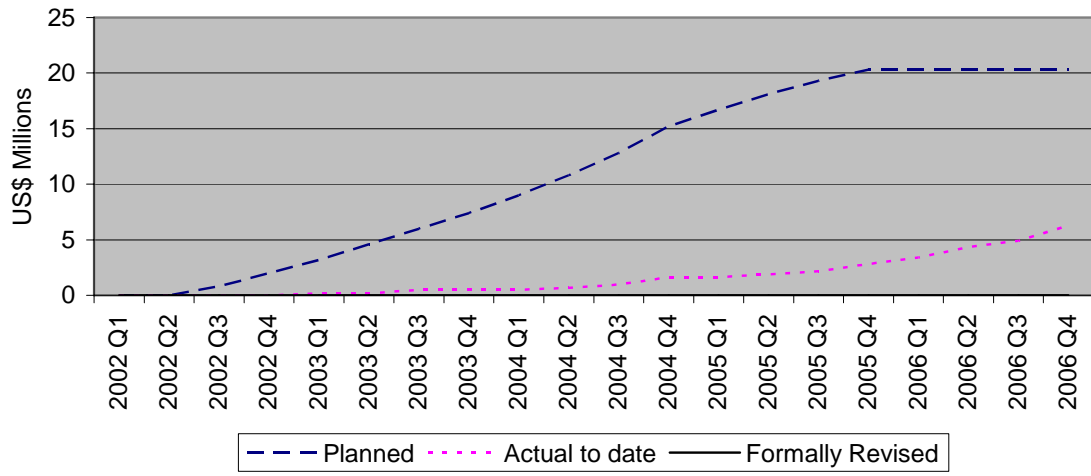
**Progress toward achieving development objective(s):**

The project continues to execute activities efficiently, promoting strong coordination within the Government and with broad support from civil society and the private sector. Innovative activities include community-based rural competitiveness projects (Grupos Gestores, AGER, Tecnoserve), a matching grants system for cooperative and individual enterprises, and a business support information center network based on franchising in smaller urban centers. Foreign direct investment has grown impressively, especially in call centers, agroprocessing, and tourism. The project has supported the development of the new international airport, and digital mapping of the country.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-70440	Effective	20.30	6.30	14.00	0.00





**Project Name (ID):** SECOND RURAL AND MAIN ROADS ( P055085 )

**Country:** Guatemala

**Board Approval Date :** 05/06/2003

**Midterm Review Date :** 03/15/2007

**Closing Date :** 12/31/2007

**Loan/Credit/Grant Number :** IBRD-71690, JPN-26766

**Sector(s):** Roads and highways (90%), Sub-national government administration (10%)

**Theme(s):** Rural services and infrastructure (P), Participation and civic engagement (S)

**Project Development Objectives:**

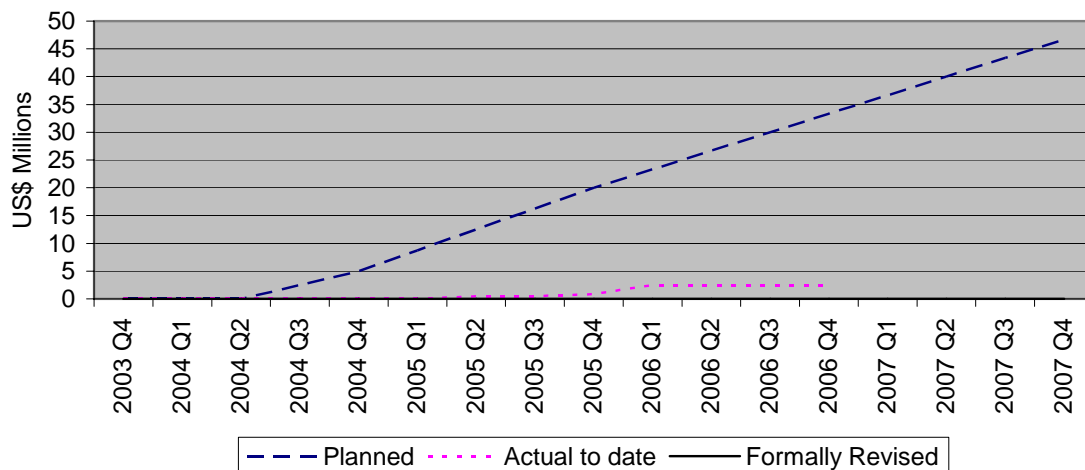
The objectives are to: (a) improve rural access on a sustainable basis; (b) develop institutional capacity at the local and central levels; and (c) generate employment in rural areas.

**Progress toward achieving development objective(s):**

The project was declared effective in November 2004. Early implementation was characterized by a slow start, compounded by the severe damage inflicted by hurricane Stan. Currently, the first package of works (220 kilometers at a total cost of around US\$6 million) is under execution. It is expected that works will be completed by the end of 2006.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-71690	Effective	46.70	2.51	44.19	0.00
JPN-26766	Closed	0.27	0.16	0.00	0.11



**Project Name (ID):** INTEGRATED FINANCIAL MANAGEMENT III - TECHNICAL ASSISTANCE ( P066175 )

**Country:** Guatemala

**Board Approval Date :** 03/14/2002

**Midterm Review Date :** 11/08/2005

**Closing Date :** 06/30/2008

**Loan/Credit/Grant Number :** IBRD-71040, JPN-25968, JPN-55407

**Sector(s):** Central government administration (70%), Sub-national government administration (30%)

**Theme(s):** Public expenditure, financial management, and procurement (P), Tax policy and administration (P), Other accountability/anti-corruption (S), Decentralization (S)

**Project Development Objectives:**

The objective is to increase effectiveness, efficiency, and transparency of public sector financial planning, management, and control.

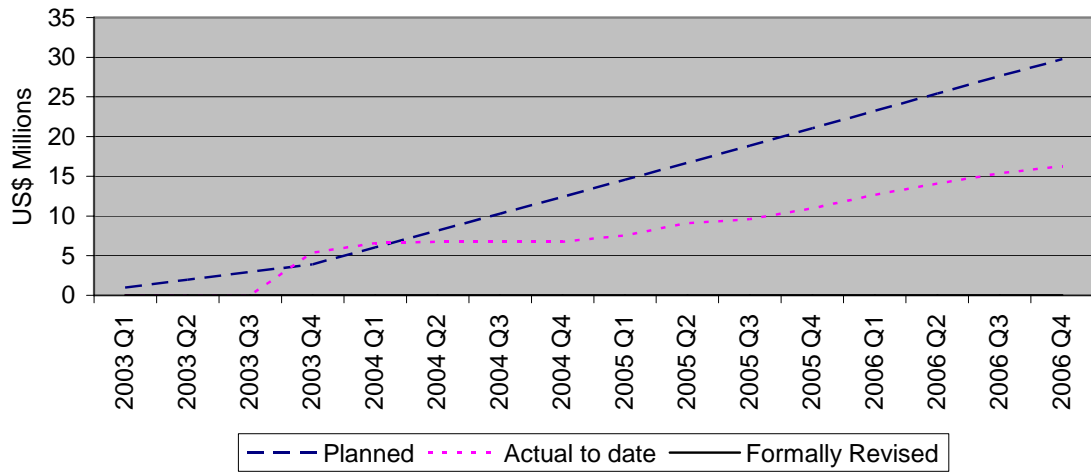
**Progress toward achieving development objective(s):**

Significant progress towards the development objectives has been observed during fiscal 2006. The web-based IFMS (called SICOIN-Web) deployed in 2004 and 2005 is fully established and now incorporates a module for entering purchase orders. Over 10 decentralized entities are now using the SICOIN-Web system, as well as 3 large municipalities. There are 318 municipalities now operating one of the two systems developed specifically for local governments (SIAF-Muni and SIAFITO-Muni), and new regulations issued by the Controller General's Office (CGO) make their use mandatory for accountability purposes. The e-procurement system, called Guatecompras, is earning accolades as a highly effective tool to combat corruption and promote efficiency and effectiveness, and has incorporated added functionalities this year. All of these elements contribute significantly towards the project's development objective. The reform of the legal framework in both procurement and human resource management, however, still lags behind and it is expected that the needed reforms will be undertaken next year.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-71040	Effective	29.75	16.26	13.49	0.00
JPN-25968	Closed	0.70	0.53	0.00	0.17
JPN-55407	Effective	0.35	0.00	0.35	0.00





**Project Name (ID):** Financial Sector Adjustment ( P074530 )

**Country:** Guatemala

**Board Approval Date :** 06/25/2002

**Closing Date :** 03/31/2007

**Loan/Credit/Grant Number :** IBRD-71300

**Sector(s):** Banking (88%), Payment systems, securities clearance and settlement (4%), Non-compulsory pensions, insurance and contractual savings (4%), Central government administration (4%)

**Theme(s):** Regulation and competition policy (P), Standards and financial reporting (P), Macroeconomic management (S), Other public sector governance (S), International financial architecture (S)

**Project Development Objectives:**

The objective is to implement Financial Sector Reform Program, aimed at bringing about a stronger and better functioning banking sector, able to withstand external shocks and to increase prudent lending to the private sector, opening access to groups and enterprises largely excluded from bank financing.

**Progress toward achieving development objective(s):**

The government continues to make good progress in implementing its financial sector reform program, which involves the reform of the financial sector legal and regulatory framework and a bank regularization/consolidation program. The financial situation of the private banks continues to show signs of strengthening. Congress has approved five basic laws to: (a) modernize the conduct of monetary and financial policy; (b) strengthen the regulation of financial groups, create an orderly market exit mechanism, and enhance credit risk management; and (c) prevent money laundering. New draft legislation to complete the legal reform has been elaborated (insurance, microfinance, movable guarantees, and reciprocal guarantee societies) and two of them have been submitted to Congress. Advances on the bank regularization program include: the liquidation of three insolvent banks, the recapitalization of several banks and the ongoing sale of a large bank.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-71300	Effective	150.00	100.00	50.00	0.00



**Project Name (ID):** Financial Sector Technical Assistance ( P076853 )

**Country:** Guatemala

**Board Approval Date :** 06/25/2002

**Midterm Review Date :** 02/01/2005

**Closing Date :** 06/30/2007

**Loan/Credit/Grant Number :** IBRD-71290

**Sector(s):** Banking (50%), General finance (50%)

**Theme(s):** State enterprise/bank restructuring and privatization (P), Standards and financial reporting (S)

**Project Development Objectives:**

The objective is to provide technical assistance to support the implementation of the financial sector reform program aimed at restoring the soundness of the financial system.

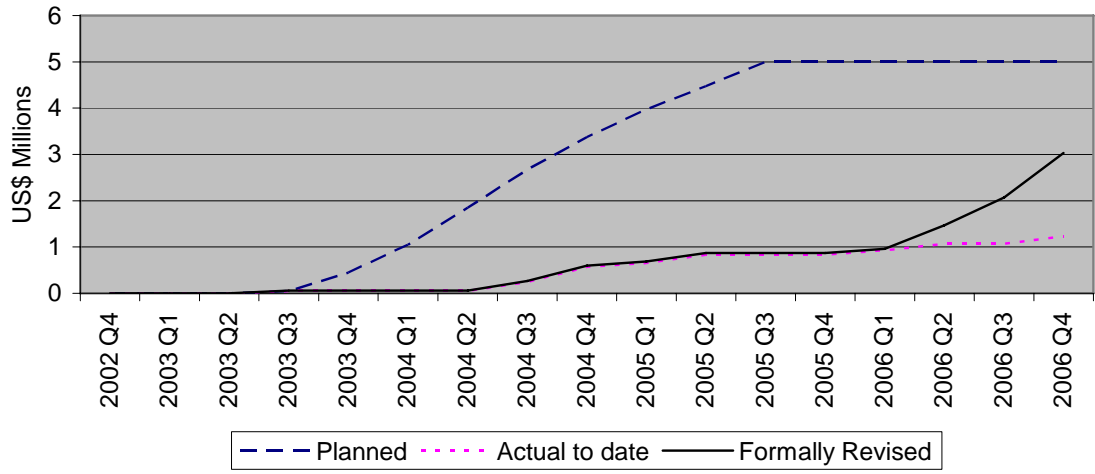
**Progress toward achieving development objective(s):**

The project has made substantial progress towards achieving its objective. Four draft laws (insurance, microfinance, movable assets, and reciprocal guarantee societies) have been elaborated and two of them have been presented to Congress for approval. The Bank Capitalization Fund is fully operational and staff training has taken place. The Anti-Money Laundering Unit was also established. The project financed the license for processors (Oracle database, internet, technical support). Technical assistance on suspicious transactions and financing of terrorism has been initiated. Progress has been achieved in the strengthening of bank supervision, the payment system and the credit bureau, including the start of operations of a real-time gross settlement system and advances in the adoption of a new information technology control system by the credit bureau.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

<b>Loan/Credit/ Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IBRD-71290	Effective	5.00	1.22	1.78	2.00





**Project Name (ID):** Maternal and Infant Health and Nutrition ( P077756 )

**Country:** Guatemala

**Board Approval Date :** 01/19/2006

**Closing Date :** 06/30/2011

**Loan/Credit/Grant Number :** IBRD-73570, JPN-51359

**Sector(s):** Health (65%), Other social services (30%), Central government administration (5%)

**Theme(s):** Population and reproductive health (P), Nutrition and food security (P), Participation and civic engagement (S), Indigenous peoples (S), Managing for Development Results (S)

**Project Development Objectives:**

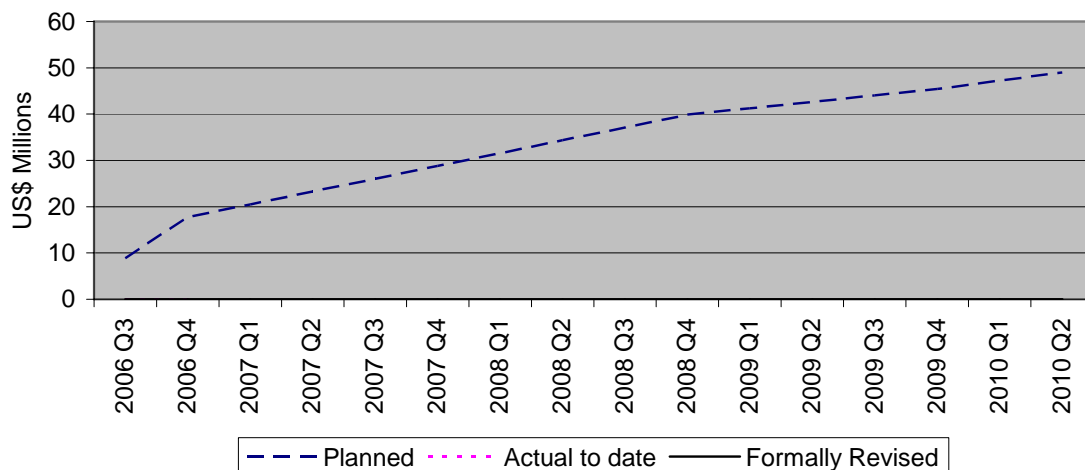
The objectives are to: (a) improve maternal and infant health in the project's 40 areas of intervention; and (b) reduce chronic malnutrition among children under two years of age in the rural areas of the 70 municipalities targeted by the project.

**Progress toward achieving development objective(s):**

The project was not effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73570	Not Effective	49.00	0.00	49.00	0.00
JPN-51359	Closed	1.04	0.97	0.07	0.00



**Project Name (ID):** Rural Economic Development ( P094321 )

**Country:** Guatemala

**Board Approval Date :** 03/29/2006

**Midterm Review Date :** 04/15/2009

**Closing Date :** 01/31/2012

**Loan/Credit/Grant Number :** IBRD-73740, JPN-55405

**Sector(s):** Telecommunications (25%), Agricultural marketing and trade (22%), Roads and highways (22%), Information technology (22%), General public administration (9%)

**Theme(s):** Rural services and infrastructure (P), Indigenous peoples (P), Other financial and private sector development (S), Managing for Development Results (S), Rural policies and institutions (S)

**Project Development Objectives:**

The objective is to improve the competitiveness of rural productive supply chains with strong indigenous participation.

**Progress toward achieving development objective(s):**

The project was not effective before the close of the reporting period.

**Lending Information/Disbursement Summary ( USD millions, as of June 30 2006 )**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IBRD-73740	Not Effective	30.00	0.00	30.00	0.00
JPN-55405	Closed	0.39	0.27	0.12	0.00

