



Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

Concept Stage | Date Prepared/Updated: 26-Jan-2018 | Report No: PIDISDSC21310



BASIC INFORMATION

A. Basic Project Data

Country Peru	Project ID P162833	Parent Project ID (if any)	Project Name Improving Services through Access to Justice, Online Justice and Transparency (P162833)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date May 29, 2018	Estimated Board Date Aug 02, 2018	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Republic of Peru	Implementing Agency Judiciary of Peru	

Proposed Development Objective(s)

The Project’s development objective is to improve the efficiency, access to justice and transparency in the provision of non-criminal justice services in Peru.

Financing (in USD Million)

Financing Source	Amount
Borrower	100.00
International Bank for Reconstruction and Development	100.00
Total Project Cost	200.00

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track I-The review did authorize the preparation to continue
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Other Decision (as needed)



B. Introduction and Context

Country Context

Peru remains one of the fastest growing economies in the Latin America and Caribbean region, although a less favorable external environment slowed its pace in the last three years. Over the last decade (2007-2016), Peru's GDP grew at 5.5 percent per year on average, above the regional average of 2.4 percent. GDP grew by 4.0 percent in 2016, on the back of higher export volumes. Growth is projected to slow down to 2.4 percent in 2017.

Over the last decade, poverty and inequality dropped dramatically in Peru, thanks to economic growth and increasing labor incomes, especially at the bottom of the income distribution. Poverty responded strongly to growth— for each percentage point increase in GDP growth, poverty fell by 1.4 percentage points. From 2004–15 moderate poverty fell by more than half, from 58 to 22 percent and extreme poverty fell from 16 to 4 percent. More broadly, households' incomes in the bottom 40 percent increased by an average of 6.8 percent per year, against 4.4 percent for the average income. As a result, inequality declined by 12.6 percent over the period. Women face disparities in the labor market, and they are highly exposed to violence, in particular in the domestic realm. Indigenous and Afro-Peruvians, who make up around 45% and 3%, respectively, face further disadvantages in living conditions. Of the total indigenous population, around 16% speak a language other than Spanish as their native language. There is also a big gap between urban and rural areas regarding poverty: 43.8% of the rural population is considered poor, compared to 13.9% of the urban one. Peru's indigenous population is disadvantaged in terms of poverty and access to services. Furthermore, a historically low presence of the State in isolated regions fueled a lack of trust in the State that is still visible in the generally low compliance with rules and regulations.

Sectoral and Institutional Context

The Peruvian Justice Administration System (*Sistema de Administración de Justicia, SAJ*) comprises six main institutions: (i) Judicial Academy (*Academia de la Magistratura, AMAG*), (ii) National Magistracy Council (*Consejo Nacional de la Magistratura, CNM*), (iii) Ministry of Justice and Human Rights (*Ministerio de Justicia y Derechos Humanos, MINJUS*), (iv) Attorney General's Office (*Ministerio Público-Fiscalía de la Nación, MP*), (v) Judiciary (*Poder Judicial, PJ*), and (vi) Constitutional Tribunal (*Tribunal Constitucional, TC*).

Institutions of the SAJ, except TC, formed a permanent forum named the National Agreement for Justice (*Acuerdo Nacional por la Justicia, ANJ*) in November 2016 to address the challenges in the justice sector and strengthen the justice system. The heads of the AMAG, the CNM, the MINJUS, the MP, and the PJ officially established the ANJ, with the MINJUS as its technical secretariat, and agreed on the main guidelines for the design of a coherent and systematic policy for the justice sector to guarantee equal rights of all citizens to an effective, efficient and transparent justice system. The institutions involved agreed to collaborate by: (i) fighting corruption including proposals to improve the current legal and procedural framework; (ii) making available all databases, and systems to establish an interconnected network that helps develop the functions of all institutions; (iii) maintaining a permanent interinstitutional dialogue to strengthen the responsiveness of the SAJ in the most urgent justice issues; (iv) establishing a permanent workspace among institutions to manage a common agenda for urgent topics; and (v) establishing an interinstitutional coordination mechanism to coordinate agendas and agreements of the ANJ.

Recent Policy Measures taken

Over the last decade, the GoP has made some progress in the justice sector mainly by implementing oral procedures, fighting against corruption, and increasing access to justice services. New regulations and mechanisms seeking to increase productivity and ensure economic sustainability have also been introduced. More recently, some advances have been made in the use of information technology to accelerate some judicial processes. The Electronic Case Files (*Expediente Judicial Electrónico, EJE*), in particular, is one of the most important reforms currently being



implementation by the PJ. Since January 2017, PJ has been working in the implementation of an e-filing system for non-criminal cases. The EJE consists of an organizational reform focused on assuring a more expedited and transparent justice services using new ICT tools. Once fully implemented, EJE will allow to manage the judicial process, its proceedings and the services provided by PJ through secure electronic mechanisms.

To date, the EJE has been implemented in 12 courts of the Lima District: 6 commercial courts, 1 customs court, 1 court for market issues, and 4 labor courts. The implementation of the EJE in these courts has been an important first step not just to pilot this new mechanism, but also to establish the framework for it to operate effectively.

Challenges

Administrative Challenges. One of the key challenges of the SAJ is the persistent inefficiencies in the delivery of services, especially with respect to resolving cases in a timely and effective manner. Evidence indicates that civil and criminal cases take more than 4 years to be solved, when they should not take more than a year according to Peruvian law.

Knowledge Management Challenge. The SAJ has failed in producing clear precedents (jurisprudence) to guide the decision of the courts. This has a negative impact both on the efficiency and on the SAJ's reputation.

Information Challenge. The SAJ does not have reliable data to design strong and effective public policy. Due to the lack of information (for example on case-loads by location, type of case, judge), there is no certainty on the most urgent measures to be taken to solve backlog and provide a better service to users.

Trust Challenge. The lack of transparency and accountability mechanisms, especially at the local level, together with the abundance of corruption investigations has led to a generalized mistrust in public institutions and the justice system. Only 21 percent of all citizens trust the judicial system, and most consider it inequitable.

Access Challenge. The SAJ is confronted with socioeconomic, linguistic and cultural, and geographical barriers that limit the access to justice in Peru. One of the biggest challenges regarding access to justice is the cost of accessing justice services. According to the DB 2018, the cost of a commercial case is around 35.7% of the claim value, higher than the LAC average (31.4%) and of the OECD high income countries (21.5%).

World Bank involvement

The proposed operation seeks to contribute to government efforts by supporting the implementation of the ANJ. This operation is being prepared in close coordination with a parallel operation of the Inter-American Development Bank (IADB), to ensure alignment, avoid overlap, and maximize development effectiveness. The proposed operation will build on WB's previous support to Peru's justice system, and would be the third operation in which the WB supports the Peruvian justice system.

Relationship to CPF

The proposed operation is aligned with the Country Partnership Framework (CPF) for the Republic of Peru for the Period FY17-FY21. The quality of justice services received prominent attention in both the Government's National Plan and the World Bank's Systematic Country Diagnostic. On this account, Improving the Quality of Justice Services (objective 7) is established as one of the objectives of the CPF, under Pillar 2: provide services for citizens across the territory. The CPF proposes to support the GoP in launching a full reform of the justice system including e-justice alternatives and Alternate Dispute Resolution (ADR) mechanisms, in order to increase efficiency of the justice system and citizen access to justice services. Specifically, this project has been identified in the CPF as the backbone of the engagement to achieve this objective.



C. Proposed Development Objective(s)

The Project's development objective is to improve the efficiency, access to justice and transparency in the provision of non-criminal justice services in Peru.

Key Results (From PCN)

The PDO goals will be measured with the following indicators:

- Number of days in selected procedural stages of certain types of cases handled by the Judiciary.
- Number of certain types of cases initiated in the Judiciary.
- Number of information requests for certain types of cases initiated in the Judiciary.

D. Concept Description

The proposed operation is an Investment Project Financing (IPF) for a tentative amount of up to USD\$100 million from the WB. The borrower will invest an equal amount in the activities here proposed. The project will support the strategy outlined in the ANJ, especially aspects related to efficiency, access to justice and transparency.

The redesign of judicial processes and the implementation of the EJE by the Judiciary will be at the center of the project. The EJE, a major effort of the country to reorganize the provision of non-criminal justice services, requires not only technological improvements and physical space renovation, but also, more importantly, a substantial change in the organizational framework of the justice system. This project envisages minor works of refurbishment or rehabilitation in existing office spaces. The types of works and location will depend on the modification of organization framework of justice services (i.e. Component 1), which will determine specific architectural standards for the courts.

The proposed operation consists of five components:

Component 1: Design and implementation of a new organizational framework for justice services (Est. amount: [TBD])

The purpose of this component is to redesign and implement a new organizational framework for the entities involved in the provision of non-criminal justice services. The new management model seeks to improve justice services by reducing the time needed for dispute resolution and making the resolution process more transparent. The organizational culture will focus on resolving conflicts and on maximizing the use of technological tools for improving justice services. Special emphasis will be placed on incorporating in the management model the technological tools to reduce processing time of several legal procedures (especially by redesigning and scaling up the current pilots in the commercial, administrative, labor and tax courts). The investments in technological infrastructure and physical space renovation will be guided by the modifications established in the management model and the organizational culture. This component consists of two subcomponents.

Subcomponent 1.1: Improving the organizational framework:

- **Judiciary:** *Design and implementation of standardized judicial, court management and administrative processes, with required change management plan for using the new IT tools and the EJE.*
- **AMAG, CNM and TC:** *Design and implementation of a management model, including a change management plan in each institution.*

Subcomponent 1.2: Investments in technology and physical space renovation based on the changes in the organizational framework:

- **Judiciary:** *Design and implementation of the EJE, including hardware and software, as well as the acquisition and installment of informatic and communication tools for implementing it.*
- **AMAG, CNM and TC:** *Technological and physical space renovation for implementing the management model in each institution.*



Component 2: Capacity Building for justice officials (Est. amount: [TBD])

The purpose of this component is to strengthen the capacity of judicial officials providing non-criminal justice services for the proper implementation of the new management model and new internal processes. It will also focus on strengthening the officials' computer skills (ranging from the proper use of a computer to the use of the new applications designed for processing cases) and capacities in effective conflict resolution (especially for the jurisdictional personnel), such as conciliation, mediation and other techniques. The proposed capacity building programs will be developed based on a pedagogical model and will take full advantage of the most effective techniques and technological tools.

This component will include the design and implementation of capacity building programs for all the entities involved. The activities to be supported under this component are:

- **Judiciary:** Design and implementation of capacity building programs on the EJE and on the use of technology for jurisdictional and administrative court personnel.
- **AMAG:** Design and implementation of a capacity building program, including an empirical assessment of training needs, the design of the academic contents and as well as a virtual training platform.
- **CNM and TC:** Design and implementation of a training program focused on the proper use of the IT tools, the EJE and the processes established by the management model

Component 3: Strengthening the transparency and information management for justice services (Est. amount: [TBD])

The purpose of this component is to improve the access to information and the information management capacity of the entities providing non-criminal justice services. The activities of this component will enhance the capacity of the entities to provide users and citizens with access to the information of case status and other relevant information of court operations. Also, this component will support the creation of a new monitoring system that will help the entities to revise their performance in a periodic and effective manner and will also serve to provide relevant information to inform, evaluate and redesign the justice policies. The component consists of two subcomponents:

Subcomponent 3.1: Improving access to information:

- **Judiciary:** Design and implementation of a plan for increasing transparency and improving access to court information (including the design and implementation of a communication strategy for the EJE).
- **CNM:** Design and implementation of a process that effectively responds to citizen complaints and questions regarding the performance of judges and other judicial officials.
- **TC:** Design and implementation of a communication strategy.

Subcomponent 3.2: Improving information management capacity:

- **Judiciary:** Design and implementation of a new monitoring system that provides information on the services, processes and resources, which might include the design of a new information management system.
- **TC:** Strengthening the Integrated System of Case Management (SIGE).

Component 4: Supporting the extension of justice services to poor and vulnerable populations (Est. amount: [TBD])

This component seeks to support the extension of services to poor and vulnerable populations by strengthening the operations of the public defenders for civil, labor and family cases¹. The public defense system is an essential component of the justice administration system that assures access to vulnerable population. This service provides free legal aid for civil, labor, family and criminal cases, as well as defending victims of rights violations. The strengthening of a specific management model, capacity building programs, performance measurement systems, among others, for public defenders

¹ Support for criminal cases will be provided by IADB.



is important for a full implementation of the EJE. To design the activities under this component, the Bank will take into consideration the previous experiences in access to justice programs financed by the Bank, especially the ALEGRAs. Currently this component is being under discussion with MINJUS to define the concrete details of a potential intervention by the Bank.

Component 5: Management and evaluation of the project (Est amount: [TBD])

This component will provide support to the management and evaluation of project activities. The component consists of two subcomponents: 1) Overall project management, which would be performed by the Project Implementation Unit housed in the Judiciary; and 2) Evaluation of selected activities of the project, which will use quasi-experimental or experimental methods and involve the participation of an international or regional well-recognized academic, think tank or NGO. At least four evaluations of these characteristics will be conducted within project life span.

SAFEGUARDS

A. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

This project supports national reform of the justice system in Peru, which will include minor works of refurbishment or rehabilitation in existing office spaces. Location of these works will depend on activities under Component 1 (Design and Implementation of a New Organizational Framework for Justice Services).

B. Borrower’s Institutional Capacity for Safeguard Policies

Regarding borrower’s institutional capacity for implementing social and environmental safeguards policies, the Bank will support the client to form a small social and environmental team, which will serve as counterpart for safeguards activities. At minimum, the borrower will hire or appoint a social specialist to coordinate the development of social-gender assessment and the Indigenous Peoples Plan for this operation. Due to the fact that the Project will have a component addressing the needs of vulnerable populations (component 4), institutional capacity will be strengthened through the integration of the Project Implementation Unit that will be necessary for the execution of the entire project.

C. Environmental and Social Safeguards Specialists on the Team

Raul Tolmos, Environmental Safeguards Specialist
Carlos Tomas Perez-Brito, Social Safeguards Specialist

D. Policies that might apply

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	TBD	This is a Category B project. This project envisages minor works of refurbishment or rehabilitation in existing office spaces. The works will depend on the modification of organizational framework of justice services (i.e. Component 1), which will determine specific architectural standards for the courts. In case OP/BP 4.01 is triggered, the Borrower will require



		contractors in charge of refurbishment or rehabilitation of office spaces to prepare an environmental, safety and health (EHS) management plan to avoid or minimize EHS impacts and risks. This requirement will be reflected in their contracts.
Natural Habitats OP/BP 4.04	No	This policy is not triggered. Project activities are not expected to have any effect on natural habitats.
Forests OP/BP 4.36	No	This policy is not triggered. Project activities are not expected to have any effect on forest areas or related natural habitats.
Pest Management OP 4.09	No	This policy is not triggered. Project activities will not lead to any environmental and health risks associated with pesticide use.
Physical Cultural Resources OP/BP 4.11	No	This policy is not triggered. Project activities are not expected to affect any physical cultural resources.
Indigenous Peoples OP/BP 4.10	Yes	This policy will be triggered. According to the World Bank, 26% of the Peruvian population (approximately 7.6 million people) are indigenous. As a result, a Social and Gender Assessment will be prepared by the client to inform project activities, particularly those pertaining to Component 1 and 4. In addition to the assessment, the Bank will support the Client to carry out a couple of pilot cases focusing on cases relevant to vulnerable populations, for example, non-criminal cases related to family (domestic violence against women), labor (workers compensations or health and safety cases) and land related cases (Indigenous peoples land tenure and natural resources). Due to the national scope and character of the project, the social-gender assessment and the pilots will be used to provide evidence to prepare a national-level Indigenous Peoples Plan (IPP) and also inform activities under components 1 and 4. This IPP will describe measures that will be taken to ensure that Indigenous Peoples are equal project beneficiaries and that they do so in a culturally appropriate manner. In the case of previous operations, particularly P110752 Justice Services Improvement, OP 4.10 was not triggered because all Project activities had a discrete, place-specific impacts linked to Lima urban metropolitan area.
Involuntary Resettlement OP/BP 4.12	No	This policy is not triggered. Project activities will not lead to involuntary resettlement or any land taking leading to the relocation of families, loss of assets or restriction of access to protected areas. Likewise, physical space renovations described as part of sub-



		component 1.2 won't require any land acquisition or won't lead to any impacts covered under this policy.
Safety of Dams OP/BP 4.37	No	This policy is not triggered. Project activities will not be affected by, nor have any affect, on any existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered. Project activities are not related to any projects on International Waterways.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered. Project activities are not related to any projects in disputed areas.

E. Safeguard Preparation Plan

Tentative target date for preparing the Appraisal Stage PID/ISDS

May 22, 2018

Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal Stage PID/ISDS

It is estimated that the safeguard-related studies will take two to three months after the PCN review meeting.

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Due to the national scope and character of the project, the social-gender assessment and the pilots will be used to provide evidence to prepare a national-level Indigenous Peoples Plan (IPP) and also inform activities under components 1 and 4. This IPP will describe measures that will be taken to ensure that Indigenous Peoples are equal project beneficiaries and that they do so in a culturally appropriate manner.

CONTACT POINT

World Bank

Roland N. Clarke, Jorge Luis Silva Mendez
Lead Public Sector Specialist

Borrower/Client/Recipient



Republic of Peru

Implementing Agencies

Judiciary of Peru
Rodolfo Alban
Executive Director of the ACCEDE Program
rodolfo.alban@accedejusticia.pe

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Roland N. Clarke, Jorge Luis Silva Mendez
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Approved By

Practice Manager/Manager:	Robert R. Taliercio	05-Feb-2018
Country Director:	Boris Enrique Utria	23-Feb-2018