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Dates: 12/18/1995 - 12/18/1995

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ISAD Reference Code: WB IBRD/IDA DEC-03-57

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PARIS-12/14/95

THE WORLD BANK/IF/M.P.G.

OFFICE MEMORANDUM

DATE : December 18, 1995

TO: Ms. Nawal Kamel, Chief, IECIF

FROM : R. P. Brigish, Operations Adviser, IECIF 

EXTENSION: 33868

SUBJECT : **Paris Club Meeting, December 12-14, 1995 -- Back-to-Office Report**

1. The meeting was convened to reorganize the debts of **Gabon** and **Bolivia**, and to review the implementation experience, one year after their introduction, of the **Naples Terms** for highly-indebted, poor countries. The tour d'horizon covered: Brazil, Guatemala, Haiti, Honduras, Jordan, Macedonia, Russia, Slovenia, Tanzania, Venezuela, and Zambia. Country sheets (attached) contain summaries of the tour d'horizon discussions.

GABON

2. Negotiations went smoothly, helped in part by the Minister's statement that he considered this to be an exit rescheduling for Gabon. Creditor concerns were essentially related to the persistence of arrears (including arrears on post-cutoff obligations). Their questions were on Government plans for further privatization, and on export diversification.

3. Gabon received a rescheduling of current maturities over 15 years, including three of grace, while arrears were rescheduled over 12 years, including three of grace. Each arrangement had a graduated payments schedule attached to it, to permit Gabon a little more time to adapt to the payment requirements. A special account will be opened by Gabon with the Bank of France to facilitate orderly payments to creditors.

BOLIVIA

4. Bolivia had received a maturities rescheduling in March, 1995, pending the emergence of a consensus for stock reduction. With creditors now willing to proceed with stock reduction, they considered whether Bolivia's economic prospects were sufficiently secure for this to be an exit from the rescheduling process. A good deal of support emerged for Bolivia's adjustment program, and the improved prospects resulting from it. A debt stock reduction of 67 percent was agreed. Much of Bolivia's debt which had previously been rescheduled on Toronto or Enhanced Toronto terms was topped up under this arrangement.

5. This was the second stock reduction operation in the Paris Club. There appeared to be a conscious effort by creditors to avoid the sort of criticism which had attached to the Uganda stock reduction operation, and to strengthen the prospects for an exit from rescheduling, by broadening quite substantially the scope of debt relief accorded Bolivia.

SUMMARY OF 1995 AGREEMENTS

The table below summarizes the agreements made by the Paris Club in 1995:

Paris Club Rescheduling Agreements - 1995					
<u>Country</u>	<u>Date</u>	<u>Amount US\$ millions</u>	<u>Cut-off- date</u>	<u>Consolidation period through</u>	<u>Terms</u>
Guinea-Bissau	23-Feb-95	195	31-Dec-86	31-Dec-97	Naples
Guinea	25-Jan-95	156	1-Jan-86	31-Dec-95	Naples
Togo	23-Feb-95	239	1-Jan-83	30-Sep-97	Naples
Uganda	20-Feb-95	110	1-Jul-81	Stock (2)	Naples
Croatia	20-Mar-95	861	2-Dec-82	31-Dec-95	Standard (1)
Nicaragua	21-Mar-95	848	1-Nov-88	30-Jun-97	Naples
Bolivia	24-Mar-95	482	31-Dec-85	31-Dec-97	Naples
Senegal	20-Apr-95	169	1-Jan-83	31-Aug-97	Naples
Chad	28-Feb-95	24	30-Jun-89	31-Mar-95	Naples
Haiti	30-May-95	117	1-Oct-93	31-Mar-96	Naples
Russian Fed.	3-Jun-95	6,400	1-Jan-91	31-Dec-95	Standard (1)
Mauritania	28-Jun-95	66	31-Dec-84	31-Dec-97	Naples
Combdia (2)	20-Jan-95	249	*	*	*
Macedonia	20-Jul-95	*	2-Dec-82	30-Jun-96	Standard (1,3)
Algeria	21-Jul-95	7,000	30-Sep-93	31-May-98	Standard (1,3)
Cameroon	16-Nov-95	*	31-Dec-88	26-Sept-96	Naples
Gabon	12-Dec-95	*	01-Jul-86	07-Nov-98	Standard (1,3)
Bolivia	15-Dec-95	*	31-Dec-85	Stock (2)	Naples

(1) With graduated payments
(2) Presumed to be an exit arrangement
(3) Modified to extend maturity to 15 years
(*) not yet available

REVIEW OF NAPLES TERMS

6. Prior to the review, the Secretariat had sent a questionnaire to creditors covering aspects of their experience with Naples terms to date. It is attached. Various creditors said that they had not had sufficient time to prepare answers to the questions, so that the discussion was limited in scope and depth. Many of the views that were expressed covered similar issues to those that had been debated last year during the formulation of Naples terms, namely, criteria for deciding eligibility for the terms, and for the levels of debt reduction to be accorded under them, budgetary constraints facing creditors, the need for a country-based approach in deciding the amounts of debt reduction, and so on. The IMF Representative made a particularly strong plea for creditors to err on the side of "generosity" in establishing levels of debt reduction, so as to give the debtor countries a cushion against any downside outturn of the adjustment scenarios contained in IMF programs.

7. The revised list of countries that could be eligible for Naples terms is also attached. While it was generally agreed that the two debt reduction ratios (50% and 67%) will be retained for the next year, there is as yet no agreement on the list itself, nor whether the per capita income or indebtedness ratios are to be subject to revision. These questions are to be revisited in January, 1996.

NEXT MEETING

8. The next meeting will negotiate a multi-year rescheduling agreement with *Russia*, and a maturities treatment of *Honduras's* debt on Naples terms. Mr. Frederick Kilby, who attended this meeting with me, is fully briefed to represent the Bank at the January, 1996 meeting.

attachments

Distribution:

Messrs/Mmes. (w/attachments) Baird (DECVP); Wilton (FRMRS); Marshall, Chausse (AF1); Adams, Gebhart (AF2); Rogerson, Chevallier (AF3); Poortman (EC1); Dervis, Noel (EC2); Huang, Mitra (EC3); Sud, Kanaan (MN2); Nankani, (LA1); Segura, Dowsett-Coirolo (LA2); Isenman, Morrow (LA3); **Institutional ISC.**

cc: Messrs./Mmes. (w/o attachments): Kaji, Sandström, Frank, Lomax, (EXC); Bruno (DECVP); Ahmed (IECDR); Jaycox, Kanbur (AFRVP); Cheetham, Walton, (EAPVP); Koch-Weser, Page (MNAV); Wood, Salop (SASVP); Thalwitz, Selowsky (ECAVP); Burki, Edwards (LACVP); Linn (FPRVP); Fukui (CFSVP); Wilson, (FRSDR); Donovan (FRMDR); Pfeffermann (CEIED); Malloch Brown (EXTDR); Kilby (SA1PF); Hudes (LEGMN); Handwerger, Wyss (Field Office, Paris); Jun, (IECIF); IEC Division Chiefs.

522 - 3277

Paris Club Secretariat

December 13, 1995.

NAPLES' REVIEW

On December 15, 1994, Paris Club creditor countries agreed on a major improvement in the debt treatment of the poorest and most indebted countries, known as "Naples terms". On this occasion, they also decided that *"implementation of [this] agreement could be reviewed after one year"*.

The purpose of this review is not to reopen the Chairman Summary agreed by Creditor countries, it is rather to provide background regarding statistics, modalities of implementation, and possible implication of future practice of the Naples terms.

In this respect, the Secretariat suggests that discussion could be based on the following items :

I - Statistics

II - Eligibility to Naples terms : general conditions, indicative list for 50/67% treatment, level of debt reduction.

III - Making full implementation of the Naples terms :

- **Maturities treatment : achieving less complexity ;**
- **Devising more stock treatments : towards full implementation ;**
- **The choice of options (DR, DSR, CO).**

I - STATISTICS

I-1) Overview (see Tables attached)

- As of December 13, 1995, 12 countries have benefited from Naples terms.
 - *Africa* : 8 countries (Guinea Conakry, Togo, Guinea-Bissau, Chad, Senegal, Mauritania, Cameroon, Uganda);
 - *Latin America and Caribbean's* : 3 countries (Nicaragua, Bolivia, Haiti);
 - *Asia* : 1 country (Cambodia).
- The total amount of debt consolidated under Naples terms represents 3 784 M\$. (Toronto : 5 912 M\$, London : 8 484 M\$)
- Out of the 12 countries concerned :
 - 9 countries received a 67 % maturities treatment, standing for 63,1 % of total consolidated amounts ;
 - 2 countries received a 50 % maturities treatment, standing for 34 % of total consolidated amounts ;
 - 1 country received a 67 % stock treatment, standing for 2,9 % of total consolidated amounts.

I-2) Scope of the treatments

- NPRD and PRD under non-concessional terms have been systematically included in the scope :
 - 50 or 67 % reduction was applied on arrears and maturities falling due, the only exception being Cameroon (arrears rescheduled) ;
 - Given the limited amounts involved, future maturities due by Uganda under non previously rescheduled commercial credits were not included in the scope of the treatment, in line with Attachment II to Naples Chairman's Summary.
- PRD under Toronto terms was :
 - *fully topped up to 67 %* for Guinea-Bissau (arrears and maturities falling due) and Uganda, *partly topped up to 67 %* for Togo (arrears only) and *to 50 %* for Mauritania (maturities due only) ;
 - *reprofiled* over 23 years including a 6 years grace period for Togo (maturities due) and Chad (arrears and maturities due) ;
 - *reprofiled* for Bolivia (10 years including 5 years grace period, equal instalments) and Senegal (10 years including 2 years grace period, blended payments) ;
 - *not treated* for Guinea Conakry.
- PRD under London terms was :
 - *reprofiled* for Nicaragua (public sector only, 4 years including 4 months grace period, equal instalments), Mauritania (7 years including 6 months grace period, blended payments) and Cameroon (15 years including 3 years grace period, blended payments) ;
 - *not treated* for Guinea Conakry, Togo, Bolivia, Senegal and Uganda.

- ODA has been systematically treated along table D1 or D2 (30 years including 12 years grace period or 40 years including 16 years grace period).

- Previously rescheduled ODA under London terms was reprofiled according to the repayment schedule of the London PRD for Mauritania and Cameroon.

- Cut-off dates have not been moved ;

- Where needed, post cut-off date debt has been deferred (Guinea-Bissau, Senegal, Cameroon).

- For stock of debt treatment, the Chairman's Summary provides that "the de minimis threshold will be set on a case by case basis, normally at 1% of eligible debt or 2 million SDR, whichever is lower"

- the de minimis threshold was set at SDR 1,1 million for Uganda.

- Chairman's summary : "Moratorium interest due under a stock treatment in the early years will in many cases be higher than under a maturities rescheduling ; therefore, case by case, on the basis of IMF projections, it can be rescheduled and repaid over the duration of the concessional options ; it may be cancelled at 67 % (or 50 %), the NPV effect of this cancellation being deducted from the global NPV debt reduction achieved by all creditors".

- moratorium interests due by Uganda have not been treated.

COUNTRIES TREATED UNDER THE NAPLES TERMS

MATURITIES						STOCK					
50%			67%			50%			67%		
Countries	date of the AM	Amounts rescheduled	Countries	date of the AM	Amounts rescheduled	Countries	date of the AM	Amounts rescheduled	Countries	date of the AM	Amounts rescheduled
Guinea Conakry	25-Jan-95	156,04	Cambodia	TR	248,81				Uganda	TR	110,79
Cameroun	16-Nov-95	1 129,00	Togo	22-Fév-95	237,37						
			Guinée-Bissau	23-Fév-95	196,65						
			Chad	28-Fév-95	24,40						
			Nicaragua	22-Mar-95	848,24						
			Bolivia	24-Mar-95	462,25						
			Senegal	20-Avr-95	168,82						
			Haiti	30-Mai-95	116,98						
			Mauritania	28-Jun-95	65,72						
Maturity countries 50%:	2	1 285,04	Maturity countries 67%	9	2 388,06	Stock countries 50%		0,00	Stock countries 67%	1	110,79
Total maturities countries	11		Amounts rescheduled (*)	3 673,09		Total stock countries	1		Amounts rescheduled (*)	110,79	
TOTAL NAPLES COUNTRIES			12			TOTAL AMOUNTS RESCHEDULED (*)			3 783,88		

(*) in million US dollars.

IMPLEMENTATION OF THE NAPLES TERMS

	Date of the A.M	Type of treatment	SCOPE				TERMS OF THE CONSOLIDATION				OPTIONS			Debt conversion	Deferral Art III-8.	Stock clause	
			NPRD	PRD			NPRD	PRD			DR	DSR	CO				
				PRD NC	PRD T	PRD L		PRD NC	PRD T	PRD L							
GUINEA	25-Jan-95	Maturities 50%	YES	YES	NO	NO	-50% P+I+LI on A P+I on M	-50% P+I+LI on A P+I on M			4 PCC	7 PCC		10% or 10 M US\$	Payment of no consolidated amount 30/06/95	Reconstruction of the London AM stock clause	GUINEA
CAMBODIA	26-Jan-95	Maturities 67%	YES	YES			-67% P+I+LI on A P+I on M	-67% P+I+LI on A P+I on M			2 PCC			10% or 20 M US\$	P of no consolidated a 30/06/1995		CAMBODIA
UGANDA	20-Fév-95	Stock 67%		YES	YES	NO		-67% on the relevant principal	Topping up 67% on the relevant principal		2 PCC			10% or 20 M US\$	P of no consolidated a 31/07/1995		UGANDA
TOGO	22-Fév-96	Maturities 67%		YES	YES	NO		67% P+I+LI on A P+I on M	Topping up 67% on A. Rescheduling on M 23 out of which 8 Table A1		1 PCC	2 PCC		10% or 20 M US\$	Deferral on calendar 1992. 30/06/1997 31/12/2004	Stock clause in the 3 years following the AM	TOGO
GUINEA B	23-Fév-96	Maturities 67%	YES	YES	YES		-67% P+I+LI on A P+I on M	-67% P+I+LI on A P+I on M	Topping up 67% on A and M.		3 PCC	5 PCC		10% or 20 M US\$	Deferral on PCOD 30/08/1995 31/03/2005	Stock clause in the 3 years following the AM	GUINEA B
CHAD	28-Fév-96	Maturities 67%	YES		YES		-67% P+I+LI on A P+I on M		Rescheduling 23 out of which 6 Table A1		3 PCC	1 PCC		10% or 10 M US\$	P of no consolidated a 31/03/1995	Stock clause as at 23/03/97	CHAD
NICARAGUA	22-Mar-95	Maturities 67%	YES			YES sur secteur pu/nc	-67% P+I+LI on A P+I on M			Rescheduled 31/03/1997 30/09/2000 (8 instalments)	2 PCC		2 PCC	10% or 20 M US\$	P of no consolidated a 31/10/1995	Stock clause as at 30/06/97	NICARAGUA
BOLIVIA	24-Mar-96	Maturities 67%	YES	YES	YES	NO	-67% P+I+LI on A P+I on M	-67% P+I+LI on A P+I on M	Rescheduled from 31/12/01 up to 30/06/06 (10 instalments)		4 PCC	4 PCC	1 PCC	10% or 20 M US\$	P of no consolidated a 30/09/1995	Special stock clause the PCC should notify a date	BOLIVIA
SENEGAL	20-Avr-95	Maturities 67%	Yes	YES	YES	NO	-67% P+I+LI on A P+I on M	-67% P+I+LI on A P+I on M	Rescheduled 10 out of which 2 blended payments P+I on M		3 PCC	5 PCC		10% or 20 M US\$	Deferral on PCOD 31/06/1995 01/07/1997	Stock clause as at 31/06/97 (previous clause as at 03/03/97)	SENEGAL
HAITI	30-Mai-95	Maturities 67%	YES				-67% P+I+LI on A P+I on M				3 PCC	2 PCC		10% or 20 M US\$	P of no consolidated a 30/11/1995		HAITI
MAURITANIA	28-Jun-95	Maturities 67%	YES	YES	YES	YES	-67% on M from 01/01/96 up to 31/12/97 P+I	-67% on M from 01/01/96 up to 31/12/98 P+I	Topping up 60% on M from 01/01/95 up to 31/12/96 P+I	Rescheduled 30/06/1997 31/12/2003 (blended payments)	3 PCC	4 PCC		10% or 10 M US\$	P of no consolidated a 31/10/1995	Stock clause as at 31/12/97 (previous clause as at 26/01/96)	MAURITANIA
CAMEROON	16-Nov-95	Maturities 50%	YES	YES		YES	-50% P+I on M rescheduling 23 out of which 12 P+I+LI on A	-50% P+I sur E rescheduling 23 dont sur A P+I+IR sur A		Rescheduled 15 out of which 3 (blended payments) P+I+LI on A P+I on M	1 PCC	3 PCC	9 PCC	10% or 20 M US\$	17 Deferral on PCOD 31/01/1996 30/04/1996 27 Deferral on PRD 92 and 94 31/03/1996 30/11/1996	Stock clause in the 3 years following the AM	CAMEROON

II - ELIGIBILITY TO NAPLES TERMS

II-1) General conditions

• Countries eligible to Naples terms are those eligible to London terms. Eligibility to London terms derives from the Chairman's Summary on the Toronto terms, which provides for 4 criteria to be used to decide on eligibility *on a case by case basis* :

- debt service that is large relative to export receipts ;
- a criterion of poverty, notably effective eligibility for IDA loans, "blended countries" being excluded ;
- implementation of an adjustment program with the IMF ;
- efforts by the debtor country to be current on its debt service vis-à-vis its creditor countries.

• Paris Club Creditors have faced no major problem in implementing these criteria : statistical data is available for criterion 1 and 2, criterion 3 is obvious and creditors pay a permanent attention to criterion 4.

• In practice, Paris Club creditors focus on the "IDA only" nature of the debtor country.

II-2) Eligibility to 50/67% treatment on the basis of the indicative list

• The question of the relevant level of debt reduction (50 or 67 %) arises in the same terms for maturities and stock treatment.

• How did Paris Club creditors practically proceed to decide on 50/67% eligibility, taking into account that the list attached to Naples Chairman's Summary was only an *indicative* one ?

- a discussion in Tour d'Horizon considers the question of a debtor's eligibility with regard to the criteria provided for in the list, generally one month before the rescheduling session takes place ;

More generally, creditors favoured a pragmatic approach to implement the indicative list, which can be illustrated as follows :

- new comers which were not part of the indicative list have received a treatment consistent with their level of poverty and indebtedness measured through the benchmarks (Cambodia and Haiti therefore received a Naples maturities 67 % treatment).
- creditors agreed to grant a 67 % debt reduction on certain categories of debt due by Senegal, although the levels of the benchmarks shown in the indicative list would have indicated this country as one of the cases where a 50 % level would be applied ;
- creditors granted a 67 % debt reduction on certain categories of debt due by Mauritania, and only a 50% debt reduction on other categories ;

- The indicative list is currently set *as of December 15, 1994* :
 - it was agreed last year that updating procedures should take place once a year, as soon as the relevant data are available from the World Bank services ;
 - figures for poverty ratios are available in Autumn, under Atlas World Bank methodology ;
 - figures for indebtedness ratios are available later, as debt exports ratios are recalculated for all countries immediately prior to the publication of World Debt Tables.

Would creditors agree to update the indicative list yearly during the December session ?

• Some critical analyses have implied that the choice between 50 or 67% reduction might be misleading, given the overall level of poverty of these countries. Moreover, the Secretariat has noted that the contents of the indicative list attached to Naples Chairman's Summary was known by debtors' countries themselves.

Are Paris Club creditors satisfied with the current international response to their 50/67% eligibility track ?

In the same spirit, would creditors wish to consider whether they feel the need to complete or replace existing debt reduction levels ?

II-3) Eligibility to stock treatment

• Stock treatments are implemented *on a case by case basis*. Three main conditions are required (satisfactory track record with both the Paris Club and the IMF, ability to sustain an exit treatment, sufficient consensus among creditors to choose a concessional option).

• Only one country, Uganda, has so far received a stock treatment. On this occasion, Paris Club creditors have explicitly taken into account those 3 criteria.

III - MAKING FULL IMPLEMENTATION OF THE NAPLES TERMS

III-1) Maturities treatment : achieving less complexity

• Conditions of repayment defined in December, 1994 for non-cancelled consolidated debt are already very generous. Furthermore, any change would require substantial modifications of Naples tables.

Could conditions of repayment remain unchanged ?

• Scopes of the maturities treatments granted in 1995 have been designed on highly flexible terms :

- NPRD, non-concessionnal PRD, Toronto and London PRD have been included in the scope under very different conditions from one country to another (see table 1) ;

Has there been cases where inadequacy of liquidity relief granted by the Paris Club was to blame for the failure on an IMF program ?

• However, too much flexibility goes along with a certain complexity, in the sense that each category is treated in a different manner. This may appear odd since amounts at stake are often low, as explicated by the example hereafter :

- *Mauritania* : NPRD and non-concessionnal PRD received 67 % Naples treatment (44 MS), but arrears were not treated (36 MS) ;
Toronto PRD received 50 % Naples treatment (6 MS), except for arrears (0,14 MS) ;
London PRD was deferred under blended payments from 1997 to 2003 (15 MS).

Should creditors agree on simple rules aiming at less complexity in Paris Club Agreement ?

i) *Would creditors agree that arrears and maturities falling due under NPRD and non-concessionnal PRD be systematically treated (50 or 67% reduction) ?*

ii) *Would they be willing to decide that Toronto PRD will be systematically topped up to 50 or 67 % for all eligible debtors ?*

iii) *Would they accept that the entire scope be treated without any differentiation (either on level of reduction or on conditions of repayment), except for London PRD ?*

- Advantages : amounts concerned are often marginal ; multilateral negotiation is shortened ; bilateral agreements are simplified.

- Drawbacks : Creditors are enabled to less flexibility/pragmatism ; the case by case approach principle might be breached by such simplification.

• Debtors do not systematically recourse to debt conversion option opened under the Paris Club agreements.

In the case of poorest and most indebted countries, do Paris Club creditors make enough use of debt conversion ?

- Paris Club procedures have been criticised for the high administrative cost bilateral negotiations impose on poor debtor countries.

- The main issue arising in bilateral negotiations is the issue of the interest rate to be applied to consolidated amounts. When concluding negotiation with a debtor, commercial banks for instance agree on a common rate. This is not possible for Paris Club creditors which face very different re-financing costs, but a list of interest rates applying on each currency could be annexed to the Agreed Minute.

Should creditors agree to set multilaterally a given interest rate to be applied to consolidated amounts for each currency concerned ?

More generally, do creditor countries think that more could be done in a multilateral framework to reduce the administrative burden placed on debtors countries by bilateral negotiations ?

III-2) Devising more stock treatments: towards full implementation of the Naples terms

- Full implementation means in the first place that countries eligible to stock treatment should be treated rapidly. This is indeed where the international financial community expects the Paris Club to be active. In this respect, after Bolivia in December, 1995, Benin, Burkina Faso, Guyana and Mali's stock of debt could be treated in the course of 1996.

What are the views of creditors ?

- Stock treatment, which must be an exit rescheduling as stated in the Naples Chairman's Summary, should therefore aim at adjusting in the long term the debt service due to Paris Club creditors so as to ensure the overall financial viability of the debtor country, on the basis of sound macroeconomic assumptions which shall include sensitivity analyses.

- In this regard, which lessons can be derived from the case of Uganda ?

Does Uganda's current and prospective economic performance challenge the elements of its stock of debt operation, and in particular its "exit" nature ?

In the light of recurrent critics expressed by some, are there other parameters to be taken into account, which would be of a non purely economic or financial nature ?

- Are there specific considerations to be given to the case of Bolivia ?

III-3) The choice of options

- The possibility to favour a commercial option was designed in a very specific context, based on the common understanding that recourse to it would be limited to exceptional circumstances.

Do creditors agree that overall implementation has been consistent with this background ?

- In the course of last year's debate, one delegation suggested the possibility to treat ODA under a DR option.

Should this issue receive further consideration ?

CONCLUSION

- In 1995, Naples terms implementation was conducted in a constructive manner : consistent maturities treatments have been delivered.
- Only one stock treatment was delivered, that was, even if probably for bad reasons, misperceived by some observers.
- This is why Paris Club creditors may consider that full implementation of the Naples terms means in the first place delivering more stock treatments. In this respect, good prospect can be foreseen for 1996.

INDICATIVE LIST
AS OF DECEMBER 13, 1995

1994 REVENUE AND INDEBTEDNESS RATIOS

GNP/Capita (1994) (USD)	Present value of Debt / Exports (%)
1	2
Mozambique	80
Tanzania	120
Ethiopia	130
Sierra Leone	150
Chad	190
Vietnam	190
Uganda	200
Haiti	220
Madagascar	230
Niger	230
Cambodia	240
Guinea-Bissau	240
Mali	250
Burkina Faso	300
Zaire	300
Togo	320
Nicaragua	330
Zambia	350
Benin	370
CAR	370
Equatorial Guinea	430
Mauritania	480
Guinea	500
Côte d'Ivoire	510
Guyana	530
Honduras	580
Senegal	610
Cameroon	680
Bolivia	770
Burkina Faso	105
Cambodge	131
Benin	141
Senegal	165
Haiti	192
Chad	198
Togo	240
CAR	248
Honduras	263
Guinea	264
Cameroon	266
Mali	293
Bolivia	311
Niger	332
Guyana	350
Mauritania	352
Equatorial Guinea	353
Ethiopia	386
Côte d'Ivoire	511
Zambia	516
Vietnam	561
Madagascar	615
Sierra Leone	656
Zaire	681
Ouganda	769
Tanzania	797
Mozambique	1192
Nicaragua	2897
Guinea-Bissau	1446

STATEMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
AT THE PARIS CLUB MEETING FOR BOLIVIA
(PARIS, DECEMBER 14, 1995)

MR. CHAIRMAN, ON BEHALF OF THE INTER-AMERICAN DEVELOPMENT BANK, MAY I BEGIN BY THANKING THE BOLIVIAN DELEGATION FOR AN EXCELLENT PRESENTATION WHICH WAS A CLEAR AND COMPREHENSIVE STATEMENT OF THE GOVERNMENT AIMS, ITS RESPECTIVE POLICIES AND PROGRAMS, AS WELL AS A THOROUGH DESCRIPTION OF THE COUNTRY'S EXTERNAL DEBT PROBLEM. THE INTER-AMERICAN DEVELOPMENT BANK SUPPORTS BOLIVIA'S OVERALL DEVELOPMENT EFFORTS, IN PARTICULAR WITH RESPECT TO THE STRUCTURAL REFORMS BEING UNDERTAKEN BY THE GOVERNMENT, AND THE EFFORTS TO ADDRESS THE SOCIAL UNBALANCES AND THE MODERNIZATION OF THE STATE.

BOLIVIA'S ECONOMY HAS WITNESSED ENORMOUS CHANGES OVER THE LAST DECADE. AN ECONOMIC STABILIZATION AND STRUCTURAL ADJUSTMENT PROGRAM, SUPPORTED BY THE INTERNATIONAL COMMUNITY, GAVE RISE TO A SUBSTANTIAL RECOVERY IN PER CAPITA INCOME, NON-TRADITIONAL EXPORTS AND PUBLIC SECTOR REVENUES. THE SECOND GENERATION OF REFORMS WHICH ARE NOW UNDERWAY INVOLVE MAJOR AND COMPLEX ADJUSTMENTS, AND WILL ENTAIL A SUBSTANTIAL INCREASE IN PRIVATE INVESTMENT, WITH A SIGNIFICANT PARTICIPATION OF FOREIGN DIRECT INVESTMENT. THE SUCCESSFUL CAPITALIZATION OF THREE STATE ENTERPRISES THIS YEAR HAS SHOWN BETTER RESULTS THAN WAS INITIALLY EXPECTED. THE RECENT DIFFICULTIES THAT EMERGED IN THE FINANCIAL SYSTEM REMAIN A CONCERN THAT SHOULD BE RESOLVED WITH THE FUND CREATED TO RECAPITALIZE AND RESTRUCTURE PROBLEMATIC BANKS, AND WITH THE NEW REGULATIONS INCLUDED IN THE RECENTLY APPROVED CENTRAL BANK LAW.

HOWEVER, IN SPITE OF THE RENEGOTIATION OF COMMERCIAL AND BILATERAL DEBT OBLIGATIONS IN THE PAST FEW YEARS, THE COUNTRY STILL HAS SEVERE PROBLEMS IN SUSTAINING FUTURE PAYMENTS OF ITS EXTERNAL DEBT. THE CONCESSIONAL FLOW RESCHEDULING FOR BOLIVIA AGREED IN MARCH 1995 BY THE PARIS CLUB UNDER THE NAPLES TERMS COVERS OBLIGATION THROUGH THE END OF 1997, AND WILL FINANCE THE GAP IN RESOURCES FOR THIS PERIOD. IN THE SUBSEQUENT YEARS, HOWEVER, THE AMORTIZATION OF BILATERAL DEBT IS LIKELY TO CONTINUE TO REPRESENT A HEAVY BURDEN WHICH MAY CAUSE NET BILATERAL LENDING TO BOLIVIA TO BECOME NEGATIVE DURING A CRITICAL PERIOD OF CONSOLIDATION OF STRUCTURAL CHANGE, WHICH REQUIRES A NET POSITIVE

TRANSFER OF RESOURCES. IN VIEW OF THIS, THE BANK STRONGLY SUPPORTS THE INITIATIVE OF A STOCK-OF-DEBT REDUCTION UNDER THE NAPLES TERMS. SUCH A REDUCTION WOULD LAY THE BASIS FOR THE COUNTRY TO OVERCOME, AT THIS JUNCTURE, ITS BALANCE OF PAYMENTS DIFFICULTIES, AS WELL AS REPRESENT A SIGNIFICANT CONTRIBUTION TO A SUSTAINABLE GROWTH IN THE FUTURE.

I WOULD LIKE TO STRESS THE IMPORTANCE OF A CONTINUED SUPPORT OF THE INTERNATIONAL FINANCIAL COMMUNITY FOR BOLIVIA'S MEDIUM-TERM PROGRAM OF STRUCTURAL REFORM, SOCIAL DEVELOPMENT, AND THE FOSTERING OF PRIVATE SECTOR ACTIVITIES UNDER STABLE MACROECONOMIC CONDITIONS. IN ORDER TO ACHIEVE THESE GOALS, THE COUNTRY SHOULD CONTINUE TO PRESERVE MACROECONOMIC STABILITY, GIVE A STRONG EMPHASIS TO AN EXPORT-ORIENTED STRATEGY, MAINTAIN COMPETITIVE EXCHANGE-RATE AND INTEREST-RATE POLICIES THAT ATTRACT DURABLE CAPITAL INFLOWS, AND ONLY ALLOW INCREASES IN THE TRADE DEFICIT TO THE EXTENT THAT IMPORTS ARE DIRECTED TO PRODUCTIVE INVESTMENTS.

THE IDB'S STRATEGY FOR BOLIVIA EMPHASIZES THE DEVELOPMENT OF THE SOCIAL SECTORS, IN LINE WITH THE GUIDELINES OF THE EIGHTH REPLENISHMENT IN THE RESOURCES OF THE BANK. MORE SPECIFICALLY, THE BANK WILL SUPPORT PROGRAMS AND PROJECTS DESIGNED TO: FIRST, PROMOTE SUSTAINABLE DEVELOPMENT THROUGH THE SUPPORT TO STRUCTURAL REFORMS, AND ACTIVITIES TO SPUR INVESTMENT AND INCREASE PRODUCTIVITY; SECOND, PROMOTE THE MODERNIZATION OF THE STATE, DECENTRALIZATION, AND THE STRENGTHENING OF CIVIL SOCIETY; THIRD, IMPROVE SOCIAL CONDITIONS THROUGH INVESTMENTS AND REFORMS IN EDUCATION, HEALTH AND HOUSING, ESPECIALLY AT THE BASIC SERVICE LEVEL, AND FOR THE BENEFIT OF THE LOWEST-INCOME GROUPS; AND FOURTH, SUPPORT MAINTENANCE AND RECOVERY OF THE ENVIRONMENT.

BANK SUPPORT TO BOLIVIA TO DATE AMOUNTS TO \$2.5 BILLION OF WHICH \$173 MILLION WERE APPROVED THIS YEAR. FOR THE NEXT YEARS, WE ARE WORKING ON AN IMPORTANT PIPELINE OF PROJECTS THAT INCLUDES LENDING FOR THE CONSTRUCTION OF ROADS FOR THE EXPORT CORRIDOR, AND LENDING TO THE SOCIAL SECTOR. IN SUPPORT OF THE CAPITALIZATION PROGRAM, THE IDB - AND THE WORLD BANK - ARE CONTRIBUTING \$130 MILLION. BOTH INSTITUTIONS ARE COORDINATING CLOSELY THEIR ACTIONS IN THE AREAS OF GOVERNANCE AND SUPPORT TO THE SOCIAL SECTOR AS WELL. IN COORDINATION WITH THE GOVERNMENT OF BOLIVIA, WE ALSO STRIVE FOR COMPLEMENTARITY OF OUR EFFORTS WITH THOSE OF BILATERAL DONORS, THUS MAXIMIZING THE IMPACT OF OVERALL EXTERNAL

ASSISTANCE.

IN CLOSING, WE WOULD LIKE TO EXPRESS OUR GRATITUDE TO THE FRENCH AUTHORITIES FOR HOSTING THIS PARIS CLUB MEETING, AND TO CONGRATULATE THE GOVERNMENT OF BOLIVIA FOR THEIR EFFORTS ON THE CAPITALIZATION PROGRAM. WE WOULD LIKE TO REITERATE OUR VIEW REGARDING THE IMPORTANCE AND THE NEED FOR BOLIVIA TO OBTAIN A REDUCTION IN THE STOCK OF ITS EXTERNAL DEBT, WHICH IS VITAL FOR THE COUNTRY'S EFFORTS TO OVERCOME ITS BALANCE OF PAYMENTS CONSTRAINTS. THE IDB WILL CONTINUE ITS SUPPORT OF THE GOVERNMENT OF BOLIVIA'S EFFORTS TOWARDS GREATER PARTICIPATION OF THE PRIVATE SECTOR AND HIGHER ECONOMIC GROWTH -- GROWTH THAT, AS WE HAVE POINTED OUT IN THE MARCH MEETING, IS NOT ONLY SUSTAINABLE, BUT IS INCREASINGLY SHARED BY ALL CITIZENS. THANK YOU.

PARIS CLUB MEETING ON BOLIVIA

14 December 1995

STATEMENT BY THE UNCTAD REPRESENTATIVE

We are all gathered here today for the first Paris Club meeting on a stock-of-debt reduction on Naples terms. As such, it is an important event which marks the considerable progress made by the international community in the search for a lasting solution to the debt problem of the poorest countries.

Developments since the March meeting have confirmed Bolivia's commitment to reform and structural adjustment as well as its strong track record. Success in terms of GDP growth, fight against inflation (Bolivia was a hyperinflation economy in the mid-1980s), and progress towards external viability and fiscal balance augur well for its ability to honour the agreement which could emerge from this meeting.

The principle of stock-of-debt reduction in favour of Bolivia has been accepted; the crucial issue now lies in its implementation. Stock treatment should be designed so as to maximize Bolivia's chances of removal of the debt overhang, and therefore of final exit from debt rescheduling. This, in turn, would have a strong positive impact on private capital flows, investment and growth.

The success of the stock-of-debt operation depends upon three key elements. The first is the degree of concessionality. Bolivia's level of indebtedness remains very high, in spite of several ODA debt cancellations and the buyback of all commercial

bank debt. This justifies the highest percentage of reduction, as was granted in the flow treatment last March.

The second element is an appropriate debt coverage. We hope that this operation will include two important features: the topping up of debt previously rescheduled on concessional terms, and moratorium interest relief. Such a relief is necessary to deal with the problem of moratorium interest being higher in the early years under a stock treatment than under a flow treatment. This measure would smooth out the debt service profile in the first few years of the implementation of the agreement.

The third element for the success of the operation is the contingency factor. We believe that the stock treatment, being a once-and-for-all operation, should be generous enough to allow Bolivia some room for manoeuvre to cope with the vagaries of the international economic environment, such as lower-than-expected metal export prices, slower growth of non-traditional exports, or a shortfall in concessional flows.

Bolivia is undoubtedly one of the best candidates for a meaningful stock-of-debt operation, given its impressive economic performance, its poverty level, and its unsustainable debt burden. Today's meeting is a golden opportunity for the Paris Club to show that Naples terms are indeed a major step towards the solution of the debt problem of the poorest countries. For Bolivia, it is a unique chance to escape from the debt trap. We sincerely hope that both chances will not be missed.

BOLIVIA

PARIS CLUB MEETING, DECEMBER 14, 1995

STATEMENT BY THE WORLD BANK REPRESENTATIVE

Bolivia's economic performance since the early 1990s has been encouraging, with real GDP growth registering about 4 percent per year, and private sector investment growing at about 10 percent per year. Bolivia has also been successful in maintaining macroeconomic stability. Although the real economic growth achieved in recent years has not been sufficient to make much progress towards reducing poverty, the current macroeconomic stability provides an adequate framework to continue implementing the second-generation structural reforms. These are designed to foster private and social investment to accelerate economic growth and reduce poverty.

Since mid-1995, there has been considerable progress towards implementing the enterprisecapitalization program, which is designed to attract private sector investment and management to sectors traditionally dominated by public enterprises. First of all, actions have been taken toward establishing the broad regulatory framework, through the passage of the individual sectoral laws in electricity and telecommunications, and initiating the establishment of the National Regulatory Agency. More importantly, the capitalizations of ENDE (electricity generation) and ENTEL (telecommunications) have been completed, while the capitalization of LAB (the national airlines) is well-advanced, and management control will be transferred in the near future. The direct investment to be made in these companies--about US\$ 800 million--is significantly greater than the amount originally anticipated. The near-term challenge will be to capitalize the state petroleum company (YPFB).

In addition, the Government has been successfully implementing its popular participation program, through which the political and economic decision-making

processes are being decentralized through the transfer of resources and the administration of key public services to rural and urban communities. This has resulted in the municipalities assuming the responsibility to administer, maintain and renovate physical infrastructure in education, health, and local roads and irrigation systems. Efforts are continuing to strengthen the ability of municipalities to formulate and implement development plans generated through the new participatory process. Furthermore, in the coming year Bolivia will implement the recently passed Decentralization Law, which grants additional responsibilities to the Prefecturas (the representation of the Executive Branch in each department). Among other things, Prefecturas will elaborate and execute the departmental economic and social development plans and manage, supervise and control human resources and budgets assigned for personnel services in key social sectors-- education and health.

To accelerate the development of human capital, the Government has been implementing a comprehensive education reform whose objective is to improve the quality and coverage at the primary and secondary levels. While there have been some delays, the Government has concentrated its efforts on strengthening quality and efficiency by: (i) implementing provisions for community participation in oversight of schools; (ii) implementing a new system of school supervision; and (iii) reducing administrative staff and hiring qualified technical staff at the central and departmental level.

Despite the progress, the Bolivian economy is still dependent on a few primary commodity exports with uncertain market prospects. The ongoing diversification of its export base will take time. Continued implementation of the reform program should lead to export diversification. As an example, the opening of the mining sector has resulted in substantial investments which have led to increased exports of gold and more importantly, the emergence of a export-oriented

gold jewelry industry. However, Bolivia still faces difficult prospects over the medium-term, as the weak social and physical infrastructure combined with a limited human resource base will make it more difficult to sustain high rates of growth in the future. Nevertheless, if the second-generation reforms succeed and price stability is maintained, Bolivia could achieve GDP growth of more than 4 percent per year and make progress towards alleviating poverty. Among other things, to achieve this will require continued sound macroeconomic policies, an acceleration of private investment and private sector activity primarily through the capitalization program, more efficient social sector expenditures, and intensified efforts towards developing basic economic infrastructure.

Despite success in reducing the country's debt, as of mid-1995 Bolivia remains burdened by a high level of external debt, and the debt indicators are substantially above sustainable levels. For its part, the Government has pursued a sound debt management strategy which has included: (i) elimination of the majority of its commercial debt obligations; (ii) successive reschedulings with the Paris Club; and (iii) to the extent possible, borrowing only on concessional terms. While Bolivia retains access to official loans and has received a substantial net inflow of foreign savings over the past three years, it is unlikely that Bolivia will regain creditworthiness for loans on purely commercial terms for a number of years.

As indicated, Bolivia's most serious challenge in its effort to reduce poverty over the next five years is to remove the remaining barriers to investment and growth by implementing the structural reforms. The Bank's assistance to Bolivia focuses on helping to eliminate the remaining structural constraints, and the operations fall in three major categories--rationalizing the role of the state; poverty reduction and human resource development; and natural resource management.

The Bank's assistance in *rationalizing the role of the state* includes a number of projects (some of which have been approved) to provide financial and technical

assistance support for capitalization. An adjustment operation supports the process, and the technical, legislative and regulatory changes needed to recast the role of the state in the major sectors. Complementing this operation are technical assistance projects to assist with regulatory reform and support the hydrocarbons and power sector reform programs. The second subgroup of projects will help strengthen essential public institutions through implementation of the judiciary, civil service and pension reform programs.

Our *poverty reduction and human resource development* strategy focuses on basic education, water and sanitation in the rural areas and rural community development. The on-going operation supporting the education reform will be followed up by an operation to finance additional needs of primary education. A rural water supply and sanitation project will assist in improving health and living conditions in rural areas, while a rural community development project is helping to implement popular participation.

To assist in rational *natural resource management*, the lending program includes an operation to define standards and enforcement mechanisms and to finance rectifying the existing stock of environmental pollution caused by industry and mining. In addition, a project to improve the land administration system will help to rationalize land ownership and environmental management of land use.

The lending program includes operations totaling about US\$80 million per year, to be directed towards supporting the Government's reforms. Of this, about 20 percent would be for balance of payments support. Because of its track record of adjustment dating back to late-1985, we believe that Bolivia warrants the full support of the international community in addressing its adjustment program for accelerating economic growth and reducing poverty.

Statement by the IMF Representative at the
Meeting of the Paris Club for Bolivia
December 14, 1995

Since 1985, Bolivia has been implementing a comprehensive program of macroeconomic and structural reforms. The Fund has supported this effort from the outset, including under ESAF arrangements since 1988. In December 1994 the Fund's Executive Board approved a new three-year ESAF arrangement for Bolivia in the amount of SDR 100.96 million and the first annual arrangement thereunder (SDR 33.65 million). On November 27, 1995 the Board completed the review under the first annual arrangement. A mission is currently in La Paz to conduct the Article IV consultation discussions and to seek understandings on the second-year program.

During the period 1988-94 Bolivia made considerable progress in reducing inflation and restructuring the economy. Nevertheless, the pace of real GDP growth was not sufficient to reduce poverty significantly, and Bolivia remains one of the poorest countries in the Western Hemisphere. Also, despite the substantial debt relief granted by external creditors in recent years, the country's debt burden continues to be high, and the economy remains vulnerable to external shocks.

The medium-term economic program adopted in September 1994 and supported by the current ESAF arrangements aims to lower inflation to 5 percent by 1997; increase the rate of output growth to 6 percent by that year; reduce poverty significantly; and continue progress toward external viability. This framework supports a program of important structural reforms, including capitalization and privatization of the major public enterprises.

Bolivia's program is on track, although some difficulties were encountered in the first half of 1995. Central bank credit expanded rapidly early in the year in the wake of the closure of two commercial banks and the Mexican crisis, and the implementation of structural reforms slowed. However, fiscal policy was restrained and the combined public sector deficit is projected to decline from 3.2 percent of GDP in 1994 to 2 percent of GDP in 1995, well within the program target. In addition, in the course of the year credit growth was tightened, official reserves recovered, and structural reforms gained considerable momentum.

Inflation once again moved on to a downward path until October and November 1995, when consumer prices rose by an average of about 1.8 percent a month owing to the effect on food prices of the large rise in the world price of wheat. However, the pickup in inflation is expected to be short-lived. The growth of output is estimated to have slowed from 4.2 percent in 1994 to 3.7 percent in 1995, reflecting the effect on investment of market uncertainty in the first half of the year, and the effect of a drought on agricultural output.

In the structural area, the capitalization program has been successfully launched with the transfer of management of the national electricity and telecommunications companies and the national airlines to private investors. In the financial sector, the new Central Bank law approved by Congress in October 1995 increases the autonomy of the Bank, and progress has been made in the area of customs reform.

The program for 1996 envisages the completion of the capitalization of the large public enterprises, including the state oil company. Furthermore,

there is to be a deepening of reforms in the financial sector; in education; in the health system; and in the control and monitoring of public expenditure. A major reform of the pension system aims to promote domestic savings.

The capitalization of the public enterprises should substantially increase investment and lay the basis for faster growth. Direct private investment in the electricity, telecommunications, and hydrocarbons sectors is projected at about US\$1 billion in 1996-98 (an average of 5 percent of GDP a year). The projected investment would strengthen Bolivia's export base, and following a transitory increase in the external current account deficit as the investment takes place, the deficit would decline to around 2-3 percent of GDP by the end of the decade. These projections assume that import growth would be low after the period of high investment ends and that domestic saving would rise substantially, and Bolivia's external situation would remain vulnerable to unforeseen developments.

Bolivia will need capital inflows of somewhat more than US\$1 billion a year in 1996-98 to finance the projected external current account deficits, to allow for a moderate increase of international reserves, and to cover scheduled repayments of public sector debt. Around US\$440 million a year in net private capital inflows is expected mainly from investment associated with the capitalization program. Moreover, on the basis of existing commitments, the Government expects gross disbursement of official grants and loans to average about US\$520 million a year in 1996-98. About half of these resources are expected to come from multilateral sources and the rest from official bilateral sources, mostly in the form of grants.

After taking account of Fund financing, these flows would leave residual financing gaps during 1996-99 of a little more than US\$100 million a year. It would be preferable if these gaps could be covered by debt relief on concessional terms from bilateral creditors. A stock-of-debt operation would have the advantage of reducing the continued vulnerabilities of the external situation noted above. Also, a definitive exit for Bolivia from the process of repeated reschedulings would increase the likelihood of attracting spontaneous capital flows and attaining higher economic growth.

The IMF staff welcomes the efforts undertaken by the Bolivian authorities in implementing a strong program of macroeconomic adjustment and structural reforms that should raise growth and reduce poverty. The IMF staff continues to believe that this program deserves the full support of the international donor community, and given Bolivia's record of program implementation and continued efforts, it views Bolivia as a strong candidate for a stock-of-debt operation.

PARIS CLUB DEBT NEGOTIATIONS

STATEMENT BY THE MINISTER OF FINANCE OF THE REPUBLIC OF BOLIVIA

On behalf of the Bolivian Government and its delegation, I want to thank you for the opportunity to attend this meeting.

Please allow me to present to you an update on Bolivia's economic and social developments since our last meeting in March 1995.

1. During 1995 Bolivia has been undergoing a demanding Extended Structural Adjustment Facility (ESAF) program with the IMF. In the first year of the program, ended in September 30 of this year, the country met all targets set for that date on the overall fiscal deficit and its financing, net domestic credit creation, and net international reserves accumulation. The Government has continued the path of responsible macroeconomic management set forth since the outset of the current administration in August 1993. Tight fiscal and monetary policy have been pursued to reduce the current account deficit and protect the stabilization effort. The public sector deficit for 1995 is estimated at 1.5% of GDP, less than half its level in 1994 (3.2%), which -in turn- was half its 1993 value. This has been achieved both through a reduction of expenditures and through a rise in revenues due mainly to an improvement in tax administration. Monetary policy has remained close to IMF targets, bringing about a significant reduction of net domestic credit, mainly concentrated in the public sector. At the same time, net international reserves of the Central Bank have increased by more than US\$ 70 million, bringing the stock of reserves to a

prudent equivalent of 5 months of imports. These results have been attained despite severe financial turbulence, after the liquidation of two commercial banks in November 1994 and the Mexican crisis in December of that year.

2. The reform program, described in March 1995, is currently being implemented. The capitalization process has had a full fledged start during 1995. Already, three of the largest six public enterprises are in private hands.

3. In June 1995, all public power generation plants (ENDE) were capitalized with a total of almost US\$ 140 million. In September, the state owned telecommunications company (ENDEL) was capitalized with US\$ 610 million. One month later, the Bolivian flagship airline (LAB), was capitalized with US\$ 48 million. In addition, the power distribution company of Cochabamba (ELFEC) was directly privatized for over US\$ 50 million. Before the end of the year, the railway company (ENFE) will also be capitalized. This adds to the reform of the Executive Branch and to the Popular Participation program, carried out in 1994, and to the ambitious Educational reform of 1995.

4. However Bolivia's debt overhang is likely to reduce the necessary inflows of foreign capital. Without a debt overhang, Bolivia has better chances to attract a larger amount of investments by reducing uncertainty on the future evolution of its balance of payments, and therefore improving the country risk perception by the international community.

5. Beyond sound macroeconomic adjustment, the Government has shown its commitment to carry out a far-reaching program of social, economic and political reforms aimed at removing the structural constraints and bottlenecks which limit the country's capacity to defeat poverty and under-development. A stock of debt reduction would be a major contribution to this effort.

6. The request put before the Paris Club creditors is done under the assumption that grants to Bolivia both direct and through concessional loans are likely to fall in the near future. The eleventh replenishment of the World Bank's IDA resources is uncertain, lowering the expected amount of concessional funds to be allocated to Bolivia after 1997. Before that, access to the Special Operation Fund from the IDB will be severely reduced. Official grants are also dwindling and there is much uncertainty on their future flows. The medium term outlook of our external accounts is highly sensitive to this issue as reflected in our Balance of Payments projections. If the rate of decline in foreign official transfers were 5 percentage points faster than the IMF's baseline scenario, financing gaps would average about US\$ 65 million a year in the next 20 years. As the IMF has estimated, if all new borrowing after 1995 were on non concessional terms, the financing shortfall would average US\$ 75 million a year in the same period.

7. Also to be considered are possible contingencies that could occur regarding our terms of trade. As you know, the prices for minerals and other raw materials have collapsed in the past, and there is considerable uncertainty on the evolution of our future terms of trade.

8. Therefore, Bolivia will only benefit from this Paris Club rescheduling if all external debt previously restructured on Toronto and enhanced Toronto terms is made eligible for a stock reduction. Even under this scenario, Bolivia is likely to achieve the sustainability of its external debt only by the year 2000.

9. We request Paris Club creditors to make the largest possible effort in order to secure that this meeting truly represents for Bolivia an exit from Paris Club negotiations. This means that enough leeway has to be provided so that

likely contingencies will not easily derail the Bolivian effort to honor its international commitments in the future.

10. Our proposal consists of a Naples terms' stock of debt operation that includes debt reduction of 67 % on previously rescheduled debt under non concessional terms and on non previously rescheduled debt. It also includes a topping up on debt rescheduled under Toronto and London terms, in order to attain a 67% reduction in both. The proposal also requests to treat as non concessional those debts that, although currently considered as concessional, do not comply with recently approved IMF criteria for concessionality. Finally, in order to attain a flow of debt service for 1996-98 that is not worse than that obtained under the Paris Club V agreement for those years, we also ask for a moratorium interest capitalization treatment for the first three years after the stock operation.

11. In this case we are assuming that the stock of debt operation granted to Bolivia will be effective starting January first, 1996 and therefore the Paris V consolidation period would be recalculated so as to end on December 31, 1995.

12. Bolivia is also asking for a 67% reduction on the moratorium interests prior to their rescheduling. Alternatively, a partial cancelation of these interests could also be beneficial to Bolivia, provided that this cancelation is large enough to allow for a bearable debt service burden during the first three years after the agreement.

13. Bolivia, for the first time after ten years of continuous economic reform, has the opportunity to finally obtain a permanent solution to its debt problem under the Naples initiative, for which terms it is eligible.

Mr. Chairman and dear representatives of the Paris Club member countries, your acceptance to our proposal would go a long way in assisting Bolivia's huge ongoing efforts to overcome underdevelopment and poverty, and thus to meet the deserved aspirations of its people.

Paris, December 14, 1995

AGREED MINUTE
ON THE REDUCTION AND REORGANIZATION
OF THE DEBT OF BOLIVIA

I-A/ PREAMBLE

1. The representatives of the Governments of Austria, Belgium, Denmark, France, Germany, Japan, the Netherlands, the United Kingdom and the United States of America, hereinafter referred to as "Participating Creditor Countries", met in Paris on December 14 and 15, 1995 with representatives of the Government of the Republic of Bolivia in order to examine the request to alleviate the Republic of Bolivia's external debt obligations. Observers of the Governments of Brazil, Italy, Norway and Spain as well as the International Monetary Fund, the International Bank for Reconstruction and Development, the Interamerican Development Bank, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development also attended the meeting.

2. The delegation of the Republic of Bolivia described the serious economic and financial difficulties faced by its country and its strong determination to reduce the economic and financial imbalances and to attain the targets of the program supported by arrangements under the Enhanced Structural Adjustment Facility with the International Monetary Fund.

3. The representatives of the International Monetary Fund described the Republic of Bolivia's economic situation and the major elements of the adjustment program adopted by the Government of the Republic of Bolivia and supported by arrangements under the Enhanced Structural Adjustment Facility with the International Monetary Fund approved by the Executive Board of the International Monetary Fund on December 19, 1994 and which involve specific commitments in both the economic and financial fields.

4. The representatives of the Governments of the Participating Creditor Countries noted the strong measures of adjustment in the economic and financial program undertaken by the Government of the Republic of Bolivia and stressed the importance they attach to the continued and full implementation of this program and, in particular, to the revitalization of the productive sector of the economy and the improvement of public finances and foreign exchange management.

The representatives of the Participating Creditor Countries understood that this program and the debt reduction and reorganization would enable the Republic of Bolivia to reach external viability very soon allowing for more access to market financing.

They took note of the Republic of Bolivia's chronic balance of payments problems and very heavy debt service obligations, in conjunction with very low per capita income, which were deemed, given the strong adjustment program noted above, to warrant exceptional treatment of the debt.

On March 24, 1995 the Participating and Observer Creditor Countries agreed in principle to accord a treatment of Bolivia's stock of debt, in view of the successful implementation of the previous Agreed Minutes and Bolivia's sustained reform efforts. The Participating Creditor Countries consider that the projections of the program supported by arrangements under the Enhanced Structural Adjustment Facility with the International Monetary Fund evidence the capacity of the Government of the Republic of Bolivia fully to service its debt to the Participating or Observer Creditor Countries with no further treatment to be applied after the terms set forth herewith are implemented. They have consequently decided to treat the stock of the debt due by the Republic of Bolivia to them as from December 31, 1995.

[Handwritten signatures and initials at the bottom of the page, including "F.M.", "CR", "M", "R", "FM", and others.]

B/ DEFINITIONS

1. The present Debt Reduction and Reorganization consists of :
 - a Stock of Debt Reduction and Reorganization which will apply as from January 1, 1996, on the terms described hereafter in paragraph II-2. below ;
 - the possibility of selling or exchanging debt on the terms described in paragraph II-3. hereafter.
2. For the purpose of the present Agreed Minute and for all debts concerned described hereinafter in paragraph II-1. "the Relevant Principal", means the total amount of principal outstanding as of December 31, 1995 on such debts.
3. For the purpose of the present Agreed Minute, "the Appropriate Market Rate" means the rate, rounded to the nearest 1/16th of a point, and conditions of interest which will be determined bilaterally between the Government of the Republic of Bolivia and the Government or the appropriate institutions of each Participating Creditor Country.
4. For the purpose of the present Agreed Minute "the Equivalent Debt Reduction" (eDR) means the debt reduction achieved in net present value between the date of the previous consolidation agreements (referred to hereinafter in paragraph II-1.) and December 31, 1995 inclusive on debts to which a Reduced Interest Rate was applied in accordance with the terms of the said previous consolidation agreements. One specific eDR is defined for each such debt as described in paragraph II-1. below. It is expressed as a percentage of reduction in the net present value of the debts treated under the previous consolidation agreements.
5. The authenticated tables attached to the present Agreed Minute and referred to hereinafter form an integral part of the present Agreed Minute. As concerns the repayment schedules indicated in Tables A1, A5 and D2 , it is understood that "semester" means a period of six successive months. The first semester referred to in the Tables is the period beginning on July 1, 1996. For each semester it is understood that the due date is the first day of the corresponding semester.
6. Late interest charges are those interest charges accruing between the contractual payment date of principal and interest due and not paid, and a date to be fixed in the bilateral agreements concluded for the implementation of the present Agreed Minute.

II- RECOMMENDATIONS ON TERMS OF THE REDUCTION AND REORGANIZATION**1. Debts concerned**

The debts to which this Reduction and Reorganization will apply are the following :

- a) commercial credits guaranteed or insured by the Governments of the Participating Creditor Countries or their appropriate institutions, having an original maturity of more than one year and which were extended to or guaranteed by the Government of the Republic of Bolivia or its public sector, pursuant to an agreement or other financial arrangement concluded before December 31, 1985 ;
- b) loans from Governments or appropriate institutions of the Participating Creditor Countries, having an original maturity of more than one year, and which were extended to or guaranteed by the Government of the Republic of Bolivia or its public sector concluded before December 31, 1985 ;
- c) payments in principal and interest due as a result of the consolidation agreements concluded according to the Agreed Minutes dated July 18, 1986 and November 14, 1988 ;

JH

F.M.
 A JR B M B RB FM

d1) all payments due under the consolidation agreements concluded according to the Agreed Minute dated March 15, 1990 between the Government of the Republic of Bolivia and the Government of France and the Netherlands ;

d2) all payments due under the consolidation agreements concluded according to the Agreed Minute dated March 15, 1990 between the Government of the Republic of Bolivia and the Governments of Austria, Denmark, Japan and the United Kingdom.

The Equivalent Debt Reduction (eDR_{d2}) for those payments will be determined bilaterally between the Government of the Republic of Bolivia and the Governments or their appropriate institutions of Austria, Denmark, Japan and the United Kingdom according to Table eDR1 attached to the present Agreed Minute. It is understood that the number of semesters to consider in Table eDR1 is 12 and that the "Average appropriate market rate" is the arithmetic mean of the appropriate market rate as defined in the Agreed Minute dated March 15, 1990 actually applied, from January 1, 1990 up to December 31, 1995.

d3) All payments due under the consolidation agreements concluded according to the Agreed Minute dated March 15, 1990 between the Government of the Republic of Bolivia and the Governments of Belgium, Germany and the United States of America.

e1) All payments due under the consolidation agreements concluded according to the Agreed Minute dated January 24, 1992 between the Government of the Republic of Bolivia and the Governments of France, Germany, the Netherlands and the United Kingdom ;

e2) all payments due under the consolidation agreements concluded according to the Agreed Minute dated January 24, 1992 between the Government of the Republic of Bolivia and the Governments of Austria, Belgium and Japan.

The Equivalent Debt Reduction (eDR_{e2}) for those payments will be determined bilaterally between the Government of the Republic of Bolivia and the Governments or their appropriate institutions of Austria, Belgium and Japan according to Table eDR2 attached to the present Agreed Minute. It is understood that the number of semesters to consider in Table eDR2 is 8 and that the "Average appropriate market rate" is the arithmetic mean of the appropriate market rate as defined in the Agreed Minute dated January 24, 1992 actually applied, from January 1, 1992 up to December 31, 1995.

e3) All payments due under the consolidation agreements concluded according to the Agreed Minute dated January 24, 1992 between the Government of the Republic of Bolivia and the Government of the United States of America.

f) All payments due under the consolidation agreements concluded or to be concluded according to the Agreed Minute dated March 24, 1995 between the Government of the Republic of Bolivia and the Government of the United States of America.

g) It is understood that debts due from January 1, 1995 up to December 31, 1995 including arrears as of January 1, 1995 and treated pursuant to the Agreed Minute dated March 24, 1995 remain governed by the terms of the consolidation agreements concluded or to be concluded according to the Agreed Minute dated March 24, 1995, excluding the amounts mentioned in paragraph 1. f).

h) It is understood that debt service, due as a result of debts described above in the present Agreed Minute and effected through special payment mechanisms or other external accounts, is included in the present Reduction and Reorganization. Participating Creditor Countries will reschedule, refinance or take other appropriate measures to ensure that this category of debt is treated in a manner comparable to other debt subject to this Agreed Minute.

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2. Terms of the Stock of Debt Reduction and Reorganization

The object of the Stock of Debt Reduction and Reorganization is to effect a debt reduction equal to 67% of its net present value which will apply according to one of the two options described in paragraphs A and B/ hereafter.

A/ As regards credits or loans granted or guaranteed by the Governments of France, Germany, the Netherlands, the United Kingdom and the United States of America or their appropriate institutions

a) 67% of the Relevant Principal for debts described in paragraphs 1.a), 1.b), 1.c), 1.d3), 1.e3) and 1.f) above and not covered by paragraph C/ below, will be cancelled. The remaining 33% of the Relevant Principal will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table A1 attached to the present Agreed Minute ;

b) 50% of the Relevant Principal for debts described in paragraph 1.d1) above and not covered by paragraph C/ below, will be cancelled. The remaining 50% of the Relevant Principal will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table A1 attached to the present Agreed Minute ;

c) (67% - eDR_{d2}) of the Relevant Principal for debts described in paragraph 1.d2) above and not covered by paragraph C/ below, will be cancelled. The remaining 100% - (67% - eDR_{d2}) of the Relevant Principal will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table A1 attached to the present Agreed Minute ;

d) 34% of the Relevant Principal for debts described in paragraph 1.e1) above and not covered by paragraph C/ below, will be cancelled. The remaining 66% of the Relevant Principal will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table A1 attached to the present Agreed Minute ;

e) the rates and the conditions of interest on the rescheduling or refinancing arrangements covered by paragraphs a), b), c) and d) above will be determined bilaterally between the Government of the Republic of Bolivia and the Government or appropriate institutions of France, Germany, the Netherlands and the United Kingdom and the United States of America on the basis of the Appropriate Market Rate.

B/ As regards credits or loans granted or guaranteed by the Governments of Austria, Belgium, Denmark and Japan or their appropriate institutions

a) 100% of the Relevant Principal for debts described in paragraphs 1.a), 1.b), 1.c), 1.d2), 1.d3), and 1.e2) above and not covered by paragraph C/ below, will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table A5 attached to the present Agreed Minute ;

b) the rates and the conditions of interest on the rescheduling and refinancing arrangements covered by paragraph a) above will be determined bilaterally between the Government of the Republic of Bolivia and the Government or appropriate institutions of the Participating Creditor Countries on the basis of the Appropriate Market Rate and given the reduction in net present value to be achieved on each category of debts as defined in paragraph c) hereafter, according to Table B5 attached to the present Agreed Minute ;

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c) the reduction in net present value to be achieved is as follows :

- 1.d3) above ;
- 67% on credits, loans and consolidations mentioned in paragraphs 1.a), 1.b), 1.c) and 1.d3) above ;
 - (67% - eDR_{d2}) on consolidations mentioned in paragraph 1.d2) above ;
 - (67% - eDR_{e2}) on consolidations mentioned in paragraph 1.e2) above ;

C/ As regards Official Development Assistance loans (ODA) granted by the Governments of the Participating Creditor Countries listed in paragraphs A/ and B/ above, or their appropriate institutions

a) The present paragraph applies to Official Development Assistance (ODA) loans, according to OECD definition, extended to the Government of the Republic of Bolivia by the Governments or appropriate institutions of the Participating Creditor Countries concerned by paragraphs A/ and B/ above, pursuant to an agreement concluded before December 31, 1985, as well as to the consolidation of such loans concluded or to be concluded according to the Agreed Minutes dated July 18, 1986 and November 14, 1988, and March 15, 1990, and January 24, 1992 ;

b) recognizing the great value of the contribution already made by the Participating Creditor Countries through various means in order to alleviate further the burden of servicing these debts, 100% of the Relevant Principal for debts described in paragraph a) above will be rescheduled or refinanced. Repayment by the Government of the Republic of Bolivia of the corresponding sums will be made as described in Table D2 attached to the present Agreed Minute ;

c) The rates and the conditions of interest on the rescheduling or refinancing arrangements covered by paragraph b) above will be determined bilaterally between the Government of the Republic of Bolivia and the Government or appropriate institutions of the Participating Creditor Countries. These rates and conditions of interest should be at least as favourable as the concessional rate applying to those loans.

3. Debt swaps

On a voluntary and bilateral basis, the Government of each participating creditor country or its appropriate institutions may sell or exchange, in the framework of debt for nature, debt for aid, debt for equity swaps or other local currency debt swaps :

(i) the amounts of outstanding loans mentioned in paragraph 1. above as regards official development aid loans and direct Government loans ;

(ii) the amounts of other outstanding credits mentioned in paragraph 1. above, up to 10% of the amounts of outstanding credits as of December 31, 1991 or up to an amount of 20 million US dollars, whichever is higher.

III- COMPARABILITY OF TREATMENT

1. In order to secure comparable treatment of its debt due to all its external public or private creditors, the Government of the Republic of Bolivia commits itself to seek promptly from all its external creditors debt reduction and reorganization arrangements on terms comparable in net present value to those set forth in the present Agreed Minute for credits of comparable maturity. Comparability of treatment for debt reduction in net present value is assessed not only on the basis of the reduction in the face value of the debt but also on the terms of repayment of the debts not cancelled.

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Consequently, the Government of the Republic of Bolivia commits itself to accord all categories of creditors -and in particular creditor countries not participating in the present Agreed Minute, commercial banks and suppliers- a treatment not more favourable than that accorded the Participating Creditor Countries.

2. For the purpose of the comparison between the arrangements concluded by the Government of the Republic of Bolivia with its creditor countries not participating in the present Agreed Minute on the one hand, and with the Participating Creditor Countries on the other hand, all relevant elements will be taken into account, including the real exposure of the creditor countries not participating in the present Agreed Minute, the level of cash payments received by those creditor countries from the Government of the Republic of Bolivia as compared to their share in the Republic of Bolivia's external debt, the nature and characteristics of all treatment applied, including debt buy backs, and all characteristics of the reorganized claims and in particular their repayment terms whatever forms they take, and in general the financial relations between the Government of the Republic of Bolivia and the creditor countries not participating in the present Agreed Minute.

3. The Government of the Republic of Bolivia will inform regularly in writing the Chairman of the Paris Club of the progress made for this purpose in the negotiations with all its external creditors. A first report should be provided to the Chairman of the Paris Club by June 30, 1996.

The Government of the Republic of Bolivia will inform in writing without delay the Chairman of the Paris Club of the content of any agreement reached with its other external creditors.

4. The Government of the Republic of Bolivia will inform in writing the Chairman of the Paris Club on request of the cash payments made by the Republic of Bolivia to its external creditors, and especially to the creditor countries not participating in the present Agreed Minute.

IV- GENERAL RECOMMENDATIONS

1. The provisions set forth in the present Agreed Minute do not apply to creditor countries for which the total amount of the Relevant Principal for debts described in paragraph II-1. above, including arrears, do not exceed SDR 2,000,000.

The payments owed to these countries should be made on due dates. Payments already due and not paid should be made as soon as possible and, in any case, not later than March 31, 1996. Interest will be charged on those amounts.

2. The Government of the Republic of Bolivia guarantees the immediate and unrestricted transfer of the foreign exchange counterpart of all amounts paid in local currency by the private debtors in Bolivia for servicing their foreign debt owed to or guaranteed by the Participating or Observer Creditor Countries or their appropriate institutions, for which the corresponding payments in local currency have been or will be deposited in the Central Bank of Bolivia.

V- IMPLEMENTATION

The Government of the Republic of Bolivia undertakes to pay the reorganized debts according to the present Agreed Minute and agrees that these debts will not be restructured or reduced further.

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1. Conditions for the implementation of the present Agreed Minute

a) The Participating Creditor Countries reserve the right to review the implementation of the conditions stated in Article III paragraphs 1. and 3. hereabove for the comparability of treatment between all external creditors ; if the Participating Creditor Countries determine that these conditions are not substantially fulfilled, or that the Government of the Republic of Bolivia has not met its payments obligations as specified in the present Agreed Minute, the provisions of Article II of the present Agreed Minute will become null and void ;

b) the Government of the Republic of Bolivia agrees that the International Monetary Fund inform the Chairman of the Paris Club regarding the status of the Republic of Bolivia's relations with the International Monetary Fund.

2. Choice of options

Each Participating Creditor Country reserves the right to change its option chosen in the present Agreed Minute among options described in Article II paragraphs 2.A/ and 2.B/ hereabove not later than the date of the signature of the corresponding bilateral agreement.

3. Non consolidated amounts

The Government of the Republic of Bolivia undertakes to pay all debt service due and not paid as at the date of the present Agreed Minute on consolidations, on loans, or credits or obligations pursuant to contracts or other financial arrangements payable on cash terms, extended or guaranteed by the Governments of the Participating or Observer creditor countries or their appropriate institutions, and not covered by the present Agreed Minute as soon as possible, and in any case not later than March 31, 1996. Interest accrued from the last interest maturity and not paid until December 31, 1995 inclusive computed at the rate of the corresponding credits, loans or consolidation agreements as defined in paragraph II-1. below will be paid not later than March 31, 1996.

Late interest will be charged on those amounts.

4. Bilateral Agreements:

The detailed arrangements for the reduction and reorganization of the debts will be accomplished by bilateral agreements to be concluded by the Government or the appropriate institutions of each Participating Creditor Country with the Government of the Republic of Bolivia or its appropriate institutions on the basis of the following principles :

a) as regards the debts which are not subject to cancellation (according to Article II) and remain due to the Participating Creditor Countries, the Government or the appropriate institutions of each Participating Creditor Country will either :

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- refinance debts by placing new funds at the disposal of the Government of the Republic of Bolivia or its appropriate institutions according to existing payment schedules during the reorganization period and for the above mentioned percentages of payment. These funds will be repaid by the Government of the Republic of Bolivia according to schedules mentioned above in Article II;

- or reschedule the corresponding payments.

b) All other matters involving the reduction and reorganization of the debts will be set forth in the bilateral agreements which the Government of the Republic of Bolivia or its appropriate institutions and the Governments or the appropriate institutions of the Participating Creditor Countries will seek to conclude before June 30, 1996 ;

c) late interest will be charged, in the event of any delay between the payments maturities due under bilateral agreements signed in accordance with the present Agreed Minute and the effective payments made by the Republic of Bolivia ;

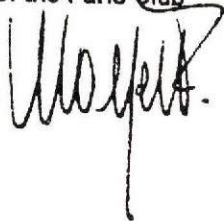
d) each of the Participating Creditor Countries agrees to make available, upon the request of another Participating Creditor Country, a copy of its bilateral agreement with the Government of the Republic of Bolivia which implements this Agreed Minute. The Government of the Republic of Bolivia acknowledges this arrangement ;

e) each of the Participating Creditor Countries agrees to inform the Chairman of the Paris Club of the date of the signature of its bilateral agreement, of the interest rates and of the amounts of debts involved, and of any implementation of the debt conversions in application of Article II-3. of the present Agreed Minute. The Government of the Republic of Bolivia acknowledges this arrangement ;

f) the representatives of the Governments of each of the Participating Creditor Countries and of the Government of the Republic of Bolivia agreed to recommend to their respective Governments or appropriate institutions that they initiate bilateral negotiations at the earliest opportunity and conduct them on the basis of the principles set forth herein.

Done in Paris, on December 15, 1995
in two versions, English and French,
both texts equally authentic,

The Chairman
of the Paris Club



The Head of the Delegation
of the Republic of Bolivia





Delegation of Austria



Delegation of Germany




Delegation of Belgium



Delegation of Japan



Delegation of Denmark



Delegation of the Netherlands



Delegation of France



Delegation of the United Kingdom



Delegation of the United States
of America



PARIS CLUB

PRESS RELEASE

**THE PARIS CLUB AGREES ON A STOCK OF DEBT REDUCTION
FOR BOLIVIA**

**THIS IMPLEMENTATION OF THE "NAPLES TERMS" BRINGS A
DEFINITIVE SOLUTION TO BOLIVIA'S EXTERNAL INDEBTEDNESS**

1. THE PARIS CLUB MET ON DECEMBER 14 AND 15, 1995.

THE REPRESENTATIVES OF THE CREDITOR COUNTRIES AGREED TO RECOMMEND TO THEIR GOVERNMENTS A DEBT REDUCTION AND REORGANIZATION OF THE REPUBLIC OF BOLIVIA'S STOCK OF DEBT DUE TO THEM.

2. The representatives of the Creditor Countries noted that the Republic of Bolivia's had always maintained satisfactory relations with them.

They further noted Bolivia's sustained economic and financial reform efforts under programs supported by the International Monetary Fund evidenced its potential to reach financial viability.

The representatives of the Creditor Countries have consequently decided to grant Bolivia a definitive treatment of the stock of its debt due to them.

They believe that Bolivia will not have to request any further treatment of its debt once the treatment agreed today is implemented, given the financial situation of the country and the very ambitious nature of this agreement.

3. The representatives of the Creditor Countries agreed to recommend a treatment providing for the reduction of the stock of debt of the Republic of Bolivia according to one of the following options :

- write-off of 67% of the stock of debt under eligible loans and credits ; the remaining part to be consolidated at market interest rates over a period of 23 years ;

- or consolidation at concessional interest rates, so as to reduce by 67% in net present value the payments due on eligible loans and credits, with a repayment period of 33 years.

The stock of concessional debt (ODA) will be rescheduled over 40 years with a 16 year grace period.

4. The representatives of the Creditor Countries also agreed to include in the reorganization of Bolivia's debt a voluntary debt swap facility up to 10% of the stock of debt of each participating Creditor Country.

5. The agreement implements the "Naples Terms" agreed in December 1994 for the treatment of the poorest and most indebted countries.

One of the features of the Naples Terms is to allow the Creditor Countries to accord such definitive treatment of the debt due by the poorest and most indebted countries, which can thus "exit" from debt rescheduling process.

6. Representatives of the Participating Creditor Countries welcomed the determination expressed by the Republic of Bolivia to implement a comprehensive and rigorous economic program which should strengthen its ability to access capital markets.

7. The representatives of the Republic of Bolivia expressed their warmest thanks to the creditor countries for this comprehensive agreement which fully meets their expectations.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of Creditor Governments mainly from major industrialized countries (i.e. OECD). It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which participated in the Reduction and Reorganization were representatives of the Governments of Austria, Belgium, Denmark, France, Germany, Japan, the Netherlands, the United Kingdom and the United States of America.

3. Observers at the meeting were representatives of the Governments of Brazil, Italy, Norway and Spain as well as the International Monetary Fund, the International Bank for Reconstruction and Development, the Interamerican Development Bank, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development.

4. The delegation of the Republic of Bolivia headed by Mr. Fernando CANDIA, Minister of Finance, expressed its thanks to the members of the Paris Club for their efforts in assisting them in addressing their external debt problem.

5. The meeting was chaired by Mr Francis MAYER, Assistant Secretary for International Affairs at the Treasury at the Ministry of Economy, Co President of the Paris Club.

6. The arrangement concluded by Bolivia with the International Monetary Fund was approved by the Fund's Executive Board on December 19, 1994 ; the three year arrangement under the Enhanced Structural Adjustment Facility covers a period through 1997.

7. The "Naples Terms" were agreed by the Paris Club creditor countries in December 1994. They set the framework for the negotiation of agreements on the reorganization of the debts due by the poorest and most indebted countries in the world.

Since January 1995 twelve agreements have been negotiated ; 3.8 billion of dollars of debts have been reorganized.

The Naples Terms provide in particular for definitive treatments of the debt due by debtor countries with the potential to reach financial viability as a result of their adjustment process.

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Record Removal Notice



File Title Paris Club - 95-09 (Dec. 12-14, 1995 meeting)		Barcode No. 1338030		
Document Date 13 December, 1995	Document Type Report			
Correspondents / Participants				
Subject / Title Summaries of Paris Club Discussions				
Exception(s) Information Provided by Member Countries or Third Parties in Confidence				
Additional Comments		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td>Withdrawn by Tonya Ceesay</td> <td>Date 4/20/2016</td> </tr> </table>	Withdrawn by Tonya Ceesay	Date 4/20/2016
Withdrawn by Tonya Ceesay	Date 4/20/2016			

**AGREED MINUTE
ON THE CONSOLIDATION OF THE DEBT
OF THE REPUBLIC OF GABON**

I- PREAMBLE

1. The representatives of the Governments of Belgium, Brazil, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland, the United Kingdom and the United States of America, hereinafter referred to as "Participating Creditor Countries", met in Paris on December 12, 1995 with representatives of the Government of the Republic of Gabon in order to examine the request to alleviate the Republic of Gabon's external debt service obligations. Observers of the Governments of South Africa, the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development also attended the meeting.

2. The Delegation of the Republic of Gabon described the serious economic and financial difficulties faced by its country and its strong determination to reduce the economic and financial imbalances and to attain the targets of the program supported by an extended arrangement with the International Monetary Fund.

3. The representatives of the International Monetary Fund described the Republic of Gabon's economic situation and the major elements of the adjustment program adopted by the Gabonese Government and supported by the extended arrangement with the International Monetary Fund approved by the Executive Board of the International Monetary Fund on November 8, 1995. This extended arrangement, covering the period ending on November 7, 1998, involves specific commitments in both the economic and financial fields.

4. The representatives of the Governments of the Participating Creditor Countries noted the measures of adjustment in the economic and financial program undertaken by the Government of the Republic of Gabon and they stressed the importance they attach to the continued and full implementation of this program.

II- RECOMMENDATIONS ON TERMS OF THE REORGANIZATION

In view of the serious payment difficulties faced by the Republic of Gabon, the representatives of the Participating Creditor Countries agreed to recommend to their Governments or their appropriate institutions that they provide, through rescheduling or refinancing, debt relief for the Republic of Gabon on the following terms :

1. Debts concerned

The debts to which this reorganization will apply are the following :

a) loans from Governments or appropriate institutions of the Participating Creditor Countries, having an original maturity of more than one year, and which were extended to the Government of the Republic of Gabon, or covered by its guarantee, concluded before July 1, 1986 ;

b) commercial credits guaranteed or insured by the Governments of the Participating Creditor Countries or their appropriate institutions, having an original maturity of more than one year, and which were extended to the Government of the Republic of Gabon or covered by its guarantee, pursuant to a contract or other financial arrangement concluded before July 1, 1986 ;

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c) repayments of principal and interest due as a result of the consolidation agreements concluded according to the Agreed Minutes dated January 21, 1987, March 21, 1988 and September 19, 1989.

It is understood that debt service due as a result of debts described above in the present Agreed Minute and effected through special payment mechanisms or other external accounts is included in the present reorganization. Participating Creditor Countries will reschedule, refinance, or take other appropriate measures to ensure that this category of debt is treated in a manner comparable to other debt subject to this Agreed Minute.

It is understood that debt service due as a result of consolidation agreements concluded or to be concluded according to the Agreed Minute dated April 15, 1994 is not affected by the present reorganization.

2. Terms of the consolidation

The debt relief will apply as follows :

a) 100% of the amounts of principal and interest (including late interest) due as at November 30, 1995 inclusive and not paid on loans and credits mentioned in paragraphs 1.a), 1.b) and 1.c) above will be rescheduled or refinanced ;

Repayment by the Government of the Republic of Gabon of the corresponding sums will be made as follows :

- 2.64% on December 1, 1999 ;	- 2.83% on June 1, 2000 ;
- 3.03% on December 1, 2000 ;	- 3.24% on June 1, 2001 ;
- 3.46% on December 1, 2001 ;	- 3.68% on June 1, 2002 ;
- 3.92% on December 1, 2002 ;	- 4.16% on June 1, 2003 ;
- 4.42% on December 1, 2003 ;	- 4.68% on June 1, 2004 ;
- 4.96% on December 1, 2004 ;	- 5.25% on June 1, 2005 ;
- 5.54% on December 1, 2005 ;	- 5.85% on June 1, 2006 ;
- 6.17% on December 1, 2006 ;	- 6.51% on June 1, 2007 ;
- 6.85% on December 1, 2007 ;	- 7.22% on June 1, 2008 ;
- 7.61% on December 1, 2008 ;	- 7.98% on June 1, 2009.

b) 100% of the amounts of principal and interest (excluding late interest) due from December 1, 1995 up to November 30, 1998 inclusive and not paid on loans and credits mentioned in paragraphs 1.a), 1.b) and 1.c) above will be rescheduled or refinanced ;

Repayment by the Government of the Republic of Gabon of the corresponding sums will be made as follows :

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- 1.91% on December 1, 1999 ;	- 2.02% on June 1, 2000 ;
- 2.14% on December 1, 2000 ;	- 2.26% on June 1, 2001 ;
- 2.39% on December 1, 2001 ;	- 2.52% on June 1, 2002 ;
- 2.66% on December 1, 2002 ;	- 2.80% on June 1, 2003 ;
- 2.94% on December 1, 2003 ;	- 3.10% on June 1, 2004 ;
- 3.25% on December 1, 2004 ;	- 3.42% on June 1, 2005 ;
- 3.58% on December 1, 2005 ;	- 3.76% on June 1, 2006 ;
- 3.94% on December 1, 2006 ;	- 4.13% on June 1, 2007 ;
- 4.32% on December 1, 2007 ;	- 4.52% on June 1, 2008 ;
- 4.73% on December 1, 2008 ;	- 4.95% on June 1, 2009 ;
- 5.17% on December 1, 2009 ;	- 5.40% on June 1, 2010 ;
- 5.64% on December 1, 2010 ;	- 5.89% on June 1, 2011 ;
- 6.14% on December 1, 2011 ;	- 6.42% on June 1, 2012.

c) Late interest charges are those interest charges accruing between the contractual payment date of principal and interest due and not paid, and a date to be fixed in the bilateral agreements concluded for the implementation of the present Agreed Minute.

3. Rate of interest

The rates and the conditions of interest on the financial arrangements covered by this Agreed Minute will be determined bilaterally between the Government of the Republic of Gabon and the Government or appropriate institutions of each Participating Creditor Country on the basis of the appropriate market rate.

III- GENERAL RECOMMENDATIONS

1. In order to secure comparable treatment of public and private external creditors on their debts, the Government of the Republic of Gabon commits itself to seek from its external creditors, rescheduling or refinancing arrangements on terms comparable to those set forth in this Agreed Minute for credits of comparable maturity, making sure to avoid inequality between different categories of creditors.

2. The Government of the Republic of Gabon will seek to secure from each of the creditor countries not participating in this Agreed Minute rescheduling or refinancing arrangements on terms comparable to those set forth in this Agreed Minute. The Government of the Republic of Gabon agrees not to accord any such creditor country repayment terms more favourable than those accorded to the Participating Creditor Countries.

3. The Government of the Republic of Gabon agrees that it will promptly negotiate rescheduling or refinancing arrangements with all other creditors on debts of a comparable term.

The Government of the Republic of Gabon will inform in writing the Chairman of the Paris Club not later than June 1, 1996 of the progress made for this purpose in negotiations with other creditors.

4. The provisions set forth in this Agreed Minute do not apply to creditor countries with principal and interest falling due during the reorganization period on debts specified in Article II paragraph 2., including arrears, of less than SDR 500,000. The payments owed to these countries should be made on the original due dates. Payments already due and not paid should be made as soon as possible and, in any case, not later than March 31, 1996.

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5. Each of the Participating Creditor Countries agrees to make available, upon the request of another Participating Creditor Country, a copy of its bilateral agreement with the Government of the Republic of Gabon which implements this Agreed Minute. The Government of the Republic of Gabon acknowledges this arrangement.

6. Each of the Participating Creditor Countries agrees to inform the Chairman of the Paris Club of the date of the signature of its bilateral agreement, of the interest rates and of the amounts of debts involved. The Government of the Republic of Gabon acknowledges this arrangement.

7. The Government of the Republic of Gabon will inform the Chairman of the Paris Club of the content of its bilateral agreements with creditors mentioned in paragraphs 1., 2. and 3. above.

8. The Government of the Republic of Gabon undertakes to pay all debt service due and not paid as at the date of the present Agreed Minute, on loans, on credits or pursuant to contracts or other financial arrangements payable on cash terms, extended or guaranteed by the Governments of the Participating Creditor Countries or their appropriate institutions, and not covered by the present Agreed Minute as soon as possible and, in any case, not later than March 31, 1996. Late interest will be charged on those amounts. All other amounts will be paid on due dates.

IV- IMPLEMENTATION

The detailed arrangements for the rescheduling or refinancing of the debts will be accomplished by bilateral agreements to be concluded by the Government or the appropriate institutions of each Participating Creditor Country with the Government of the Republic of Gabon on the basis of the following principles :

1. The Government or the appropriate institutions of each Participating Creditor Country will either :

- refinance debts by placing new funds at the disposal of the Government of the Republic of Gabon according to existing payment schedules during the reorganization period and for the above mentioned percentage of payment. These funds will be repaid by the Government of the Republic of Gabon according to schedules mentioned above in Article II.2. ;

- or reschedule the corresponding payments.

2. All other matters involving the rescheduling or the refinancing of the debts will be set forth in the bilateral agreements which the Government of the Republic of Gabon and the Governments or the appropriate institutions of the Participating Creditor Countries will seek to conclude with the least delay and in any case before June 1, 1996.

3. a) The provisions of the present Agreed Minute will continue to apply until December 31, 1996 inclusive provided that the Government of the Republic of Gabon continues to have an appropriate arrangement with the International Monetary Fund ;

b) the provisions of the present Agreed Minute will also continue to apply from January 1, 1997 up to December 31, 1997 provided that the Executive Board of the International Monetary Fund has completed before December 31, 1996 the review for the second year of the extended arrangement with the Government of the Republic of Gabon and provided that the Government of the Republic of Gabon has made on due date all payments to the Participating Creditor Countries referred to in the present Agreed Minute ;

Handwritten signatures and initials at the bottom of the page, including a circled '3' and various initials like 'ALB', 'RUB', 'KZ', 'M', 'J', 'G'.

c) the provisions of the present Agreed Minute will also continue to apply from January 1, 1998 up to November 30, 1998 provided that the Executive Board of the International Monetary Fund has completed before December 31, 1997 the review for the third year of the extended arrangement with the Government of the Republic of Gabon and provided that the Government of the Republic of Gabon has made on due date all payments to the Participating Creditor Countries referred to in the present Agreed Minute ;

d) for this purpose, the Government of the Republic of Gabon agrees that the International Monetary Fund will inform the Chairman of the Paris Club regarding the status of the Government of the Republic of Gabon's relations with the International Monetary Fund.

4. To facilitate the implementation of the present Agreed Minute, the Government of the Republic of Gabon will deposit in the special account established with the Banque de France, the equivalent of at least ECU's 4,7 million at the end of each month, commencing April 1996 through November 1998 inclusive. The Government of the Republic of Gabon undertakes to have this Bank notify the Chairman of the Paris Club as soon as each deposit has been made. The total amount approximates the amounts estimated to be payable to all Participating Creditor Countries from December 1, 1995 up to November 30, 1998 inclusive under the terms of the bilateral agreements to be concluded pursuant to the present Agreed Minute. As specific payments under these agreements become due, the Government of the Republic of Gabon will draw on the special account to meet these payments ; no drawing will be made on the special account for any other use before all payments due from December 1, 1995 up to November 30, 1998 inclusive under these agreements have been made. Any drawing on this account will be made after a previous 15-day notice to the above Bank, which this Bank will notify immediately to the Chairman of the Paris Club. This scheme could be continued by agreement between the parties.

5. The provisions of Article II of the present Agreed Minute will come into force on December 31, 1995 provided that the Government of the Republic of Gabon has made :

- (i) all payments of interest due and not made on consolidated amounts according to the consolidation agreements concluded or to be concluded pursuant to the Agreed Minute dated April 15, 1994 and,

- (ii) all payments due and not made as a result of debt service on credits and loans extended or guaranteed by the Governments of the Participating Creditor Countries or their appropriate institutions, having an original maturity of more than one year pursuant to a contract or other financial arrangement concluded after July 1, 1986.

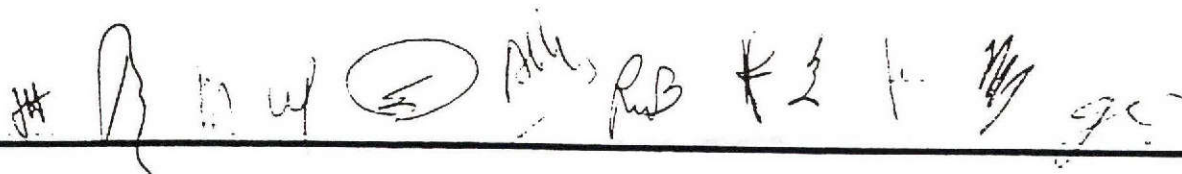
6. The representatives of the Governments of each of the Participating Creditor Countries and of the Government of the Republic of Gabon agreed to recommend to their respective Governments or appropriate institutions that they initiate bilateral negotiations at the earliest opportunity and conduct them on the basis of the principles set forth herein.

Done in Paris, on December 12, 1995
in two versions, English and French,
both texts equally authentic,

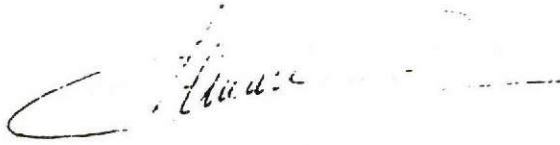
The Chairman
of the Paris Club



The Head of the Delegation
of the Republic of Gabon

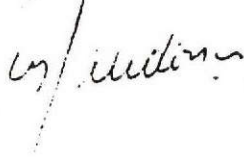
Delegation of Belgium



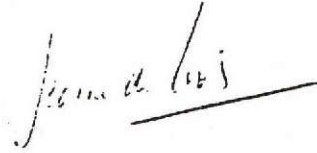
Delegation of Japan



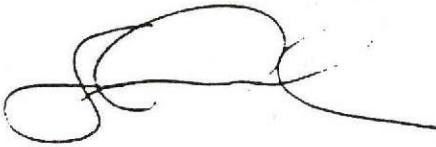
Delegation of Brazil



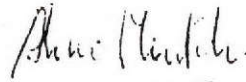
Delegation of the Netherlands



Delegation of Canada



Delegation of Spain



Delegation of France



Delegation of Switzerland



Delegation of Germany



Delegation of the United Kingdom



Delegation of Italy



Delegation of the United States
of America



PARIS CLUB

PRESS RELEASE

**THE PARIS CLUB AGREES A DEBT RESTRUCTURING
FOR THE REPUBLIC OF GABON**

1. The Paris Club met on December 12, 1995 with representatives of the Republic of Gabon. The representatives of the Creditor Countries agreed to recommend to their Governments a reorganization of the maturities falling due during the period covered by Gabon's arrangement with the International Monetary Fund.

2. Representatives of the Creditor Countries welcomed the efforts at economic recovery undertaken by the Government of the Republic of Gabon. They noted with great satisfaction the adoption by the Government of the Republic of Gabon of an economic and financial program supported by the three year extended arrangement with the International Monetary Fund approved by the Executive Board of the Fund on November 8, 1995. The program is aimed at achieving external financial viability by end 1998.

In this context, they thought it relevant to make a positive contribution to the improvement of the Republic of Gabon's external payments prospects in order to support this process of economic growth.

3. It is in this spirit that the representatives of the Creditor Countries agreed to recommend to their respective Governments a major reorganization of the external debt of the Republic of Gabon resulting from loans and guaranteed credits extended by Creditor Countries to the Republic of Gabon during the period of the program with the IMF.

Repayment of these debts will be made on a graduated schedule by the Government of the Republic of Gabon over a 15 years period.

4. The delegation of the Republic of Gabon expressed its warm thanks to the Participating Creditor Countries of the Paris Club for their efforts in assisting the Republic of Gabon to achieve a sound economic and financial situation.

Background notes

1. The Paris Club was formed in 1956. It is an informal group of Creditor Governments mainly from major industrialized countries (i.e. OECD). It meets on a monthly basis in Paris with debtor countries in order to agree with them on restructuring their debts.

2. The members of the Paris Club which participated in the Reorganization were representatives of the Governments Belgium, Brazil, Canada, France, Germany, Italy, Japan, the Netherlands, Spain, Switzerland, the United Kingdom and the United States of America.

3. Observers at the meeting were representatives of the Governments of South Africa, the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the UNCTAD and the Organization for Economic Cooperation and Development.

4. The delegation of the Republic of Gabon was headed by Mr. Marcel DOUPAMBY MATOKA, Minister of Finance, Economy, Budget and Participations.

5. The meeting was chaired by Mr. Bertrand de MAZIERES, Deputy Assistant Secretary at the Treasury of the Ministry of Economy and Finance, Vice President of the Paris Club.

Contact :
Jérôme HAAS
Secretary General of the Paris Club
Tel. : 33.1 44.87.73.61
Fax : 33.1 40.04.16.91

Réunion du Club de Paris
12 Décembre 1995
Gabon

Allocution du représentant de la CNUCED

Les efforts faits par le Gabon dans le cadre de son dernier programme d'ajustement économique, et les résultats satisfaisants qu'il a obtenus, ont été évoqués par les orateurs précédents. Je n'y reviendrai pas.

Je souhaiterais plutôt souligner les contraintes auxquelles le nouveau programme d'ajustement se trouve confronté, et qui justifient à la fois la vigilance des autorités gabonaises et la nécessité pour la communauté internationale d'aider le Gabon à poursuivre ses efforts de redressement. De ces contraintes, j'en retiendrai trois parmi les plus importantes.

D'abord, la contrainte sociale et politique. Le chômage a augmenté sensiblement depuis le milieu des années quatre-vingt; il touche aujourd'hui environ 17% de la population active. Les autres indicateurs sociaux (tels que l'espérance de vie, la mortalité infantile, le taux d'alphabétisation ou encore l'infrastructure médicale) sont aussi mauvais, surtout si l'on considère le niveau de revenu par habitant. Le problème est dans ce contexte de concilier la poursuite de politiques d'austérité et l'amélioration des conditions de vie des plus pauvres. Pour y parvenir, le programme d'ajustement prévoit entre autres la réorientation des dépenses d'investissement vers les secteurs sociaux (tels la santé et l'éducation), et souligne la nécessité d'une plus grande efficacité des dépenses sociales.

Deuxième contrainte, ou faiblesse, majeure: l'extrême dépendance de l'économie à l'exploitation du pétrole. Celle-ci génère environ 60% des recettes budgétaires et presque 80% des exportations. La diversification de la production et des exportations est donc vitale pour le Gabon. L'existence d'un important potentiel de croissance dans le secteur agricole, celui de la pêche, et de l'exploitation du bois, est à cet égard un atout majeur. Les efforts de diversification devraient en outre bénéficier de l'amélioration de la compétitivité gabonaise suite à la dévaluation du franc CFA. Mais, ayant été longtemps négligé, le développement

du secteur non-pétrolier nécessite une reprise de l'investissement et une augmentation des importations; il requiert aussi une réhabilitation des infrastructures économiques. Le processus de diversification prendra donc du temps. Dans l'intervalle, l'économie gabonaise reste très vulnérable aux fluctuations dans le secteur pétrolier, tant au niveau du prix que de la production.

Enfin, la dernière contrainte que je souhaite souligner, et pour laquelle nous pouvons faire quelque chose aujourd'hui, est celle de l'endettement extérieur. Les ratios d'endettement du Gabon sont extrêmement élevés: le ratio du stock de la dette extérieure au PIB est de plus de 80%. Pour le budget aussi, la dette extérieure représente une charge très importante avec un ratio du service de la dette aux recettes budgétaires atteignant en 1995 presque les deux tiers, et se maintenant autour de 50% jusqu'en 1998. Dans le cas du Gabon cet indicateur est certainement plus révélateur de la capacité du pays à payer ses dettes que le ratio plus traditionnel du service de la dette aux exportations. Il y a à cela deux causes: tout d'abord, le Gabon ne possède pas de politique monétaire et de taux de change indépendante; ensuite les recettes de ses exportations pétrolières ne sont pas entièrement disponibles pour les besoins du secteur non pétrolier, en raison, d'une part, des importations liées à l'exploitation pétrolière et, d'autre part, du rapatriement des capitaux et bénéfices par les sociétés étrangères opérant dans ce secteur.

Le poids de la dette extérieure contribue aux déficits de financement élevés auxquels le Gabon se trouvera confronté dans les 2-3 ans à venir; ils sont estimés à 5-6% du PIB pour 1996 et 1997. Le service de la dette due aux créanciers du Club de Paris représente environ les trois quarts du service total de la dette gabonaise, et presque 85% du service de la dette rééchelonnable. Le Club de Paris pourrait contribuer de façon substantielle à la couverture de ces déficits de financement. A cet égard, nous espérons entre autres que le présent rééchelonnement couvrira la dette déjà rééchelonnée: le service de cette dette représente en effet la quasi totalité du service de la dette due au Club de Paris. Nous souhaitons aussi que les conditions de rééchelonnement offertes au Gabon assurent à ce pays un profil de remboursement qui permette un allègement durable de sa charge d'endettement.

GABON

Statement of World Bank Representative

Paris Club Meeting -- December 12, 1995

Gabon is rich in natural resources (oil, manganese, uranium and forests), but its economy is underdeveloped. It has one of the highest per capita incomes in sub-Saharan Africa, yet its social indicators remain comparatively poor. Gabon's economy is characterized by the distortions that affect many resource-rich countries, in which excessive demand for non-tradable goods raises factor costs, impeding diversification into less resource-intensive tradable products.

The oil sector dominates the economy; it accounts for one-third of GDP, close to half of government revenue, 50-60 percent of gross investment, and over three quarters of merchandise exports. The country relied in the past on spending oil revenue on public investment projects with poor rates of return and on a scale that exceeded the absorptive capacity of the economy, which undermined Gabon's competitiveness and exacerbated its dependence on oil. The modern sector is dominated by inefficient public enterprises and the private sector is stifled. The development of agriculture and small and medium enterprises, which ought to provide employment and income opportunities for the bulk of the labor force, has been hindered by a lack of competitiveness.

To address this lack of competitiveness, the government of Gabon has implemented important tax, price, and structural reforms to support the real exchange rate depreciation brought about by the January 1994 devaluation of the CFA Franc. Gabon has taken the lead in regional trade reforms (UDEAC), reducing average customs duties and simplifying the tariff structure to a 4-rate system ranging from 5 to 30 percent. Quantitative restrictions on all imports but sugar have been lifted and replaced with a 3-year surtax to be progressively reduced from 30 percent to 0. On April 1, 1995, Gabon introduced a value-added tax with a single rate of 18 percent. Public utility tariffs were increased in 1994 to ease the devaluation's impact on the financial health of major public enterprises. Public sector wage increases were held to less than 10 percent in 1994, and private sector wage increases averaged about 15 percent. Domestic competition has been strengthened through the liberalization of prices of vegetable oils, soap, bottled water and cement. An employment facilitation service, with representation of government, employers and workers, has been in operation since 1994. With donor assistance, the government is addressing its public financial management weaknesses, including the initiation in April 1995 of a public expenditure review with the World Bank.

The economy is still struggling to improve the competitiveness of its non-oil sector. Following the devaluation non-oil GDP contracted by about 3 percent, with private consumption dropping by 15 percent, and imports falling by about 17 percent. Exports picked up slightly, by roughly 5 percent, but this growth was confined largely to the

primary sector. Government contained its total expenditures to 27.3 percent of GDP in 1994, while gross investment rose from 24.3 percent of GDP in 1993 to 27.2 percent in 1994. Overall employment has declined despite modest increases in public sector employment. Inflation was held in check by wage restraint and accompanying measures to ease the social impact of the reforms. Consumer price inflation averaged 36 percent for 1994. The overall balance of payments deficit narrowed from 10 percent of GDP in 1993 to 4 percent of GDP in 1994.

The government's program for economic growth and poverty alleviation is predicated on the disengagement of the state from direct involvement in productive and commercial activities and its reinforcement in the provision of priority services to the population. To foster an enabling environment for private sector development, several important institutional reforms are envisaged. A privatization law drafted with Bank assistance is expected to be approved by the National Assembly soon. Additionally, the competition law has been completely redrafted with Bank assistance, while business laws are being harmonized at the regional level. The government is currently drafting, with Bank assistance, an investment code that does not introduce additional fiscal distortions. Civil service reform is under discussion. Finally, the labor code is to be revised.

Real GDP is expected to grow at about 3 percent from 1995 to 1998, driven by a recovery of non-oil GDP, a reduction in consumer price inflation to 7 percent by end-1995 and 2 percent by 1998, containment of the overall balance of payments deficit, and a viable fiscal and balance of payments position by end-1998. The primary sources of growth are a preservation of the improvement in structure of relative prices arising from devaluation and tax and trade reforms; restrictive fiscal, income, and credit policies; higher and more effective government spending on social and economic infrastructure; public enterprise reform; and an improved environment for private sector development.

The government has requested the Bank's assistance in its program of economic reforms, which the Bank intends to support strongly with a mixture of policy advice, limited lending, and an increased field presence. The Bank's non-lending activities in Gabon include a poverty assessment and public expenditure review, which are helping the government to address the inefficiency of social sector spending. Additionally, the Bank is undertaking an assessment of the constraints to private sector development; preliminary results highlight the importance of training and access by small and medium enterprises to credit. In addition to ongoing operations to help protect the environment and biodiversity and to provide technical assistance on urban and transportation issues, possible future operations would support the reform of the public enterprise sector, the development of human resources, the strengthening of agriculture research and extension, and the reinforcement of infrastructure and its maintenance. The lending program for FY96-98 is around US\$100 million.

Most of Gabon's external debt is on non-concessional terms. Debt relief will help to reduce external pressures on an economy undergoing a fundamental and difficult adjustment process. It will contribute to an improved environment for private sector development -- the engine chosen by Gabon for its economic growth. It is therefore, in our view, quite appropriate for Gabon to receive the support of the international financial community at this time.

Paris Club Meeting on Gabon

December 12, 1995

Statement by the IMF Staff Representative

On November 8, 1995, the Executive Board of the IMF approved an extended arrangement for Gabon, in an amount equivalent to SDR 110.3 million (100 percent of quota), in support of Gabon's adjustment program for the three-year period beginning in July 1995. After a spotty record of policy implementation during 1986-92, Gabon's performance under the 1994 stand-by arrangement was satisfactory: all performance criteria were met and the program targets were attained. Nonetheless, during the second quarter of 1995, there was a recurrence of extrabudgetary spending, entailing inter alia larger-than-intended repayments of domestic government arrears and a buildup of treasury deposits abroad. This contributed to an accumulation of nonreschedulable external payments arrears and the nonobservance of the monetary benchmarks for end-September 1995 set out in the program that was to be presented to the Board at about that time.

To address these problems, in the last two months the Gabonese authorities have taken a number of measures to strengthen the transparency and effectiveness of government financial management, drawing on the recommendations of a Fund technical assistance mission. They have also used most of the treasury deposits held in bank accounts abroad to clear external payments arrears--and closed these accounts--and transferred the remaining balances to the treasury accounts with the regional central bank.

Furthermore, they delayed requesting the first purchase from the Fund under the extended arrangement until all nonreschedulable arrears to Paris Club

creditors (essentially on moratorium interest) were eliminated. The Gabonese authorities have informed the Fund staff that all nonreschedulable arrears to Paris Club creditors have been settled and, on this basis, Gabon's request for the first purchase under the extended arrangement is now being processed. The authorities have expressed their determination to respect fully the performance criteria and benchmarks under the extended arrangement, so as to re-establish a satisfactory track record and earn the confidence of the international community.

Gabon's medium-term adjustment strategy has been developed in recognition of the heavy dependence of the economy on oil and other exhaustible resources; the limited diversification of exports and therefore an inherently vulnerable external position; the heavy external public debt and debt service burden; the dependence of government receipts on oil revenue and the large share of the civil service wage bill in total government outlays; the weight of an extensive and onerous public sector; and the weakness of the non-oil private sector, despite sizable domestic savings. Accordingly, Gabon's medium-term adjustment program aims at accelerating output and employment growth through a diversification of the economy and the establishment of a more liberal regulatory framework to encourage non-oil private sector activities. The main macroeconomic objectives for 1995-98 comprise a pickup in real GDP growth to about 3 percent a year, through a recovery in non-oil GDP; a reduction in consumer price inflation to 7 percent by end-1995 and 2 percent by end-1998; the containment of the overall balance of payments deficit; and the attainment

of a viable fiscal and balance of payments position by end-1998, without any further recourse to exceptional financing or rescheduling.

To achieve these objectives, Gabon's program emphasizes the preservation of the improvement in the structure of relative prices brought about by the devaluation of the CFA franc and extensive tax and trade reforms, through restrictive fiscal, income, and credit policies; further increases in the primary budget surplus from 5.4 percent of GDP in 1994 (and 1.3 percent in 1993) to 9.5 percent by 1998, so as to lower the total public debt from 120 percent of GDP in 1994 to less than 90 percent in 1998; higher and more effective government spending on economic and social infrastructure; the restructuring or privatization of public enterprises, with a front-loaded program of reforms in key public utilities; and the acceleration of other structural and institutional reforms. The main policy priorities of the program are to strengthen the transparency and effectiveness of government financial management, boost government revenue from the non-oil sector, and effectively implement public enterprise reforms.

The staffs of the Fund and the World Bank have intensified their monitoring of economic developments in Gabon, as well as the provision of technical assistance in the areas of tax and public enterprise reforms. In this context, a World Bank mission visited Libreville in early November and a Fund mission in early December. Information provided by the authorities indicates that fiscal performance so far in the second half of 1995 and the outlook for the year as a whole are broadly consistent with program objectives.

Progress is also being made in the implementation of structural reforms, particularly in the area of government financial management, where all the targets for end-December 1995 are expected to be met. The Gabonese authorities understand that full implementation of the reforms in this area will be indispensable for the completion of the first review under the extended arrangement; a Fund mission will visit Gabon in February 1996 to carry out this review. Nonetheless, delays have been recorded in the launching of the tenders for the privatization of the management of the electricity and water company (SEEG) and of the railroad company (OCTRA), which constitutes a structural performance criterion for end-December 1995 under the program. With World Bank assistance, invitations have been sent out to interested parties for the selection before year-end of foreign investment banks that will prepare the prospectus and handle on behalf of the authorities the launching of the tenders in a transparent and competitive fashion.

Notwithstanding the strong adjustment measures already taken or planned for the period ahead, and given the limited commitments for external nonproject assistance, Gabon's balance of payments outlook would still give rise to sizable, but declining, residual financing gaps for the period 1995-98, after taking account of the likely purchases from the Fund. These gaps are now estimated to amount to CFAF 162 billion (6.9 percent of GDP) in 1995, CFAF 150 billion (6.0 percent of GDP) in 1996, CFAF 122 billion in 1997 (4.7 percent of GDP), and CFAF 65 billion (2.4 percent of GDP) in 1998. It should be stressed that Gabon's balance of payments position will remain vulnerable to developments in world oil prices and the volume of oil

production. In addition, the external outlook depends heavily on the strength of the supply response of non-oil exports to the new policy environment and on the stance of financial policies.

In conclusion, the Fund staff believes that, however regrettable, the fiscal slippages during the second half of 1995 should not be allowed to cloud the encouraging underlying economic performance since early 1994 and the strength of Gabon's medium-term adjustment program. In view of the recent measures taken by the Gabonese authorities to reinforce the management of public resources and the transparency of budgetary procedures, which are being effectively implemented, the Fund staff considers that Gabon's adjustment efforts deserve the support of the international community.

Réunion du Club de Paris sur le Gabon

Discours de Monsieur M. Doupamby-Matoka, Ministre des Finances, de l'Economie du Budget et des Participations de la République Gabonaise

Monsieur le Président,
Mesdames et Messieurs,

Au nom du Gouvernement de la République Gabonaise, j'ai la lourde responsabilité de soumettre à votre examen une demande de rééchelonnement de la dette publique extérieure de notre pays. Avant de vous présenter notre requête de rééchelonnement, permettez-moi de vous donner quelques indications sur l'évolution de la situation du Gabon depuis la réunion du Club de Paris du mois d'avril 1994.

Nous avons mis en oeuvre avec la plus grande rigueur les décisions prises dans le cadre du programme d'ajustement à moyen terme initié au début de l'année 1994 après la dévaluation du franc CFA. Nos efforts ont été couronnés de succès puisque les critères du programme soutenu par un accord "stand-by" d'un an avec le Fonds Monétaire International (FMI) ont tous été respectés et tous les tirages effectués à bonne date. Ce programme a été caractérisé par une croissance de la masse salariale dans la fonction publique limitée à 10%, une baisse de l'inflation qui a atteint 12% sur les douze derniers mois se terminant en mai 1995, une réduction du déficit global des finances publiques et un renforcement du solde courant extérieur de la balance des paiements.

L'ajustement réalisé durant ce programme de douze mois nous a permis de poser les bases d'un programme à plus long terme visant à s'attaquer aux principales contraintes qui entravent l'économie Gabonaise. Cette dernière, comme vous le savez, est encore excessivement dépendante de l'exploitation du pétrole et, dans une moindre mesure, du bois, du manganèse et de l'uranium. En outre, le service de la dette extérieure publique reste très élevé. Sur les 650 milliards de franc CFA de recettes budgétaires estimées pour 1995, environ 60% (380 milliards de franc CFA) devraient être consacrés, avant rééchelonnement, au service de la dette extérieure.

Afin de poursuivre les progrès accomplis en 1994 et de réduire la dépendance de notre économie, nous avons établi un nouveau programme d'ajustement couvrant la période juillet 1995 - juin 1998 pour lequel nous avons sollicité l'assistance du Fonds Monétaire International sous la forme d'une facilité élargie. Ce programme a reçu l'approbation du Conseil d'Administration du Fonds le 8 novembre dernier.

Les grands axes de notre politique économique et budgétaire sont les suivants:

premièrement, l'assainissement des finances publiques grâce à une réforme de la gestion budgétaire et à la réduction des arriérés intérieurs et l'accroissement du surplus primaire du budget grâce à une augmentation des recettes non pétrolières résultant de l'introduction d'une TVA à taux unique (18%) et au contrôle de la masse salariale;

deuxièmement, la restructuration et la privatisation des entreprises publiques. Cinq grandes sociétés gabonaises seront concernées dans les mois qui viennent: la Société d'Energie et d'Eau du Gabon (SEEG) et l'office du Chemin de Fer Transgabonais (OCTRA) pour lesquels des contrats de gestion à moyen ou long terme seront offerts, l'Office des Postes et Télécommunications (OPT) dont les gestions seront séparées en deux (Télécommunications Internationales du Gabon et les Postes) avant d'être privatisées, Air Gabon pour laquelle un plan de restructuration/privatisation est en cours et la Société Gabonaise de Raffinage (SOGARA) dans la gestion de laquelle le Gouvernement n'interviendra plus d'ici le début de 1996. Par ailleurs, nous adopterons d'ici la fin de l'année un plan d'action pour la vente des participations de l'Etat dans les entreprises dans lesquelles le Gabon détient moins de 10% du capital, nous élaborerons en 1996 un plan de privatisation des entreprises des secteurs commercial et agricole et nous supprimerons d'ici la fin de l'année 1997 les subventions aux entreprises du secteur public;

troisièmement, la réduction du taux d'inflation avec comme objectif de le maintenir largement en dessous de celui de la croissance de l'économie. Ce taux d'inflation devra être d'ici la fin du programme au même niveau que celui de la France;

quatrièmement, la libéralisation de l'économie, outre l'impact des privatisations, grâce à une réforme du Code du Travail et du Code des Investissements et à l'adoption d'une Loi sur la Concurrence et la diversification de l'économie en maximisant les gains de compétitivité consécutifs à la dévaluation du franc CFA dans des secteurs tels que l'agriculture, l'élevage, la pêche et les services. Nous visons un taux réel de croissance annuelle de 3%, ce qui implique un taux de croissance du secteur non pétrolier de 5% par an.

Cette politique économique et budgétaire est caractérisée par un certain nombre de mesures, dont certaines constituent des critères de réalisation du programme. A ce jour, nous avons mis en oeuvre l'ensemble des mesures permettant l'assainissement des finances publiques et la réforme de la gestion budgétaire. En ce qui concerne les privatisations, nous avons procédé aux appels d'offre en vue de la sélection des conseillers financiers. Ceci permettra de définir de manière transparente et objective les termes des offres de privatisation pour la SEEG et de l'OCTRA. Nous sommes conscients d'avoir pris un peu de retard sur ce dossier mais nous voulons nous assurer de la réussite de cette opération et redoublons d'efforts pour minimiser l'impact de ce retard sur le calendrier.

Cependant, les objectifs que nous nous sommes fixés ne pourront être réalisés sans votre concours et le succès de ce programme sur trois ans passe par le soutien de la communauté financière internationale. En effet, la dévaluation du franc CFA a aussi entraîné un doublement de l'encours et donc du service de la dette extérieure. Le service contractuel de la dette extérieure sur la période 1995-1998 avant rééchelonnement est estimé à environ 1.520 milliards de francs CFA (soit à peu près 3 milliards de dollars US), ce qui représente plus de 53% des recettes budgétaires totales sur la même période. Le programme ambitieux que nous avons mis en place conjugué au service de la dette encore très lourd engendre malheureusement un besoin de financement important mais dégressif sur la période du programme. Au total, entre 1995 et 1998, ce besoin est estimé à environ 500 milliards de francs CFA.

Etant donné les contraintes et limitations qui s'imposent tant en ce qui concerne l'appel aux bailleurs de fonds multilatéraux ou bilatéraux que le recours aux marchés financiers, ce besoin de financement ne pourra être couvert que par un allègement significatif de notre dette extérieure.

Avant de vous exposer les termes du rééchelonnement que nous souhaitons obtenir, je voudrais aborder avec vous le problème des arriérés sur notre dette extérieure. Comme vous le savez sans doute, nous avons récemment dû faire face à de fortes tensions de trésorerie résultant de la combinaison de remboursements plus importants que prévus au titre de la dette intérieure et d'un retard dans les décaissements sur les concours extérieurs. Ceci a été compensé par des retards temporaires de paiements.

Conscients des difficultés qu'une telle situation engendrait, nous avons établi en collaboration avec le FMI un plan de remboursement de ces arriérés en trois phases: un paiement en octobre, un début novembre et le dernier avant le Club de Paris. Nous avons effectué ces paiements et sommes donc à jour avec nos créanciers extérieurs.

Je suis pleinement conscient du fait que la non-accumulation d'arriérés de paiement vis-à-vis de nos créanciers constitue un des critères de performance clés de notre programme avec le FMI. J'ai donc donné des instructions pour que le Comité de Suivi du Programme y porte la plus grande attention et que les échéances de dette, en principal et en intérêts, soient honorées à temps.

Nous demandons donc le rééchelonnement de notre dette extérieure selon les termes suivants:

Premièrement l'étendue de la consolidation:

Le Gabon souhaite obtenir le rééchelonnement de 100% des montants suivants:

- échéances de principal et d'intérêts tombant au cours de la période allant du 1^{er} avril 1995 au 8 novembre 1998 en ce qui concerne les prêts gouvernementaux et les crédits commerciaux assurés accordés avant la date butoir au Gouvernement de la République gabonaise ou bénéficiant de sa garantie;
- échéances de principal et d'intérêts dues au titre des trois premiers Clubs de Paris, c'est-à-dire ceux de 1987, 1988 et 1989, tombant au cours de la même période.

Deuxièmement la date butoir:

Il va s'en dire que le Gabon accepte sans réserve la date du 1^{er} juillet 1986 comme date butoir arrêtée lors des derniers Clubs de Paris. Nous sommes parfaitement conscients de l'importance qu'y attachent les créanciers.

Troisièmement, les remboursements:

Nous souhaitons que les montants consolidés en principal et en intérêts soient remboursés en 26 versements semestriels commençant cinq années après la date de consolidation selon la technique des paiements mixtes.

Enfin quatrièmement:

Dans le cadre de l'important programme de privatisation que nous mettons en place et dont je vous ai donné les grandes lignes, nous souhaitons pouvoir bénéficier d'une option de conversion de dette en actions de sociétés privatisables.

Si vous acceptez ces termes, et compte tenu des financements multilatéraux et bilatéraux prévus, le besoin de financement sera comblé sur la période du programme. Je vous rappelle par ailleurs que, sur cette même période, le Gabon s'engage à rembourser un peu plus de 1.000 milliards de francs CFA (à peu près 2 milliards de dollars US) sur la dette extérieure publique. J'ajouterai en outre que ce programme vise à réduire le ratio du stock de la dette publique au PIB en le ramenant de 120% en 1995 à 87% en 1998. Ceci témoigne de notre détermination à la reprise en main de notre destin.

Je conclurai en disant qu'un des objectifs majeurs des autorités gabonaises est de rétablir des relations normales avec ses créanciers, c'est-à-dire, dans la mesure où les contraintes extérieures (prix du pétrole et le taux de change dollar/CFA) le permettent, de n'avoir plus recours à des moyens de financements exceptionnels, tel que le rééchelonnement, au terme de ce programme.

Le Gabon a aujourd'hui l'opportunité de relancer son économie, de viabiliser sa situation avec l'extérieur et donc de renforcer sa crédibilité grâce à un programme ambitieux d'ajustements. Le succès de ce programme dépend néanmoins de votre assistance et c'est pourquoi je souhaite vivement que le Club de Paris accepte notre requête dont les termes ont été mûrement pesés avec les services du Fonds Monétaire International.

Je vous remercie

eg/rml/eg

EVOLUTION DES NÉGOCIATIONS HISPANO-GUATÉMALTÈQUES.
DÉMARCHES FAITES POUR ARRIVER À UN ACCORD DE
RÉECHELONNEMENT

- I. PRÉSENTATION.
- II. CARACTÉRISTIQUES DE L' OPÉRATION COMMERCIALE.
- III. ORIGINE DU PROBLÈME ET EVOLUTION CHRONOLOGIQUE DES NÉGOCIATIONS BILATÉRALES DEPUIS OCTOBRE 1993.

ANNEXE: Législation guatémaltèque:
"Ley Orgánica de la Corporación Financiera Nacional".
Decretos 46-72 y 32-76.

I. PRÉSENTATION

Depuis la signature, le 25 mars 1993, du Procès Verbal Agrée avec le Guatemala, se sont écoulés presque trois ans de négociations bilatérales intermittentes pour essayer d'atteindre un accord de rééchelonnement de sa dette. Ces trois années se sont caractérisées par les modifications des positions et des conditions discutées: tous les changements qui ont surgis jour après jour, rendent très difficile la distinction des moments clefs des négociations menées. Cependant, deux caractéristiques peuvent être établies:

- L'absence d'un interlocuteur guatémaltèque unique légitimé, a affecté non seulement l'approche donnée aux négociations (des négociations techniques se transformaient en négociations politiques et vice-versa) mais aussi les possibles solutions considérées (une démarche qui était valable un mois n'était plus du tout acceptable deux mois après).
- La direction erratique des négociations menées. Cette considération qui est liée à l'inexistence d'un interlocuteur unique et au manque de clareté du point de vue présenté par le Guatemala, a provoqué une réponse apparemment ambiguë de la part de l'Espagne qui, voulant faire preuve de bonne volonté et de flexibilité, a fait confiance au moindre signe positif exprimé par le Gouvernement guatémaltèque.

Les documents présentés ci-après permettront de mieux comprendre les va-et-vient auxquels ont été soumis les négociations hispano-guatémaltèques et reflètent d'une certaine façon, la frustration du pays créancier para le manque de progrès durant ces trois dernières années.

II. CARACTÉRISTIQUES DE L' OPERATION COMMERCIALE

II.1 CARACTÉRISTIQUES DE L' OPÉRATION COMMERCIALE

- Objet: Fourniture et construction "clé en main" d' une scierie et d' une usine de pâte à papier et de cellulose.
- Fournisseur: TECPAPEL, entreprise du groupe des papeteries M.I.T. (Manuel Isidro Tejedor).
- Acheteur: CELGUSA (participée d' un 53,5% de la Corporation Financière Nationale (CORFINA), et un 46,5% du groupe M.I.T.).
- Financement: crédit acheteur octroyé par la Banque Extérieure d' Espagne (BEX) à CORFINA.
- Date de la signature de l' accord du crédit: 6 juin 1980.
- Compagnie d' assurance du crédit: C.E.S.C.E.
- Propriétaire actuel de l' usine: CORFINA.

Montant de la dette Mai 1995

Principal	188.680.000,00 dollars USA
Intérêts courants	99.178.298,27 dollars USA
Intérêts de retard	295.100.378,41 dollars USA
TOTAL	582.258.676,68 dollars USA

II.2 PROCÈS VERBAL AGRÉE DU 25 MARS 1993

Le 25 mars 1993 le Guatemala a rééchelonné au Club de Paris les arriérés de sa dette pre cut-off-date au 31 mars 1993.

Une clause d'annulation fut introduite au Procès Verbal Agrée a fin de déclarer nul de plein droit l' Accord Multilatéral et les Accords bilatéraux au cas où le Guatemala n' eusse pas résolu les problèmes bilatéraux avec ses créanciers officiels avant le 31-XII-93 (art. IV.3).

Dans des "side letters" la Présidence du Club de Paris et les créanciers acceptent la possibilité d' offrir des conditions du rééchelonnement plus concessionnelles lors des négociations bilatérales.

III. ORIGINE DU PROBLÈME ET EVOLUTION CHRONOLOGIQUE DES NÉGOCIATIONS BILATERALES DEPUIS OCTOBRE 1993.

III.1 ORIGINE DU PROBLÈME

- Position espagnole: la dette de CORFINA a la garantie du Gouvernement de la République du Guatemala.

La Loi Organique du 17 août 1972 (Décrets 46-72 et 32-76) qui régit la création et activité de CORFINA et qui a été approuvée par le Congrès guatémaltèque établit clairement que CORFINA est une agence financière du Gouvernement du Guatemala, dirigée à promouvoir des programmes gouvernementaux de développement commercial et industriel.

D'autre part, CORFINA est contrôlée par le Gouvernement en ce qui concerne son administration, du fait que les membres de son Conseil de Direction sont nommés par le Gouvernement guatémaltèque. Selon la Loi mentionnée, les membres de la Direction de CORFINA doivent être les principaux ministres du Gouvernement du Guatemala et le Gouverneur de la Banque Centrale. Le Directeur Exécutif étant le Ministre de l'Économie du Guatemala (Titre II, article 10, paragraphes 1, 2, 3, 4 et 5 et article 15).

D'autre part, plusieurs lettres envoyées, lors de l'octroi du crédit, aux autorités espagnoles par le Ministère de l'Économie guatémaltèque explicitent le caractère gouvernemental de CORFINA et le fait que ses opérations ont la garantie illimitée de l'État (ANNEXE).

Cependant, les Gouvernements postérieures n'ont pas accepté les garanties données par le Ministre de l'Économie qui était au Gouvernement en 1980.

- Position guatémaltèque: la dette n' ayant jamais été approuvée par le Congrès National du Guatemala, ne peut pas être considérée comme une dette de la République du Guatemala et de ce fait, les autorités guatémaltèques ne peuvent présenter au Congrès guatémaltèque, ni celui-ci l' accepter, un accord de rééchelonnement avec l' Espagne. Le prêt originel doit passer préalablement au Congrès pour qu' il soit reconnu comme une dette officielle.

De sa part, l' Espagne considère que son accord de rééchelonnement, puisqu' il touche une dette garantie par l' Etat guatémaltèque doit suivre le même processus que les accords de rééchelonnement signés avec les autres créanciers du Club de Paris.

III.2 EVOLUTION CHRONOLOGIQUE DES NEGOTIATIONS BILATÉRALES HISPANO-GUATÉMALTÈQUES.

Du fait de la non reconnaissance de la dette, les autorités guatémaltèques vont essayer de négocier des formules de rééchelonnement et paiement différentes à celles du Club de Paris.

14.IX.93

Après la signature du Procès Verbal à Paris, les deux pays ont initié des contacts à fin de négocier l'Accord bilatéral.

Le 14 septembre, une délégation du Guatemala a un entretien à Madrid avec la Sous-direction Générale de l' Économie Internationale et propose de subordonner le paiement de la dette à une possible vente de l' usine ce qui leur permettrait de remettre à l' Espagne 180 millions de dollars USA, en bons du Trésor américain.

L'Espagne repousse l'offre, car elle n'accepte pas de subordonner le paiement de la dette à la vente future et à la mise en marche de l'usine (propriété exclusive de CORFINA). Par ailleurs, la valeur actualisée nette des bons et de l'intérêt offerts s'élèvent à peu près à 115 millions de dollars USA, chiffre très éloigné de la valeur de la dette.

21.XII.93

Monsieur Rivera, représentant personnel du Président de la République du Guatemala a eu un entretien avec le Directeur Général de l'Économie Internationale et des Transactions Extérieures (DGEITE) pour lui demander l'aide des autorités espagnoles au Club de Paris à fin d'obtenir l'ajournement de la date limite de la signature des Accords bilatéraux établie au Procès Verbal Agrée le 31 décembre 1993.

20.I.94

Les délégations de l'Espagne et du Canada (les seuls pays qui n'avaient pas encore signé les Accords bilatéraux) permettent comme un dernier geste de bonne volonté, la remise de la date limite de la signature des Accords bilatéraux au 31 mars 1994 (la France, l'Allemagne et l'Italie avaient déjà négocié leurs Accords bilatéraux).

11.II.94

Le Vice-président du Gouvernement de l'Espagne envoie une lettre au Président de la République du Guatemala en lui communiquant qu'à la demande de l'Espagne une remise de la date limite de la signature des Accords bilatéraux a été acceptée au Club de Paris et lui signale que le Gouvernement espagnol maintient l'offre d'annulation du 50% de la dette faite en 1992.

15.II.94

Monsieur Rivera et Monsieur Arenas (Représentant plénipotentiaire et Conseiller du Président) ont un entretien avec le Directeur de la DGEITE où ils reconnaissent pour la première fois que la dette de CELGUSA est une dette contractée par le Guatemala et qu' elle doit être payée. De même, ils renoncent à leur position traditionnelle de traiter l' affaire sous une optique exclusivement politique et annoncent l' arrivée à Madrid d' une délégation technique guatémaltèque ayant pour but la négociation de l' Accord bilatéral avant la date limite établie au Club de Paris (31 mars 1994).

08.III.94

La Sous-direction Générale de l'Économie Internationale s' adresse à l' Ambassade du Guatemala à Madrid lui priant de lui confirmer le plus tôt possible l' arrivée de la délégation technique annoncée.

10, 14 et 15.III.94

Plusieurs réunions de caractère technique ont eu lieu. La délégation guatémaltèque était constituée par: M. Rivera, l' Ambassadeur du Guatemala en Espagne, M. Aitkenhead, ex-ministre de Finances et chef de la délégation guatémaltèque lors des négociations multilatérales du 25 mars 1993, et M. Verbena, Directeur de la Banque du Guatemala.

Les délégations espagnoles et guatémaltèques ont étudié les caractéristiques des deux solutions envisagées jusqu' à ce moment là:

- La première option consiste à régulariser la dette avec les bons du Trésor américain après que l' usine soit vendue. La délégation

espagnole repousse à nouveau cette proposition pour les raisons déjà expliquées.

- La deuxième démarche prévoit la possibilité de signer un accord dans le cadre du Procès Verbal mais avec des conditions de rééchelonnement plus concessionnelles. Dans ce contexte, l'Espagne envisage la possibilité d'offrir une annulation du 50% du stock total de la dette, (le Procès Verbal du Club de Paris considère seulement les arriérés au 31 mars 1993) ainsi que l'application des périodes d'amortissement et de grâce plus favorables que ceux qui ont été offerts par le Club de Paris.

La délégation guatémaltèque accueille favorablement cette seconde possibilité et les deux parties se sont mises d'accord pour tenir une nouvelle réunion technique et approfondir dans cette seconde voie.

08.IV.94

Etant donné qu'aucun accord bilatéral signé a été ratifié par le Congrès du Guatemala, le Club de Paris transmet aux autorités guatémaltèques sa préoccupation et lui prie de conclure les accords en cours, et de les ratifier le plus tôt possible. De même, le Club de Paris leur communique que pour l'instant, les créanciers officiels ont décidé de ne pas annuler l'Accord Multilatéral malgré que la date limite de signature des accords bilatéraux n'ait été retardée que jusqu'au 31 mars 1994.

26.IV.94

Madame le Ministre de Finances publiques du Guatemala demande un entretien avec le Secrétaire d'État de l'Économie espagnol. Dans cette rencontre, qui a eu lieu à Washington, Mme. le Ministre manifeste la volonté politique de son Gouvernement de résoudre le problème de CELGUSA et

signale l'engagement personnel du Président de la République qui ayant le pouvoir constitutionnel, donnera son autorisation pour la régularisation de la dette bilatérale avec l'Espagne. De même, elle ne conseille pas de mener cette affaire au Congrès National puisque l'opposition sûrement la bloquerait, surtout dans une situation politique comme celle que franchissait le Guatemala à ce moment là. Les deux parties acceptent de se réunir à nouveau.

08.VI.94

Mme. le Ministre de Finances, le Ministre de l' Economie et le Gouverneur de la Banque du Guatemala rencontrent à Madrid le Secrétaire d' Etat de l' Economie espagnol.

D' une façon tout à fait inattendue, les autorités du Guatemala modifient radicalement la position qu' ils avaient maintenue aux dernières réunions et communiquent que la dette de CELGUSA n' est pas une dette du Gouvernement mais de CORFINA, et proposent un accord entre CORFINA et CESCE¹, selon lequel après la vente de l' usine et pas avant le premier juin 1995 des bons su Trésor américain seraient remis à l' Espagne.

La délégation espagnole regrette le retour en arrière de la nouvelle position guatémaltèque mais envisageant la possibilité d' une nouvelle réunion des Présidents des deux Gouvernements au cours de la Conférence Latino-américaine qui allait avoir lieu à la fin du mois de juin, et, voulant trouver une solution définitive, accepte la proposition du Guatemala sous les conditions suivantes:

- . Un down-payment du 10% (à peu près, 20 millions de dollars) de la dette rééchelonnée devrait être satisfait comme preuve de bonne volonté.

¹ Compagnie espagnole d' assurance du crédit à l' exportation.

Le paiement du reste de la dette ne doit pas être lié à la vente de l'usine. L'Espagne accepterait comme moyen de paiement d'une partie de la dette les bons du Trésor américain à partir du premier juin 1995 pourvu que ce paiement soit garanti par le Gouvernement du Guatemala avec un instrument juridique négocié entre les deux parties avant le 30 juin 1994.

La Présidence du Gouvernement espagnole, communique plus tard qu'aucune autorité guatémaltèque n'a contacté la délégation espagnole pour traiter le sujet de la dette au cours de la Conférence latinoaméricaine.

18.VII.1994

N'ayant pas eu de nouvelles du Guatemala, le Ministère de l'Economie et des Finances espagnol considère la possibilité de demander l'annulation du Procès Verbal à la session du 18 juillet.

Néanmoins, tenant compte de la prochaine rencontre des Ministres des Affaires Etrangères guatémaltèque et espagnol et des Elections Législatives prévues pour le 15 août, la Délégation espagnole au Club de Paris demande au Secrétariat de transmettre aux autorités guatémaltèques que si les accords bilatéraux ne sont pas conclus le 30 septembre, le Club de Paris annulera le Procès Verbal.

Le Club considéra plus convenable faire pression sur le pays débiteur mais ne pas établir une date précise étant donné que la date limite initialement prévue avait été reportée plusieurs fois. Si en septembre il était nécessaire de le faire à nouveau, la crédibilité du Club de Paris pourrait se voir entamée. Finalement, il a été décidé d'envoyer une lettre au Gouvernement du Guatemala lui communiquant le souci du Club de Paris par le manque de progrès et lui informant que la situation des accords bilatéraux serait révisée une autre fois à la session prévue pour le mois de septembre.

Juillet-août 1994

Mme. le Ministre de Finances du Guatemala envoie au Secrétaire d'Etat de l'Economie de l'Espagne une Résolution du Comité de Direction de CORFINA et un "règlement de qui n'avait rien à voir avec ce qui avait été décidé à la réunion du 8 juin.

20.IX.94

La délégation espagnole informe au Club de Paris du mauvais résultat des négociations avec le Guatemala et sollicite que l'on communique au pays débiteur, dont le Congrès n'a pas encore ratifié les accords bilatéraux des autres créanciers, l'annulation du Procès Verbal Agrée.

L'ensemble des créanciers officiels ont très bien compris la position espagnole et ont décidé d'envoyer aux autorités du Guatemala un nouveau ultimatum qui expirerait le 15 novembre, en même temps qu'ils s'engagent à annuler le Procès Verbal si à cette date les problèmes avec l'Espagne n'ont pas été résolus.

07.X.1994

La DGEITE espagnole a une réunion avec le Gouverneur de la Banque du Guatemala au cours de l'Assemblée du FMI et de la BM et l'informe des divergences observées entre le "règlement de paiement" partiellement envoyé par les autorités guatémaltèques au mois d'août et les termes convenus à la réunion du 8 juin. Le Gouverneur pris note des commentaires réalisés par le DGEITE et remet le document complet.

24.X.1994

Mme. le Ministre du Guatemala envoie une lettre au Secrétaire d' Etat de l' Economie de l' Espagne demandant une réponse au "règlement de paiement" déjà envoyé.

25.X.1994

Le Secrétaire d' Etat de l' Economie de l' Espagne répond a Mme. la Ministre de Finances du Guatemala dans le même sens qu' au Gouverneur de la Banque Centrale, lui rappelant les termes convenus le 8 juin et les divergences observées en relation avec le "règlement de paiement".

10.XI.1994

Le Président du Gouvernement et le Secrétaire d' Etat de l' Economie espagnols reçoivent deux surprenantes lettres de leurs homologues guatémaltèques dans lesquelles est indiqué qu' étant donné que le Gouvernement espagnol exige que l' accord soit garanti par le Gouvernement guatémaltèque, il a été décidé de transférer le dossier au Congrès de la République à fin qu' il accorde l' approbation non seulement de l' Accord bilatéral qui doit être négocié mais aussi de l' Accord originel du prêt octroyé le 6 juin 1980.

Par l' intermédiaire de l' Ambassade de l' Espagne au Guatemala et des entretiens téléphoniques entre la DGEITE et Gouverneur de la Banque du Guatemala, on communique aux autorités guatémaltèques l' étonnement du changement de direction des négociations. De même on leur signale que l' Espagne n' avait jamais exigé que les discussions soient transférées au Congrès National, tout au contraire, avait accepté les conditions proposées par Mme. le Ministre des Finances du Guatemala comme conséquence

précisément de sa demande de maintenir en marge le Congrès guatémaltèque (26.IV.94). En dernier ressort, on offrit de célébrer d'urgence une réunion pour clarifier la situation et chercher une solution avant la date limite du 15 novembre 1994 établie par le Club de Paris.

14.XI.1994

Le Secrétaire du Club de Paris envoie aux créanciers officiels la lettre qui lui avait été envoyée par la Ministre des Finances du Guatemala dans laquelle, d'une façon tendentieuse, elle expose le déroulement des négociations avec l'Espagne (à laquelle rend responsable du manque d'accord) et transmet toutes les lettres échangées entre les autorités des deux pays).

16.XI.1994

La délégation espagnole au Club de Paris, sans exiger l'annulation de l'Accord Multilatéral étant donnée la confusion créée par l'information présentée par le Guatemala, déclare son indignation par le déroulement des négociations bilatérales avec le Guatemala, réfute les arguments exposés dans la lettre que Mme. le Ministre du Guatemala a envoyée au Club de Paris et demande le maintien de la pression exercée par les créanciers auprès du Guatemala à fin de résoudre d'une façon satisfaisante et définitive les négociations hispano-guatémaltèques.

Le Club de Paris décide d'envoyer un nouveau message aux autorités guatémaltèques leur priant instamment de résoudre au plus vite possible l'Accord Bilatéral avec l'Espagne et leur demande de régulariser les paiements dus au reste des créanciers.

02.XII.1994

L' Espagne reçoit un message de Mme. le Ministre des Finances du Guatemala lui demandant un projet d' Accord bilatéral selon les termes du Club de Paris pour être présenté au Congrès de la République.

29.XII.1994

Le Secrétaire d' Etat de l' Economie de l' Espagne prépare et envoie un projet d' Accord selon les conditions du Club de Paris à Mme. le Ministre des Finances du Guatemala lui indiquant que les termes concrets devraient être négociés lors d' une réunion à fixer.

Janvier 1995

Les autorités guatémaltèques communiquent au Club de Paris qu' ils ont demandé à l' Espagne un projet d' Accord bilatéral et qu' ils n' ont toujours pas reçu une réponse.

Lors du Tour d' horizon du mois de janvier, la délégation espagnole fait savoir au Club de Paris que l' information donnée par les autorités du Guatemala n' est pas correcte, étant donné que le projet d' accord a été déjà envoyé, et que des conditions plus favorables que celles qui ont été établies dans l' Accord Multilatéral ont été offertes. De même l' Espagne manifeste sa préoccupation par les successifs changements de direction de la position guatémaltèque.

Lors des entretiens téléphoniques, les autorités guatémaltèques et espagnoles décidèrent tenir le 9 et 10 mars la réunion déjà proposée par le Secrétaire d' Etat de l' Economie de l' Espagne, pour négocier les conditions de l' Accord bilatéral.

N' ayant pas reçu de confirmation de la part du pays débiteur, l' Espagne demande par écrit l' acceptation des dates de réunion proposées.

01.III.1995

Le Président du Conseil de Direction de CORFINA s' adresse aux autorités espagnoles leur informant que la Direction de CORFINA a été invitée le 14 mars par le Congrès de la République à une session monographique sur CELGUSA, c' est pourquoi il considère peu opportun que la réunion proposée par l' Espagne ait lieu. Il s' engage à informer aux autorités espagnoles des résultats de la session plénière.

14.III.1995

La session plénière n' a pas lieu.

29.III.1995

Une réunion a lieu au Ministère des Affaires Etrangères espagnol avec les membres du Congrès guatémaltèque où, de façon informelle, il y a un échange d' information au sujet des négociations hispano-guatémaltèques, sans résultats concrets.

30.V.1995

Etant donnée l' accumulation d' arriérés, les Etats Unis demandent l' inclusion du Guatemala dans l' ordre du jour du tour d' horizon du Club de Paris.

Le Secrétariat du Club de Paris envoie une lettre aux autorités guatémaltèques dénonçant l' accumulation d' arriérés envers l' ensemble des créanciers et le manque d' accord avec l' Espagne.

21.VI.1995

Un Groupe Consultatif informel sur le Guatemala a lieu à Paris. L'Espagne profite de cette occasion et rappelle l' inexistence d' un Accord bilatéral de réchelonnement de la dette guatémaltèque et offre toute sa collaboration pour reprendre les négociations.

18.VII.1995

Le Guatemala est à nouveau inclu dans l' ordre du jour du Tour d' horizon. Les créanciers ne perçoivent aucun changement et décident de réexaminer la question à la prochaine réunion du Club de Paris.

Fin juillet 1995

Par l' intermédiaire de l' Ambassade de l' Espagne au Guatemala, les autorités du Guatemala proposent qu' une réunion bilatérale ait lieu, mais cette réunion, par des raisons d' agenda, est ajournée.

04.VIII.1995

Le Directeur Général de l' Economie Internationale et des Transactions Exterieures envoie une lettre à M. Zapata, Gouverneur de la Banque Centrale du Guatemala lui proposant de tenir une réunion à Washington au début d' octobre lors des réunion annuelles du FMI et de la BM.

Octobre 1995

Les autorités du Guatemala ne répondent pas à la démarche faite par l' Espagne. D' autre part, lors du Sommet Ibéroaméricain de Bariloche, concernant le sujet de la dette guatémaltèque, le Président du Guatemala ne

montra pas la même attitude d'engagement qu'il avait exprimé autrefois (au Sommet Ibéroaméricain de 1992, Groupe Consultatif juin 1995).

Depuis octobre 1995 il n'y a pas eu des nouveaux contacts.

ANNEXE

1

252

Decreto 32-76

LEY ORGANICA DE LA CORPORACION
FINANCIERA NACIONAL

TITULO I

CAPITULO UNICO

Disposiciones generales

Artículo 1o.- (Artículo 1o. Decreto 32-76 del Congreso de la República).
Creación. Con carácter de entidad descentralizada, autónoma, con personalidad jurídica, patrimonio propio, capacidad plena para adquirir derechos y contraer obligaciones, con la garantía del Estado para todas las operaciones pasivas previstas en el artículo 33 del decreto 45-72 del Congreso, se crea la Corporación Financiera Nacional, cuya denominación abreviada es CORFINA.

Artículo 2o.- Duración, Domicilio y Sucursales: CORFINA tiene duración indefinida; su domicilio es la ciudad de Guatemala y puede establecer sucursales, agencias y representaciones o delegaciones en el interior o fuera de la República.

Artículo 3o.- Objetivo: CORFINA es la entidad por medio de la cual el Estado promueve el desarrollo industrial, minero y turístico del país mediante la asistencia financiera y demás acciones coadyuvantes previstas en la Ley. Para el cumplimiento de este objetivo debe adecuar su política a los planes y programas nacionales de desarrollo, coordinar sus operaciones con las actividades de otras instituciones financieras, públicas y privadas y tomar en cuenta los compromisos y vinculaciones de Guatemala en relación con el Mercado Común Centroamericano y cualesquiera otros programas de complementación o integración con otros países o regiones.

Artículo 4o.- Discrecionalidad: El Gobierno de la República garantiza a CORFINA la discrecionalidad funcional necesaria para el cumplimiento de su cometido, especialmente en lo relacionado con:

1. La realización de sus operaciones financieras y crediticias, de conformidad con las normas de esta ley y sus reglamentos;
2. La determinación de los usuarios de crédito, con base en los criterios de elegibilidad que se señalen en el reglamento respectivo;
3. Las decisiones que adopte sobre su organización interna, en todo aquello que no establece específicamente la presente ley; y

CONSIDERANDO:

Que para tales fines es indispensable crear la entidad adscrita, promover y dirigir la asistencia financiera y técnica necesaria a las actividades económicas que no pueden ser atendidas convenientemente por el sistema bancario, financiero y privado;

CONSIDERANDO:

Que tanto el Gobierno como el sector industrial, establecimiento que goza de exenciones fiscales deben participar conjuntamente a la obtención y otorgamiento de los recursos necesarios para financiar las actividades mencionadas;

CONSIDERANDO:

Que la entidad a la que se encarga de promover la asistencia financiera y técnica para el desarrollo industrial, minero y turístico debe ser dotada de la autonomía, capacidad jurídica y del patrimonio necesarios para el eficaz cumplimiento de sus fines;

POR TANTO:

En uso de las atribuciones que le confiere el artículo 170, inciso 1a. de la Constitución de la República;

DECRETA:

La siguiente

LEY ORGANICA DE LA CORPORACION FINANCIERA NACIONAL

TITULO I

CAPITULO UNICO

Designación y Función

La Corporación Financiera Nacional, que en adelante se denominará CORFINA, tendrá su sede en la ciudad de Guatemala y podrá establecer sucursales, agencias y representaciones o delegaciones en el interior y fuera de la República.

Artículo 1o.— Objeto: CORFINA es la entidad por medio de la cual el Estado promoverá el desarrollo industrial, minero y turístico del país mediante la asistencia financiera y demás acciones contempladas previstas en la Ley. Para el cumplimiento de este objetivo debe adecuar su política a las planes y programas nacionales de desarrollo, coordinar sus operaciones con las actividades de otras instituciones financieras, públicas y privadas y tomar en cuenta las concepciones y resoluciones de Guatemala en relación con el Mercado Común Centroamericano y cualesquiera otros programas de cooperación o integración con otros países o regiones.

Artículo 2o.— Discrecionalidad: El Gobierno de la República garantiza a CORFINA la discrecionalidad funcional necesaria para el cumplimiento de su función, especialmente en la relación con:

1. La realización de sus operaciones financieras y crediticias de conformidad con las normas de esta ley y sus reglamentos;
2. La determinación de los usuarios de crédito, que basa en los criterios de elegibilidad que se establecen en el reglamento respectivo;
3. Las decisiones que adopte sobre su organización interna, en todo aquello que no establezca específicamente la presente ley; y,
4. La administración de su personal, incluyendo selección, nombramiento y remoción, de acuerdo con un reglamento específico aprobado por el Organismo Ejecutivo.

Artículo 3o.— Colaboración Gubernamental: Las dependencias gubernamentales, incluyendo las instituciones descentralizadas, autónomas y semi-autónomas están obligadas a prestar su colaboración a CORFINA para el mejor cumplimiento de su objetivo. Las dependencias gubernamentales correspondientes deben proporcionar a CORFINA los programas de desarrollo industrial, minero y turístico de importancia aprobados, para que ésta formule su política de conformidad con dichos programas.

Artículo 4o.— Prohibición: Queda prohibido a CORFINA emitir créditos o garantías a cualquier persona de sus afiliaciones o empresas, de excepción de esta disposición los miembros de la Junta Directiva que sean representantes de los tenedores de títulos de participación de capital. En todo caso cuando la Junta Directiva conste al menos en los que uno o más de dichos representantes (largos intereses directos o indirectos, los afectados deben excusarse de asistir a las respectivas sesiones.

Artículo 5o.— Ley Privada y Fondo Registral: CORFINA se rige privativamente por esta ley y sus reglamentos. Los casos no previstos en la misma se deben resolver de conformidad con su espíritu en cuanto a su objetivo y características; y subsidiariamente, en todo lo que no se oponga a tal objetivo y características, por la Ley de Sociedades Financieras Privadas, la Ley de Bancos y las demás leyes bancarias del país, las leyes comunes y los principios generales del derecho, en esta orden.

TITULO II

ORGANIZACION

CAPITULO I

Estructura Administrativa

Artículo 6o.— Organos Superiores: Los órganos superiores de CORFINA son:

1. Junta Directiva; y
2. Gerencia General.

Artículo 7o.— Unidades Administrativas: La Junta Directiva, a propuesta de la Gerencia General, debe establecer la organización administrativa de CORFINA y reglamentar sus funciones, creando de conformidad con las normas de esta Ley, las unidades administrativas necesarias para su buen funcionamiento, incluyendo el Comité de Crédito y los registros y una unidad de programación y evaluación.

CAPITULO II

Artículo 8o.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 9o.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 10.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 11.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 12.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 13.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 14.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 15.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 16.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 17.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

Artículo 18.— Elección: Los miembros titulares y suplentes a que se refiere el numeral 1o del artículo anterior, deben ser electos por un periodo de dos años, en reunión especial convocada por el Presidente de la Junta Directiva. Para efectuar la elección se requiere que cada presidente o representante de dicha reunión por lo menos la mitad más uno de los tenedores de títulos de participación de capital. De no obtenerse el quórum estipulado anteriormente, la reunión se debe realizar el día siguiente sin necesidad de nueva convocatoria, en el mismo lugar y hora señalados, con el número de tenedores de títulos que asistan o que se hagan representar. La elección así verificada tendrá plene validez. Uno de los miembros titulares y su respectivo suplente deben ser electos sobre la base de un voto por cada tenedor de título o título. Los otros dos titulares y sus respectivos suplentes deben ser electos sobre la base de un voto por cada título. Los miembros que hubieren ejercido su función por un periodo no pueden ser reelectos para el periodo inmediato siguiente. Un reglamento especial aprobado por la Junta Directiva debe establecer el procedimiento y las normas a seguir en todo lo relacionado con esta materia.

NISMO LEGISLATIVO

CRETO No. 40-72

Resolución de la República de Guatemala.

CONSIDERANDO:
Que el Gobierno de la República tiene el deber de promover el desarrollo de la economía nacional...

Artículo 21.- Las Compañías de Operaciones del Estado de Guatemala o de cualquier otro país salvadoreño que se dedique a las actividades de explotación de recursos naturales, deben formular un plan de trabajo en forma impresa y detallada, como lo exige el artículo 20 de esta Ley.

Un Reglamento emitido por el Poder Judicial Directivo debe establecer las disposiciones y procedimientos para regular las actividades del Estado.

TITULO III

Operaciones
CAPITULO I
Clases de operaciones

Artículo 22.- Clases: Para el cumplimiento de sus objetivos, CORFINA debe prestar sus servicios a la explotación de recursos naturales de carácter económico y comercial, así como a la explotación de recursos naturales, mineros y turísticos, actividades industriales, mineras y turísticas.

Para estos efectos, CORFINA puede realizar las clases de operaciones siguientes:

1. Provisión y explotación turística.
2. Minería extractiva.
3. Minería pesada.
4. Las otras que específicamente le señale la Ley.

Artículo 23.- Normas Reglamentarias: La Junta Directiva debe emitir los reglamentos necesarios para la regulación de las operaciones de CORFINA.

CAPITULO II

Artículo 24.- Operaciones de Promoción y Asesoría Técnica: En cumplimiento de sus objetivos, CORFINA puede prestar las operaciones de promoción y asesoría técnica siguientes:

1. Realizar y realizar estudios que permitan identificar oportunidades de inversión en las actividades mineras, pesadas y turísticas.
2. Asistir a empresas industriales, mineras y turísticas, en la explotación de sus recursos naturales, así como en sus actividades de explotación y operación.
3. Promover o promover la explotación de minerales y petróleo, tanto internos como externos, en las empresas industriales, mineras y turísticas y en favor del establecimiento de las empresas de explotación y producción en el país.

CAPITULO III

Artículo 25.- Tipos de Operaciones Activas: CORFINA puede realizar las siguientes operaciones activas:

1. Emisión, promociónción y mediación y venta de acciones de las empresas y el patrimonio de las empresas y el patrimonio de las empresas.
2. Emisión de acciones de sociedades anónimas para la explotación de empresas de explotación turística, mineras y turísticas, así como para la explotación de empresas de explotación turística, mineras y turísticas.
3. Emisión de acciones de sociedades anónimas para la explotación de empresas de explotación turística, mineras y turísticas, así como para la explotación de empresas de explotación turística, mineras y turísticas.
4. Emisión de acciones de sociedades anónimas para la explotación de empresas de explotación turística, mineras y turísticas, así como para la explotación de empresas de explotación turística, mineras y turísticas.

CAPITULO IV

Artículo 26.- Reserva de Operaciones Pasivas: La Junta Directiva debe establecer las disposiciones para regular las actividades del Estado.

Artículo 27.- Reserva de Operaciones Pasivas: La Junta Directiva debe establecer las disposiciones para regular las actividades del Estado.

Artículo 28.- Reserva de Operaciones Pasivas: La Junta Directiva debe establecer las disposiciones para regular las actividades del Estado.

Las demás operaciones pasivas que permitan la Ley.

CAPITULO V

Artículo 29.- Operaciones de Participación: CORFINA puede realizar las siguientes operaciones de participación:

1. De explotación de recursos naturales, mineros y turísticos.
2. De explotación de recursos naturales, mineros y turísticos.
3. De explotación de recursos naturales, mineros y turísticos.
4. De explotación de recursos naturales, mineros y turísticos.
5. De explotación de recursos naturales, mineros y turísticos.
6. De explotación de recursos naturales, mineros y turísticos.

TITULO IV

Capital
CAPITULO I
Explotación del capital

Artículo 30.- Capital Autorizado y Capital Pagado: El capital autorizado de CORFINA es de diez millones de quetzales (Q10,000,000.00) y se integra con sus millones de quetzales (Q10,000,000.00) aportados por el Estado y cuatro millones de quetzales (Q4,000,000.00) aportados por el sector privado. En la forma que dispone el artículo 31 de esta Ley, el capital pagado de CORFINA se constituye mediante la suma de los recursos siguientes:

1. Un millón de quetzales (Q1,000,000.00) en efectivo que el Estado debe aportar dentro de los treinta días siguientes a la fecha en que inicia sus operaciones CORFINA.
2. Un millón de quetzales (Q1,000,000.00) provenientes de la cartera de acciones del Instituto de Fomento de la Producción Agrícola y Subsidio al Sector Agropecuario, que el Estado debe aportar dentro del primer semestre del primer año de operaciones de CORFINA.

CAPITULO II

Artículo 31.- Titulo de Participación de Capital: El titulo de participación de capital de CORFINA debe emitirse en valores nominales de diez quetzales (Q10,000.00) cada uno. Dichos títulos son nominales y negociables por ende se les otorga el carácter de acciones de las empresas que se constituyan para la explotación de los recursos naturales, mineros y turísticos.

Artículo 32.- Derechos: Los titulares de participación de capital que se constituya de acuerdo al artículo anterior tendrán a su vez todos los derechos siguientes:

1. Elección y reelección para los cargos a que se refiere el numeral 1 del artículo 14 de esta Ley.
2. Participación de la distribución de dividendos de CORFINA.

TITULO V

Artículo 33.- Deudas de las Unidades: Las unidades que resulten de poder de gestión de las partes de administración de operaciones y financiamiento de CORFINA se deben constituir a los fines siguientes:

1. Un día por ciento para constituir la reserva institucional cuando el fondo de reserva institucional alcance al monto de los recursos por ciento del capital autorizado de CORFINA.
2. Un día por ciento para constituir la reserva institucional cuando el fondo de reserva institucional alcance al monto de los recursos por ciento del capital autorizado de CORFINA.

Artículo 34.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 35.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 36.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 37.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 38.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 39.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 40.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 41.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 42.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 43.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

TITULO VI

Artículo 44.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

Artículo 45.- Dividendos: Los dividendos que corresponden a los titulares de acciones de participación de capital de CORFINA se deben distribuir en la forma que establece el artículo 14 de esta Ley.

dejar el desarrollo de las operaciones de CORFINA;

3. Actuar como Jefe de Finanzas de CORFINA;

4. Las demás que le sean atribuidas en el reglamento específico que emita la Junta Directiva.

Artículo 6.- **Auditoría Interina.** Para asegurar la correcta administración de CORFINA debe establecerse una unidad de Auditoría Interina. La misma debe cumplir sus funciones de conformidad con el reglamento específico que emita la Junta Directiva.

La Auditoría Interina se integra con un jefe y el personal técnico y administrativo necesario para el cumplimiento de sus funciones.

Tiene a su cargo la responsabilidad fiscalización y control de las operaciones financieras y contables de CORFINA y en consecuencia debe vigilar el correcto cumplimiento de las leyes y reglamentos que rigen al caso de las actividades de la Junta Directiva, la Gerencia General y demás unidades de la institución.

Artículo 7.- **Membramiento y Remoción:** El Jefe y Auditoría Interina es nombrado por la Junta Directiva, ante la cual es responsable. Puede ser removido por la misma, sin expresión de causa, en la cual se requiere el voto favorable de por lo menos cuatro de los miembros que la integra. El Jefe de la Auditoría Interina debe poseer el título universitario correspondiente y ser colegiado; está sujeto a los impedimentos que señalan los artículos 11 y 12 de esta ley y, además, no, ser parte del Gerente General de los bancos.

Artículo 8.- **Asistencias Extraordinarias:** Siempre que lo considere conveniente para el mejor cumplimiento de las funciones de CORFINA, la Junta Directiva puede ordenar la realización de asistencias extraordinarias de las operaciones contables y financieras de la institución, para lo cual debe disponer la contratación de los servicios de firmas nacionales legalmente autorizadas o de profesionales universitarios colegiados.

Artículo 9.- **Separación de Bancos:** La creación y vigilancia del Estado, sobre las operaciones de CORFINA se debe realizar por conducto de la Superintendencia de Bancos de conformidad con la ley.

TITULO VII

CAPITULO UNICO

Operaciones Bienes, Mandatos y Derivaciones

Artículo 10.- **Tratados de Arrendamiento y Fideicomiso:** Derechos y obligaciones provenientes de la ejecución de los arrendamientos, préstamos de la deuda pública en administración al Banco Nacional de Guatemala de CORFINA, conforme a lo establecido en el artículo 10 de esta ley, serán administrados por el Jefe de Finanzas de CORFINA para su ejecución hasta su límite total. Para los efectos de lo dispuesto en este artículo, la Junta Directiva o la Comisión de Control en su caso, debe efectuar la revisión de los actos y pagar los adeudos ya depositados en el orden correspondiente.

De cinco de octubre (Q. 500,000.00) de los actos que se ejecutaron para cumplir el artículo 10 de esta ley, CORFINA, conforme a lo establecido en el artículo 10 de esta ley.

La diferencia positiva entre los activos reanunciados y los pasivos que resulten debe destinarse a incrementar los fondos de reserva en calidad de fideicomiso a CORFINA por el Gobierno de la República y, en el caso de que la diferencia cubra los adeudos reanunciados y los pasivos sea negativo, el monto de dicha diferencia debe inscribirse en el Patrimonio de la Nación, debiendo celebrarse el respectivo convenio de pago entre el Gobierno de la República y el Banco de Guatemala.

Artículo 11.- **Transferencia de Bienes:** Para el caso de lo dispuesto en el artículo anterior, el Director de CORFINA o la Comisión de Control en su caso, debe renovar las autorizaciones de liquidación.

Los activos y pasivos de las empresas liquidadas que no sean incorporados en administración no se deben incorporar al patrimonio de CORFINA, pero deben contabilizarse en cuentas especiales.

Las empresas liquidadas que sean transferidas en administración a CORFINA deben ser liquidadas por separado, respetando el precio actual de mercado local.

Jefe de la carrera o jefe del Instituto de Fomento de la Producción Industrial, es administrado a CORFINA, puede ser separado con licencia, e incorporado a un cargo del mismo nivel para el cargo de jefe de oficina. Los mandatos y otros cargos de confianza de estas operaciones deben depender del voto de dicha carrera. No obstante, la Junta Directiva o la Comisión Organizadora de CORFINA o la Comisión Organizadora de la Junta Directiva en su caso, puede disponer una unidad específica para el caso de los adeudos, la cual debe durar en sus funciones el tiempo estrictamente necesario para el cumplimiento de sus fines.

Artículo 12.- **Establecimiento:** La Corporación Financiera Nacional, CORFINA, debe iniciar sus operaciones el primer día del año mil novecientos setenta y tres.

Artículo 13.- **Directiva de las Operaciones:** La Junta Directiva de CORFINA debe ser electa por el voto favorable de la mayoría absoluta de los miembros que la componen. Los miembros de la Junta Directiva de CORFINA, en su calidad de representantes de la Junta Directiva de los bancos, deben ser ocupados por personas representativas nombradas por el Presidente de la República a propuesta de la Cámara de Diputados de Guatemala. Los representantes deben ser electos dentro de los cinco días siguientes a la vigencia de esta ley, en caso contrario el Presidente de la República hará los nombramientos que estime pertinentes. Las personas nombradas deben durar en sus funciones hasta que sus sustitutos sean electos de conformidad con el procedimiento establecido en los artículos 11 y 14 de esta ley.

La Comisión Organizadora puede nombrar las subcomisiones que estime necesarias para el cumplimiento de sus objetivos y en el desempeño de sus funciones se rige por las mismas normas establecidas en el Capítulo II del Título II de esta ley, en lo que sean aplicables.

Artículo 14.- **Primeros Jueces Directivos:** La primera Junta Directiva de CORFINA debe quedar integrada dentro de los treinta días hábiles siguientes a la vigencia de esta ley. Los primeros miembros de la Junta Directiva que representen a los tenedores de títulos de participación de capital deben ser electos conforme al procedimiento establecido en el artículo 11 de esta ley. En tanto se alcanza el porcentaje de títulos totalmente pagados y registrados a que se refiere dicho artículo, deben actuar como miembros de la Junta Directiva las personas nombradas conforme lo establece el artículo anterior.

Artículo 15.- **Cooperación y Asistencia:** El Banco de Guatemala, la Superintendencia de Bancos, el Banco Nacional de Desarrollo Agrícola BANDESA, y demás entidades públicas a quienes se les asigna, quedan obligadas a prestar a la Junta Directiva de CORFINA y a la Comisión Organizadora en su caso y a las subcomisiones que ésta organice, su colaboración técnica y la asistencia necesaria para el cumplimiento de sus atribuciones.

Artículo 16.- **Costos de Organización:** El Banco de Guatemala debe proporcionar por conducto de la Comisión Organizadora los fondos necesarios para la organización, instalación y funcionamiento de CORFINA. Dichos fondos se deben pagar con cargo de un adelanto especial y de garantía por CORFINA. Centro del periodo que se transcurra entre el Banco de Guatemala y la Comisión Organizadora.

Artículo 17.- **Situación Jurídica de los Trabajadores:** En tanto se emita el reglamento de personal de CORFINA, se aplicará el artículo 10 de esta ley y el artículo 10 de la Ley del Servicio Civil, en todo lo que sea aplicable.

La Comisión Organizadora de CORFINA en su caso, la Junta Directiva o el Gerente General deben hacer, oportunamente y ejercer las demás acciones de personal que sean necesarias.

Artículo 18.- **Reserva de Bienes:** El artículo 10 de esta ley, en lo que sea aplicable.

Con el objeto de promover la creación de un Banco Industrial, las empresas liquidadas que se beneficien con la aplicación de la Ley de Fomento de la Producción Industrial, aprobada por Decreto 1881 del Congreso de la República, a que hubieran sido clasificadas conforme los Decretos 68 y 117 del estado o a quienes debieran depositar en el Banco de Guatemala durante el periodo para el cual se les hubiere concedido beneficios, una cantidad equivalente al diez por ciento (10%) del monto de los derechos e impuestos que se les exoneren en cada caso y que el Banco de Guatemala inscriba en una cuenta especial destinada a la capitalización del Banco Industrial.

No obstante, y con el objeto de hacer efectiva la participación del sector privado en la CORPORACION FINANCIERA NACIONAL CORFINA, las empresas que se beneficien solamente o se beneficien en el futuro con la aplicación de las leyes y disposiciones citadas, pueden optar por el depósito de depositar al 10% a que se refiere el párrafo anterior o aportar a favor de CORFINA el equivalente al 5% del monto de los derechos e impuestos a la importación a que se les refiere en cada caso, para el único efecto de adquirir las acciones de participación de capital a que se refiere el artículo 17 de esta ley, hasta completar la suma de cuatro millones de quetzales (Q. 4,000,000.00) a que se refiere el primer párrafo del artículo 23 de esta misma ley, momento en el cual cesan operados por conducto de la capitalización de CORFINA, quedan exonerados de las obligaciones y aportaciones a que se refiere este artículo.

Al concretarse cada exoneración, el Ministerio de Economía debe extender la orden de depósito respectiva, la que deberá hacerse efectiva antes de partir de las oficinas de la República los artículos de esta ley. En tanto tanto sus operaciones de CORFINA, los depósitos deben cancelarse en el Banco de Guatemala.

El valor total de los depósitos que cada persona individual o jurídica efectúa conforme lo dispuesto en este artículo, constituye la aportación de la misma al capital del Banco Industrial o a CORFINA en su caso.

Artículo 19.- **Establecimiento:** La Corporación Financiera Nacional, CORFINA, debe iniciar sus operaciones el primer día del año mil novecientos setenta y tres.

Artículo 20.- **Constitución de la República:** El presente Decreto fue aprobado con el voto favorable de las dos tercios partes del número total de Diputados que integran el Congreso y entrará en vigor, ocho días después de su publicación en el Diario Oficial.

Para el Organismo Ejecutivo para su publicación y cumplimiento.

Dado en el Palacio del Organismo Legislativo en la ciudad de Guatemala, a los veinte días del mes de julio de mil novecientos setenta y dos.

RECTOR ANDRADE URREJOLA,
Presidente en Funciones.

EDGAR DE LEON VARGAS,
Secretario.

CARLOS E. OLIVA ORELLANA,
Secretario.

Palacio Nacional, Guatemala, diez de agosto de mil novecientos setenta y dos.

Publíquese y complase.

CARLOS ARANA OSORIO,

El Ministro de Economía,
CARLOS MOLINA MENCOR.

El Ministro de Finanzas,
JORGE LAMPERT RODOL.

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MINISTERIO DE ECONOMIA
GUATEMALA, C. A.

27 de marzo de 1980.-

Señores
Banco Exterior DE España
Madrid, España

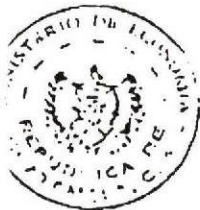
Estimados señores:

Por medio de la presente, y en relación a la consulta formulada, respecto a la responsabilidad que el Estado adquiere por las operaciones efectuadas por CORFINA, me permito manifestar a usted, con base en el dictamen de la Asesoría Jurídica, lo siguiente:

1. De conformidad con el Artículo 1o. de la Ley Orgánica de la Corporación Financiera Nacional, contenida en el Decreto número 46-72 del Congreso de la República, y reformado por el Decreto número 32-76 del mismo Congreso, la Corporación Financiera Nacional, cuenta con la garantía del Estado para todas las operaciones pasivas previstas en el Artículo 33 de su Ley Orgánica.

Dentro de las operaciones pasivas comprendidas en el citado artículo 33, se encuentra la contenida en el numeral 3) que literalmente dice:

"negociar créditos internos y externos para financiar sus operaciones, de conformidad con la ley;"



MINISTERIO DE ECONOMIA

- 2 -

En consecuencia la consulta en referencia respecto al contrato de crédito que CORFINA adquiriera en el exterior para financiar sus operaciones, las mismas cuentan con la garantía ilimitada del Estado.

Hasta el momento la Corporación Financiera Nacional no ha dejado de cubrir ninguna de sus obligaciones financieras con el exterior, y cuenta con una solvencia crediticia adecuada.

Sin otro particular, hago propicia la oportunidad para suscribirme de ustedes con muestras de mi más alta y distinguida consideración,



Lic. Patricia Ferreras Fernández
MINISTRO DE ECONOMIA



VSF'



MINISTERIO DE ECONOMIA
PALACIO NACIONAL
GUATEMALA, G. A.

NUM.

REF.

AL CONTESTAR, DEBE MENCIONAR EL
NUMERO Y REFERENCIA DE ESTA NOTA.

NUMERO 67-80

DIRECCION DE ASUNTOS JURIDICOS: GUATEMALA, VEINTISEIS DE MAR-
ZO DE MIL NOVECIENTOS OCHENTA.

ASUNTO: CONSULTA FORMULADA POR EL SEÑOR MINISTRO DE
ECONOMIA SOBRE LA GARANTIA DEL ESTADO QUE
GOZAN LAS OPERACIONES PASIVAS DE CORFINA.--

Señor Ministro:

De conformidad con el Artículo 156 de la Constitución de la República de Guatemala, al Congreso de la República le corresponde la potestad legislativa. Con base en esa facultad el Congreso de la República emitió el Decreto número 46-72, Ley Orgánica de la Corporación Financiera Nacional (CORFINA), cuyo Artículo Primero fué modificado por el Decreto número 32-76 del mismo Congreso.

La reforma en referencia tuvo por objeto, aclarar que aunque las entidades descentralizadas del Estado, tal el caso de CORFINA, gozan de la garantía del Estado en sus operaciones, a fin de dilucidar cualquier duda de interpretación legal, se reformó el Artículo Primero de la Ley Orgánica, con el objeto de consignar expresamente, que CORFINA cuenta con la garantía del Estado para todas las operaciones pasivas previstas en el Artículo 33 de su Ley Orgánica.

El citado Artículo 33 en su numeral 3o., textualmente dice:-----

"...Negociar créditos internos y externos para financiar sus operaciones, de conformidad con la ley..."

En consecuencia, a fin de evacuar la consulta formulada por el señor Ministro, manifiesto que cualquier contrato de crédito que CORFINA suscriba con el exterior, para financiar sus operaciones, cuenta con la garantía del Estado.

Roberto Barillas Izaguirre
Atentamente,



Lic. Roberto Barillas Izaguirre
Director de Asuntos Jurídicos
Ministerio de Economía

MINISTERIO DE ECONOMIA
GUATEMALA, C. A.

REF.: D.M.-101/80

16 de mayo de 1980

Señores
Compañía Española de Seguros de
Créditos de Exportación
Madrid, España

Estimados señores:

En relación a la atenta nota de ustedes fechada el 2 de mayo del corriente año, y que se refiere a una nota enviada al Banco Exterior de España, transcribiendo el Artículo 10. de la Ley Orgánica de la Corporación Financiera Nacional (CORFINA), me permito manifestar a ustedes que la garantía del Estado que en dicho Artículo se menciona, comprende a todas las operaciones pasivas que dicha Corporación realice, en consecuencia, estaría involucrada la operación pasiva que el Banco Exterior de España intenta realizar con CORFINA.

Me suscribo de ustedes,

Muy atentamente,



El Sr. Antonio José de Fuentes
MINISTERIO DE ECONOMIA

VSF/ams.

Carlos Enrique Rivera Ortiz

ABOGADO Y NOTARIO

EDIFICIO CAMARA DE INDUSTRIA, ZONA 4, 9º NIVEL

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*LEY 3402 CAMINO 6U, GUATEMALA, C.A.

MEMORANDUM

DE : LIC. CARLOS ENRIQUE RIVERA ORTIZ

ASUNTO : CONSULTA ACERCA DE SI LAS OPERACIONES PASIVAS DE
CORFINA CUENTAN CON LA GARANTIA DEL ESTADO.

FECHA : 7 DE ENERO DE 1980

I.- El Decreto número 46-72, Ley Orgánica de la Corporación Financiera Nacional, que creó dicha Corporación en su artículo primero literalmente establecía:

" Artículo 10.- Creación: Con carácter de entidad descentralizada autónoma, con personalidad jurídica, patrimonio propio y plena capacidad para adquirir derechos y contraer obligaciones se crea la Corporación Financiera Na - cional, cuya denominación abreviada es CORFINA".

En su funcionamiento, la Corporación Financiera Nacional, encontró muchas dificultades con las organizaciones financieras internacionales, debido al interrogante - que planteaban, relativo a de si Corfina, tenía la garan - tía del Estado para sus operaciones pasivas.

No obstante que algunos juristas guatemaltecos inter

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pretando la legislación nacional constitucional, en que se pone de manifiesto que las entidades descentralizadas, autónomas o semiautónomas del Estado, gozan de esa garantía, a fin de evitar una interpretación errónea, se emitió por el Congreso de la República, el Decreto número 32-76, publicado en el Diario Oficial el veinte de agosto de 1976, que tiene categoría de Ley de la República, la disposición en su parte considerativa pertinente dice:

"
CONSIDERANDO:

Que en el Decreto número 46-72 del Congreso, Ley Orgánica de la Corporación Financiera Nacional -CORFINA- existe una laguna al no señalar clara y precisamente que dicha entidad cuenta con la garantía del Estado para todas sus operaciones pasivas, conforme el Artículo 33 de dicha ley. Esta omisión produce un retardo y trámites innecesarios.

POR TANTO:

En uso de las facultades que le confiere el inciso 1o. del Artículo 170 de la Constitución de la República,

DECRETA:

Las siguientes

Carlos Enrique Pierra Ortiz

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Reformas a la Ley Orgánica de la Corporación Financiera Nacional -CORFINA-, Decreto número 46-72 del Congreso de la República.

Artículo 10.- Creación: Con carácter de entidad descentralizada, autónoma, con personalidad jurídica, patrimonio propio, capacidad plena para adquirir derechos y contraer obligaciones con la garantía del Estado para todas las operaciones pasivas previstas en el Artículo 33 del Decreto número 46-72 del Congreso de la República, se crea la Corporación Financiera Nacional cuya denominación abreviada es -CORFINA-".

En consecuencia claramente está especificado por la Ley que todas las operaciones pasivas previstas en el Artículo 33 del Decreto 46-72 del Congreso de la República, goza de las garantías del Estado.

Para mayor ilustración transcribo seguidamente el Artículo 33 del citado Decreto:

" Artículo 33. Tipos de Operaciones Pasivas: CORFINA, puede realizar las operaciones pasivas siguientes:

1. Emitir y colocar bonos y obligaciones, certificados

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de participación y otros títulos valores garantizados por -
CORFINA y/o por el Estado;

2. De redescuento y adelanto con el Banco de Guatemala;
3. Negociar créditos internos y externos para financiar sus operaciones, de conformidad con la ley; y
4. Las demás operaciones pasivas que permita la ley".

II.- Los requisitos para la validez y eficacia del crédito otorgado por el Banco Exterior de España a CORFINA, para financiar el establecimiento de una planta de celulosa propiedad de CELGUSA en Guatemala son los siguientes:

1. CORFINA emitió su resolución número JB-262/78-79, -- por medio de la cuál acordó invertir veinte millones de --- quetzales en CELGUSA y gestionar la contratación de un crédito por 110 millones de US \$ con el Banco Exterior de España.
2. El Ministerio de Finanzas Públicas de Guatemala, incluyó en su presupuesto de 1980, 16 millones de quetzales , destinados a CORFINA, para que aporte al capital de CELGUSA así: 8 millones en la primera quincena de Enero y 8 millones en Octubre de 1980. E incluirá en su presupuesto de --

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1981, 4 millones, con lo que CORFINA cubre su aportación de 20 millones del capital de CORFINA.

Se mencionan los hechos contenidos en los literales 1 y 2, precedentes, por ser requisitos previos de la operación, los cuáles ya se efectuaron.

3. Habiéndose acordado por el Banco Exterior de España la concesión del crédito de 110 millones a CORFINA, deberá entregarse a CORFINA el proyecto de convenio, para su estudio y posterior negociación.

4. Discutido y aprobado el convenio de crédito, tanto por el Banco Exterior de España como por CORFINA, debe presentarse a la Junta Directiva de CORFINA (que emitió la citada resolución JB-262/78-79, para su respectiva aprobación

5. Antes de formalizarse el convenio de crédito, es indispensable que CORFINA obtenga dictamen de la Comisión de Financiamiento Externo (COFE) que preside el Ministro de Finanzas Públicas. Es de suponer que si este Ministerio ya aprobó el aporte de 20 millones para el proyecto de CORFINA el cuál no se puede realizar sin financiamiento, COFE ya ha analizado el préstamo y dictaminará favorablemente.

6. Conforme el Artículo 123, de la Ley Orgánica del Banco de Guatemala, (Deto. Leg. 215 y sus reformas) y otras le

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yes supletoriamente aplicables a CORFINA, conforme el Artículo 7º de su Ley Orgánica se requiere el dictamen de la -- Junta Monetaria.- (Es prudente hacer notar que tanto la Junta Directiva de CORFINA como la Junta Monetaria, la inte -- gran: El Ministro de Economía, El Ministro de Finanzas y El Presidente del Banco de Guatemala).

III.-

1. La garantía del Estado de Guatemala a CORFINA es ilimitada. Sin embargo previamente a analizar el procedimiento para el caso, remoto y legalmente no viable de insolvencia de CORFINA, cabe hacer notar que, conforme la Legisla - ción bancaria guatemalteca, es imposible que un Banco privado guatemalteco entre en estado de insolvencia, por la ga - rantía que goza el sistema, por la existencia del Régimen - de Banca Central (ref. Deto. 215 y sus reformas, Deto. 331 , Deto. 315; y en especial Deto. 7-72, todos del Congreso de la República), menos factible aún que dentro de este contexto legal pueda quedar insolvente, una Financiera Estatal.- Es decir, que para que el supuesto de insolvencia de CORFI - NA se diera, sería requisito previo e indispensable el desaparecimiento de todo el sistema bancario guatemalteco.

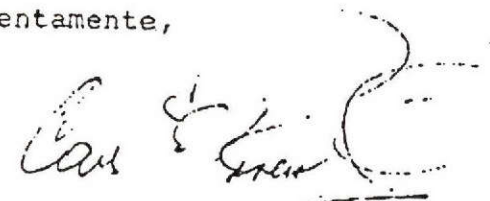
2. Para el caso de que CORFINA dejara de pagar el crédito, el Estado de Guatemala, conforme el Artículo 1º de la -

Carlos Enrique Rivera Ortiz
ABOGADO Y NOTARIO
EDIFICIO CAMARA DE INDUSTRIA, ZONA 4, BU NIVEL
TELE. 22358-22343-328883
TELEX 8407 CAHINO GJ, GUATEMALA, C. A.

Ley Orgánica de CORFINA, pagaría el adeudo, que al contratar se el crédito es un pasivo contingente, debiendo presupues- tar los pagos correspondientes, al igual que lo hace con el servicio de toda la deuda pública estatal.

3. Creo conveniente hacer notar, que el Estado de Guate- mala, tiene una tradición y solvencia internacional, mun -- dialmente reconocida. La situación monetaria, de reservas de divisas y de balanza comercial de pagos de Guatemala es estable y de las mejores de Latinoamérica. El nivel de en- deudamiento interno y externo es muy bajo. Todo lo ante -- rior situa al País como un buen sujeto de crédito interna -- cional.

Atentamente,



Lic. Carlos Enrique Rivera Ortiz

DGB-DP/900 0469

06 DEC. 1995

Monsieur Jérôme HAAS
Secrétaire Général du Club de Paris
Direction du Trésor
Ministère de l'Economie et des Finances
Paris, France.-

Monsieur,

La République d'Haiti, en dépit de ses efforts, n'ayant pu conclure dans le délai convenu une entente officielle avec tous ses créanciers bilatéraux conformément au procès-verbal de la réunion du 30 Mai 1995 du Club de Paris, je sollicite par la présente auprès du Secrétariat du Club une prorogation de six (6) mois.

Cette demande, que confirme la présente, a été introduite par téléphone le 29 Novembre 1995 à travers Madame GIRARDIE du Secrétariat du Club.

Vous voudrez bien noter que des démarches ont été entreprises auprès de chaque créancier bilatéral, comme en témoignent les copies de correspondances communiquées au Secrétariat du Club.

Esperant que suite favorable sera accordée à cette requête, je vous prie d'agréer, Monsieur, l'expression de ma considération distinguée.

C.C.: Banque de la République d'Haiti





Republic of Macedonia
Ministry of Finance
Skopje

November 21, 1995

Dear Sir,

The Macedonian Government strongly supports the efforts for reaching a Peace Agreement among Bosnia and Hercegovina, Croatia and the Federal Republic of Yugoslavia (Serbia and Montenegro) at the meeting in Dayton, Ohio. We are also informed of the Drafts of the Arms embargo lift Resolution and the Draft Sanctions suspension Resolution, whereby among others, the sanction imposed on the Federal Republic of Yugoslavia pursuant to Resolution No. 820 (1993) are to be suspended.

Therefore, we would like to use this occasion to place a claim for the portion of the Republic of Macedonia in the foreign exchange reserves of the State formerly known as the Socialist Federal Republic of Yugoslavia, as one of the legal successor States.

Our claim is based on the following:

* The State that assumes to be the only legal successor to the State formerly known as SFRY, is a newly-established state with a new name, known as Federal Republic of Yugoslavia, consisting of two former republics of SFRY (Serbia and Montenegro). Thus, the former SFRY, after its dissolution and the establishment of the former republics as an independent and sovereign countries, does not exist. According to this, all republics of former SFRY, now independent countries, have an equal right to be legal successors of the former SFRY.

* In accordance with the previously mentioned, the liabilities of the former SFRY, including the debts to the foreign creditors, have already been assumed by the successor States, since that was a precondition for their membership in the international financial institutions, such as the IMF, World Bank, EBRD etc. Also, the Republic of Macedonia has concluded an Agreed Minute with the Paris Club Creditors on 17 July, 1995 on Consolidation of the debt, including the non-allocated debt, that was owned and guaranteed by the former SFRY and not immediately attributable to any successor republic.

The Government of the Republic of Macedonia strongly believes that the only justifiable solution would be to divide the foreign exchange reserves of the State formerly known as the SFRY among all successor states with implementation of a certain key.

Also, the suspension of the said Resolution shall, due to stipulations of the Law on National Bank of Yugoslavia of June 25, 1993 and its Article 89 in particular, not imply succession to title to and subsequent free disposal of the balances on the foreign account in the former National Bank of Yugoslavia by the new National Bank of Yugoslavia.

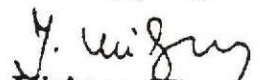
We would be most grateful if you could inform the commercial banks and other financial institutions in your country accordingly, especially pointing out that all new States deriving out of the former republics of the former SFRY are legal successors to the title of such funds. Any unilateral disposal of the funds by the new National Bank of Yugoslavia will force the Republic of Macedonia to take the appropriate legal steps in order to have any such transactions declared as null and void. We strongly believe that the commercial banks and other financial institutions will be acting in a prudent manner, bearing in mind that they will be held liable to indemnification in case of an action to the contrary.

Allow me to mention that the Republic of Macedonia is the only one of the former Yugoslav republics that attained its independence in a peaceful manner. Although, my country is a multi-ethnic society and was one of the least developed republics of the former Yugoslavia - both exceptional preconditions for unrest - we did not allow war or ethnic conflict to develop on our territory. Moreover, in extremely unfavourable external conditions, the Republic of Macedonia accepted the liabilities of the former SFRY as one of its successors, even though that was a great burden on its economy.

I sincerely expect that your Government and the UN would have understanding for our proposal for division of the foreign exchange reserves among the successor States of former Yugoslavia.

Thank you for your cooperation.

Sincerely yours,


Minister of Finance

Dr. Jane Miljovski



ПЕРВЫЙ
ЗАМЕСТИТЕЛЬ МИНИСТРА

103097, Москва, ул. Ильинка, 9
ТЕЛЕГРАФ: 112008
ТЕЛЕФАКС: 925-08-89

7 December 1995

7.12.95 № 26-1-01

На № _____

Christian Noyer
Chairman of the Group of Participating
Creditor Countries of the former Soviet Union
Ministere de l'Economie Direction de Tresor
Rue de Bercy, 139
75572 Paris
France

Dear Mr Noyer,

I am writing to you concerning Russia's arrangements with the Paris Club following the expiry of the current consolidation period on 31 December 1995.

You will recall that, at the conclusion of the meeting on 14 November 1995, it was agreed that Russia had satisfied all the conditions set out in the 3 June 1995 Paris Club Agreement for starting the negotiations of a comprehensive rescheduling agreement. As a result, it was declared that these negotiations had officially commenced. Both sides also agreed that given the complexity of the proposed rescheduling, the discussions would be intensified over the coming months.

In view of the time needed to conclude the comprehensive rescheduling agreement, we would request the Paris Club to defer provisionally all contractual maturities of principal and interest falling due before 31 March 1996 in respect of debts concluded before 1 January 1992 that would be eligible for rescheduling through the Paris Club. I would also seek the Paris Club's understanding that, in these circumstances, it is necessary to request a provisional deferral of the principal payment due on 1 January 1996 under the 1993 bilateral rescheduling agreements.

I would like to emphasise that the Government intends to make all other payments falling due prior to 31 March 1996 under the bilateral rescheduling agreements reached with Paris Club creditors in 1993, 1994 and 1995, and that the Government intends to discuss with the Paris Club an appropriate treatment of the provisionally deferred amounts in the context of the comprehensive rescheduling negotiations.

With kindest regards,

Yours sincerely

A.P. Vavilov



THE REPUBLIC OF SLOVENIA
Ministry of Finance

November 21, 1995

His Excellency
Mr. Christian Noyer
Chairman of the Paris Club

Dear Sir,

We refer to our letter of February 1995 concerning changes in legal status of the National Bank of Yugoslavia and their implications on the legal title to funds held by various commercial banks and other financial institutions throughout the world in the name of the National Bank of Yugoslavia. We take this opportunity to thank you for informing commercial banks in your country accordingly.

Furthermore, you have been informed of the fact that the Republic of SLOVENIA has reached an Agreement in Principle on the succession to a portion of the debt of the former SFR Yugoslavia to foreign Creditors within the London Club. We are pleased to inform you that, based upon and following a recent meeting between the Slovenian Delegation and the International Coordinating Committee, the draft agreement documentation has been distributed to the Creditors with the purpose to obtain the approval of 2/3 needed for conclusion of the agreement. It is the Republic of Slovenia's firm intention and desire to conclude this agreement as soon as possible. Its conclusion is, no doubt, equally important for the Creditors: not only will repayment of a part of the outstanding debt of the former Yugoslavia be secured, but the agreement will also be a sound and firm basis for negotiations with other Obligors from the former Yugoslavia, since it has been repeatedly pointed out that the existing credit relations based on the New Financing Agreement are subject to the International Civil Law and not to the Geneva Conference on Succession to the Former SFR Yugoslavia.

On the other hand, the Republic of Slovenia welcomes and supports the endeavors of the international community, and especially those of the United States of America, to reestablish peace in the Balkans. We have, however, been informed of the draft Sanctions Suspension Resolution prepared for adoption by the UN Security Council, whereby, among others, the sanctions imposed on the Federal Republic of Yugoslavia pursuant to Resolution No. 820 dated April 17, 1993, are to be suspended. With regard to the paragraph 5 of this draft Resolution, we officially request from respective authorities of your country to consider all assets of (i) the government of the so-called Federal Republic of Yugoslavia, including any of its subdivisions, as well as of other


respective agencies, including the National Bank of Yugoslavia, and (ii) the entities owned or controlled, directly or indirectly, by the government or any governmental agency of the so-called Federal Republic of Yugoslavia, as assets on which the Republic of Slovenia, as one of the successor states to the former Yugoslavia, has a legal and legitimate claim. Therefore, we urge you to consider these assets frozen until the final resolution regarding the distribution of assets and liabilities is reached among the successor states.

As already pointed out in our above mentioned letter, the suspension of the said draft Resolution shall, due to stipulations of the Law on the National Bank of Yugoslavia of June 25, 1993 and its Article 39 in particular, not imply succession to title to and subsequent free disposal of the balances on the foreign account of the former National Bank of Yugoslavia by the new National Bank of Yugoslavia.

We would therefore be most grateful if you could again inform the commercial banks and other financial institutions in your country accordingly, especially pointing out that all new states deriving out of the former republics and autonomous provinces of the former SFR Yugoslavia are legal successors to the title of such funds. Any unilateral disposal of the funds by the new National Bank of Yugoslavia will force the Republic of Slovenia to take the appropriate legal steps in order to have any such transactions declared as null and void. We are, however, quite confident that the commercial banks and other financial institutions will be acting in a prudent manner, bearing in mind that they will be held liable to indemnification in case of an action to the contrary.

Bearing in mind our efforts towards a fair and correct solution of the succession to assets and liabilities of the former SFR Yugoslavia, we hope for your understanding and cooperation, and remain,

Sincerely yours,


Mija Gaspari
Minister of Finance

THE REPUBLIC OF SLOVENIA
MINISTRY OF FINANCE

November 27, 1995

Mr. Christian Noyer
The Chairman of the Paris Club

Ministry of Finance and Budget of
the French Republic
Paris

Dear Mr. Chairman,

I refer to your letter dated September 11, 1995, where you pointed out the concern of the Paris Club creditor countries regarding the status of bilateral negotiations with the Republic of Slovenia.


The delay in finalization of the ongoing negotiations with some creditor countries was caused by questions which emerged during negotiations and were to be internally solved in the Republic of Slovenia. The precise tables to present the size of the debt towards the Paris Club creditor countries, with special emphasis on the allocation of the final beneficiaries in the Republic of Slovenia, had to be prepared as well.

I would like to inform you about the final beneficiaries located in Republic of Macedonia where Ljubljanska banka, Ljubljana acted through its affiliate in Skopje as debtor or guarantor in some original loan agreements with creditors in the Kingdom of Belgium, the Kingdom of the Netherlands and the Italian Republic. We were advised by the Ministry of Finance of Republic of Macedonia that in the meantime the affiliate of Ljubljanska banka in Skopje became an independent bank, Makedonska banka d.d. Skopje which assumed, among others, these items into its balance sheets. They were transferred by special law to the Republic of Macedonia, which will assume this items as its obligations in bilateral negotiations.

I believe that you will agree with me, that the dispute regarding the final beneficiary principle versus debtor/guarantor principle related to the Republic of Macedonia and encountered in the bilateral negotiations of the Republic of Slovenia with the above creditor countries, does not exist any more. It should not be overlooked, that the Republic of Slovenia strictly applies the principle of the final beneficiary and will assume accordingly the liabilities of final beneficiaries located in the Republic of Slovenia, but guaranteed by the banks located in other former Yugoslav republics, as allocated debt.

With regard to the beginning of bilateral negotiations with Yugoslav successor states, we consider, that Paris Club creditor countries are now able to stipulate the question of the debt with each respected state separately.

Please accept, Mr. Chairman, the assurance of my highest esteem.


Maja Gaspar
MINISTER OF FINANCE