



<b>1. Project Data:</b>		<b>Date Posted :</b> 03/29/2001	
<b>PROJ ID:</b> P006205		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Judicial Reform Project	<b>Project Costs (US\$M)</b>	12.74	10.35
<b>Country:</b> Bolivia	<b>Loan/Credit (US\$M)</b>	11	7.60
<b>Sector(s):</b> Other Public Sector Management	<b>Cofinancing (US\$M)</b>		00
<b>L/C Number:</b> C2705; CP825			
	<b>Board Approval (FY)</b>		95
<b>Partners involved :</b>	<b>Closing Date</b>	09/30/1999	03/31/2000

<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>

**2. Project Objectives and Components**

**a. Objectives**

The credit supported the first phase of a comprehensive Judicial Reform Program aimed at creating a judicial system that contributes to economic growth and social welfare . Specifically, the credit aimed at: (a) improving the quality and effectiveness of civil justice administration, (b) strengthening the capacity of the Judiciary to provide judicial services, and (c) strengthening the capacity of the Ministry of Justice to prepare, review and implement laws and programs related to the country's constitutional, judicial, economic and social reforms .

**b. Components**

1. **Judiciary** . This component dealt with activities directly related to the daily operations of the courts, and had four components: (a) judicial process reforms, to improve the quality and swiftness of civil dispute resolutions; (b) human resource management reforms, aimed at restructuring the incentives under which judges and clerical personnel operated; (c) institutional strengthening program, aimed at developing the strategic management capacity of the Judiciary; and (d) Judicial Development Fund.

2. **Ministry of Justice** . This component supported: (a) implementation of constitutional reforms-preparation of a law and regulations for the Judicial Council and Constitutional Tribunal; (b) alternative dispute resolution to help introduce a system of justices of the peace, aimed at marginalized social groups and indigenous communities; (c) legislative reforms designed to improve the legal environment for private sector activity, and focusing on Commercial and Civil Procedures Codes, and introducing laws on alternative dispute resolution, secure transactions and administrative procedures; and (d) institutional strengthening of the Ministry of Justice, to improve the quality of primary and secondary legislation .

**c. Comments on Project Cost, Financing and Dates**

No co-financiers, and Bank financing covered about 82 percent of actual project costs . Credit Agreement signed on April 21, 1995 and amended on June 19, 1998.

**3. Achievement of Relevant Objectives:**

The project improved somewhat the Judiciary's capacity to formulate policy, and helped strengthen the Ministry of Justice's capacity to prepare, review and implement legislation .

**4. Significant Outcomes/Impacts:**

The Judiciary component helped to produce a critical group of reform -minded, highly skilled and committed judicial professionals. The training program focused on continuous and explicit monitoring of changes in the quality and content of judicial sentences and resolutions .

The project helped to strengthen the Ministry of Justice's capacity to prepare, review and implement legislation . Main achievements are: (a) Congress passed the Constitutional Tribunal and Judicial Council Laws; (b) the Ministry of Justice created an institutional framework for developing and applying an alternative dispute resolution mechanism and carried out studies to create a comprehensive knowledge base on indigenous justice systems; (c) the Ministry of Justice prepared a new code of civil procedure, prepared substantial amendments to the civil and commercial codes and to the new law of administrative procedures, and prepared a manual setting out basic guidelines for the formulation of draft laws and regulations; and (d) the Ministry of Justice established its library .

**5. Significant Shortcomings (including non-compliance with safeguard policies):**

The project did not fully achieve its objectives, especially in the Judiciary component . Specifically: (a) while the

judicial policy and procedural guidelines were prepared the Supreme Court did not issue them; (b) court personnel collected information sporadically because they viewed it as a data gathering exercise rather than as an essential tool to improve courtroom management; as a result the development of a manual information system had limited impact; (c) the recommendations of the study on the reform of courtroom organization were partially implemented .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Moderately Satisfactory	Supreme Court did not: (a) issue the guidelines for improving judicial process nor for the average duration of judicial procedures; and (b) define policies to clarify independence of judges in adjudicating disputes. The manual information system was not implemented in practice; according to ICR most of courts captured the information on a sporadic basis.
<b>Institutional Dev .:</b>	Modest	Modest	
<b>Sustainability :</b>	Uncertain *	Unlikely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	The following comments point out some shortcomings of Bank performance. The design of the project failed to take into account new institutional developments in the country. First, the Bank had designed the project with the Supreme Court but this lost some interest in the project after some of its functions were replaced by the Judicial Council. Second, knowing the weak capacity of the Bolivian public sector it is puzzling that the Bank expected the Judicial Council to be sufficiently operational upon its creation. The sharp differences between the two components made the timeframe to implement the project overly ambitious The Bank had limited capacity and experience in terms of political, institutional and operational aspects of judicial reform.
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	The following comments point out some shortcomings in Borrower performance. The Borrower agreed to a range of complex activities that were beyond the capacity of its implementing agencies. The Borrower proceeded with a project where one of its implementing agencies (Supreme Court) had lost interest in it because it lost power to two new institutions: the Constitutional Tribunal and the Judicial Council
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

### 7. Lessons of Broad Applicability:

When possible, avoid mixing in one project components of structural reform with components best executed under an investment project. In this particular project, the Bank could have separated the long-term structural reform of the Judiciary from the short-term legislative reforms.

Programs that support institutional reform must be designed with a strong knowledge and diagnostics of the problems that prevent the judiciary from delivering services efficiently . This requires collecting and analyzing hard evidence to assess the quality of institutions, the possibility of reform (political economy) and the challenges to implementing it.

The Bank must be ready to change project design and implementation when changes in legislation radically shift the power base of the institutions involved in the project .

### 8. Assessment Recommended? Yes No

**Why?** Medium importance for audit. This was one of the first judicial reform projects supported by the Bank, and has useful lessons for similar operations in other countries .

### 9. Comments on Quality of ICR:

The ICR evaluates the project well and brings out its strengths and short-comings, from design to execution. The ICR, however,

could have helped the reader in understanding the design and achievements of the project better. First, the ICR could have summarized the specific commitments **by** the Borrower **to carry** out the project. Trying to figure out what the project was about was difficult because the SAR, the MOP, the credit agreement and the ICR have each a slightly different version of the project. Second, the ICR could have said explicitly what specific commitments it was evaluating for each sub-component, and discuss immediately the results for that sub-component. For example, in the sub-component on alternative dispute resolutions the ICR summarizes several activities carried out by the Borrower, but none of them are explicitly linked to the commitments in the credit agreement (drafting legislation, carrying out and evaluating pilot programs of dispute resolution) or to the actions specified in the staff appraisal report. **Third,** because the ICR does not link commitments to outcomes it is difficult to know whether the Borrower met its commitments. For example, the ICR, which discusses extensively the alternative dispute resolutions component, could have mentioned that the **judiciary** drafted legislation led to implementing and evaluating a pilot system of mechanisms to resolve disputes.