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STAFF APPRAISAL REPORT

PERU

JUDICIAL REFORM PROJECT

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**Poverty Reduction and Economic Management
Country Management Unit 6
Latin America and the Caribbean Region**

CURRENCY EQUIVALENTS

Currency Unit: Nuevo Sol (/S)
US\$1 = /S 2.65050003 (August 5, 1997)
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FISCAL YEAR

January 1 - December 31

Abbreviations

ADR	-	Alternative Dispute Resolution
AM	-	Academia de la Magistratura
CCJ	-	Consejo de Coordinacion Judicial (Judicial Coordination Council)
CNM	-	Consejo Nacional de la Magistratura
DP	-	Defensoria del Pueblo (Ombudsman)
JP	-	Juez de Paz (Justice of Peace)
IDB	-	InterAmerican Development Bank
IFC	-	International Finance Corporation
INEI	-	Instituto Nacional de Estadistica
LOPJ	-	Ley Orgánica del Poder Judicial
NGOs	-	Non-Governmental Organizations
OCMA	-	Oficina de Control de los Magistrados
PCU	-	Project Coordination Unit
PPU	-	Project Preparation Unit
UNDP	-	United Nations Development Program
USAID	-	United States Agency for International Development

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PERU
JUDICIAL REFORM PROJECT

Loan and Project Summary

Borrower: Republic of Peru

Implementing Agencies: The Judiciary (through its Executive Commission and Oficina de Control de los Magistrados), Academia de la Magistratura, Consejo Nacional de la Magistratura, and Defensoría del Pueblo

Beneficiaries: The Judiciary, Consejo Nacional de la Magistratura, Defensoria del Pueblo, judges and judicial personnel, general public

Poverty: Not Applicable

Loan Amount: US\$22.5 million equivalent

Terms: Repayable in 17 years, on annuity payments, including a four-year grace period, at standard variable interest rate for LIBOR-based US dollars single currency loans.

Commitment Fee: 0.75% on undisbursed loan balances, beginning 60 days after signing, less any waiver.

Onlending Terms: Grant to implementing agencies

Net Present Value: Not Applicable

Staff Appraisal Report: P-17137-PE

Map: IBRD 26572R

Project Identification Number: PE-PA-40107

PERU

PROPOSED JUDICIAL REFORM PROJECT

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Documents in Project Files

1. *Peru: Judicial Sector Assessment* (Green Cover), November 30, 1994, LA3PS, World Bank.
2. BTORs: Preparation, Pre-Appraisal, and Appraisal missions, World Bank.
3. Project Implementation Plan, *Proyecto sobre Administracion de Justicia a ser Presentado al Banco Mundial*, OTPCI, Peru, 1997.
4. Manual de Operaciones, OTPCI, Peru, 1997.
5. Access Fund Operational Guidelines (final draft)
6. Proceedings of Workshops: *Reforma Judicial, Acceso a la Justicia*, OTPCI, Peru, 1996
7. *Plan Estrategico de la Modernizacion y Reforma*, Comision Ejecutiva del Poder Judicial, May 1997
8. *Reform and Modernization of the Judiciary in Peru*, Comision Ejecutiva del Poder Judicial, June 1997
9. *Plan Operativo-Gerencia Ejecutiva de Proyectos*, Poder Judicial, June 1997
10. *Evaluacion Economica de la Reforma Judicial en la Republica de Peru*, INVERTEC IGT, July 1996.
11. *Plan de Reforma del Poder Judicial*, INVERTEC IGT, July and October, 1996
12. *Informe de Consultoria Proyecto Administracion de Justicia en el Peru*, March 1996, CDJ/CPU

This report is based on the findings of World Bank pre-appraisal and appraisal missions that visited Peru in May-June and October 1996. The missions consisted of Izumi Ohno (task manager), Roberto Laver (co-task manager), Roberto MacLean (LEGPS), Leain-Hong Ding (LAIDR), Maria Dakolias (LEGOP), and Ivan Vera Munoz, Neil Gold, and Jorge Barandiaran (consultants). In addition, the project preparation benefited from the support from Richard Moore (task manager until Sept. 1995), Rudolfo Sanjurjo, Javier Said, Juan Enrique Vargas, Roberto Page, and Jose Alberto Garibaidi (consultants). Mr. Fred Levy (resident representative in Peru) provided continued support during each mission. Messrs/Ms Paul Isenman, Isabel Guerrero, Guillermo Perry, and Krishna Challa are Directors and Division Chief, respectively. Peer Reviewers were Ms. Elizabeth Dasso (LA3PE) and Mr. Pablo Berckholtz (CLED), and Messrs. Jaime Giraldo Angel and Brian Garth (external peer). The task team would also like to express its thanks for the close collaboration extended by the staff of the project preparation unit, headed by Ms. Ana Teresa Revilla and integrated by Messrs./Mmes. Esther Valdivia Unzueta, Ana Matilde Urrunaga, Flor de Maria Meza, Maria Elizabeth Valera, Amparo Arequipeno, Alberto Raphael Salazar, and Laureano del Astillo Pinto.

Staff Appraisal Report

PERU

JUDICIAL REFORM PROJECT

I. THE JUDICIAL SECTOR

A. Background

1.1 Peru in the past seven years has seen dramatic reforms in economic policy for growth and social development, and changes in the definition of the role of the State required to increase government's capacity to govern. Since President Fujimori first took office in July 1990, the Government of Perú has pursued a program of economic reform that is remarkable for both its depth and its speed, at the same time that it has created an atmosphere of domestic tranquillity. This economic program has included trade liberalization, a shift in the ownership of state-owned enterprises, financial sector adjustment, labor market deregulation, and incipient rationalization of central public administration.

1.2 Economic reform and recovery are all the more remarkable given the consequences of a decade of decline and macroeconomic mismanagement in the 1980s. These consequences are evident in the decline of public spending, relative to GDP; in the inefficiency of public expenditure allocation, and particularly in the disinvestments in health and education; in the decay of infrastructure and the poor quality of its maintenance; in the proliferation of public sector agencies with overlapping responsibilities and limited financial accountability; and in increasing public debt and pension liabilities.

1.3 The reforms and economic recovery of the past five years have occurred within the context of a redefinition of the role of the State, codified in the new Constitution adopted in 1993 which narrows the state's mandate away from productive activities and reorients government's role in the delivery of key public services. To date, institutional reform and restructuring have taken particular aim at the redefinition of the regulatory framework, the alleviation of poverty, and the improvement of conditions for private sector participation in economic growth. However, Perú's public institutions remain fragile and the issue of institutional sustainability is of paramount importance.

1.4 In recognition of this fragility, the government has committed itself to a program of public sector modernization. With the re-election of President Fujimori, it has become clear that part of the agenda for his second term is the institutional consolidation of economic reforms to assure that progress made to date is sustained. In this context, and as was stressed by the President himself on various occasions, the need for public sector reform and reform of the "rules of the game" for private sector development, including judicial reform, are imperatives.

1.5 A modern State requires an effective rule of law, including modern laws and an adequate justice system. These are indispensable conditions to create a favorable investment climate, alleviate poverty, and incorporate all social sectors into the productive process. This will not only ensure the efficiency and stability of economic transactions but also the promotion of employment, income and standard of living of the poorest people.

1.6 Substantial updating of laws and regulations governing economic transactions has occurred in Peru in recent years. However, as pointed out in the Bank's private sector assessment, serious shortcomings exist in the application and interpretation of laws by the courts¹. The judicial sector largely fails to apply and interpret laws in an equitable, effective and efficient manner. Surveys and reports confirm the reality of a judiciary with unpredictable and low quality outcomes, unreasonable times to disposition, low levels of accessibility and extensive politicization and corruption.

1.7 Thus, the Peruvian judiciary is behind the times. Profound reforms are required in the justice system in order to facilitate the consolidation of economic reforms, encourage the productivity of enterprises and foster the integration of the poorest people into the productive process. Without a solid and respected justice system capable of guaranteeing in practice security of person and property, the aspirations of people, especially the poor, to participate in the benefits of economic and social opportunity cannot be fulfilled and private sector development is discouraged. In fact, in a private sector assessment carried out by IFC in February 1993, the judiciary and security concerns were singled out as the two most important political and institutional constraints for the development of the private sector in the country.³

B. Structure of the Judicial Sector

1.8 Peru follows a traditional tripartite model of government with three autonomous branches of government (Executive, Legislative and Judicial). Like most other Latin American countries, however, this constitutional equality is not realized in practice and the government is characterized by a strong Executive Branch and a weak Judicial Branch. The judicial sector in Peru comprises the following: the Judiciary, formed by the Supreme Court and other inferior courts; the Ministry of Justice; the Public Ministry; the National Council of the Magistracy; the Academy of the Magistracy; the Office of the Public Defender; and the Constitutional Tribunal. Follows a brief summary of each institution.

1.9 The Judiciary comprises the following: the Supreme Court, Superior Courts or Courts of Appeal, Specialized Courts or Courts (or Juzgados) of First Instance, and Justices of the Peace (both professional and lay judges). The court system is distributed loosely according to the defined political jurisdictions of the country. There are 24 departments (political jurisdictions) and 24 judicial districts, roughly correspondent, and two additional districts in preparation (Cono Sur and Chosica). The Supreme Court serves the whole nation, while there is a Superior Court in each judicial district. Under the Superior Courts there are first instance courts and a small number of "professional" Justices of the Peace. Currently there are about 1,500

¹ World Bank (1994) *Peru: A Private Sector Assessment*, Grey Cover Report, Latin America and the Caribbean Region, Country Department I, Country Operations Division.

² World Bank (1994) *Peru: Judicial Sector Assessment*, Green Cover Report, Latin America and the Caribbean Region, Country Department III, Public Sector Modernization and Private Sector Development Division. Also, during 1992, with the financial assistance of UNDP, the government established a Commission on the Integral Restructuring of the Judiciary and undertook a number of diagnostic studies and prepared reform proposals.

³ International Financial Corporation (1993), *A Private Sector Assessment--The Constraints to Private Sector Development in Peru: An IFC Perspective*

professional judges throughout the country. "Lay" justices of peace amount to about 4,300. They serve as a real conciliatory justice for small claims. (see Annex 4)

1.10 The Academy of the Magistracy (Academia de la Magistratura, or AM) is a separate unit within the Judiciary charged with the education and training of judges and prosecutors at all levels. Its Charter specifies three distinct purposes of training: (i) prepare aspiring judges and prosecutors for judicial duties; (ii) upgrade skills and knowledge of existing judges eligible for and seeking promotion; and (iii) provide continuing legal education for all judges. (See Annex 5)

1.11 The National Council of the Magistracy (Consejo Nacional de la Magistratura, or CNM) is a separate institution emanated from the 1993 Constitution. Its mandate is to select, appoint, ratify and remove judges and prosecutors at all levels. With clear autonomy in the naming of judges, the CNM is a key element in assuring the independence of the Judiciary. The CNM directly appoints all judges, without any presidential or congressional intervention. Also, the CNM is responsible for ratifying judges every seven years and is endowed with the capacity to remove Supreme Court judges. (See Annex 6)

1.12 The Office of the Public Defender (Defensoria del Pueblo, or DP) is a constitutional level ombudsman charged with the defense of the fundamental rights of citizens and the supervision of compliance of the public sector with its legally defined responsibilities. An autonomous body, elected for a five-year term by Congress, the DP is required to submit an annual report to Congress. The first DP was appointed by Congress in April 1996, and initiated its activity in September 1996. (See Annex 7)

1.13 The Tribunal of Constitutional Guarantees (TCG) adjudicates constitutional issues. It also has jurisdiction over legal actions invoking constitutionally-guaranteed actions whereby a citizen may allege the violation of a constitutional right by the authorities or by another private citizen. After some delays, all the seven positions were appointed by Congress in June 1996, and the TCG started its activity in October 1996.

1.14 The Ministry of Justice provides the link between the Executive and other branches of Government on all matters related to the judicial sector. As such, it is the Executive's arm for interacting with the Judiciary. The Public Ministry represents judicial processes of the society. Criminal prosecution involves the bulk of the cases involving the Public Ministry.

C. Issues

1.15 The judicial system in Peru largely shows an inadequate performance when measured against basic standards and principles of independence and accountability, access, efficiency and professional competence and integrity. This results in a system with very low public trust and confidence. This has not always been the case. It is more accurately a declining trend particularly in the last thirty years. Follows an overview of the main elements of the judicial system and their performance. The comments below focus on the civil and commercial side of the justice sector, but many of them may apply to other parts of the sector.

Independence and Accountability

1.16 **Judicial Appointment, Compensation and Evaluation.** Peru's basic laws on the Judiciary (the Constitution of Peru and the Organic Law of the Judiciary) provide that the Judiciary is an autonomous power of the State, independent of the Executive and the Legislature. Further, the Constitution itself provides safeguards for judicial independence such as the prohibition of interference by other branches of the government in judicial proceedings or from exercising judicial functions, prohibition of involuntary transfers, specified tenure and an adequate salary. Despite such structural independence, like many other Latin American countries, Peru has not enjoyed a tradition of judicial independence as reflected, in the pervasive politicization of the appointment and removal of its judges as well as the constant low budgets and salaries assigned to the judicial sector.

1.17 Many judges today are without tenure. Judicial tenure has been more the exception than the rule in Peru where three purges of the Judiciary have occurred within the last thirty years. The last purge came with the *autogolpe* of April 1992, when virtually all judges and prosecutors were dismissed. A process to restore judicial tenure commenced in 1993 with the appointment by the Constitutional Congress of Democracy. First an interim Jury of Honor, comprised of five well known and respected jurists. The Jury of Honor functioned for two years, until the CNM became operational, and in such period appointed the Supreme Court members and the appellate and first instance judges and prosecutors in the judicial district of Lima.

1.18 The CNM has represented an important step towards a fully transparent and merit-based appointment system. In October of 1995, it established guidelines of public competition for the selection of the superior judges and prosecutors. By March 1996, it had completed the appointments of superior judges and prosecutors nationwide. It has now to complete the appointment of vacancies at the trial level. There is a general recognition that the CNM has acted with objectivity in the recent appointments. Mechanisms have been provided for transparency and participation of the public. At the same time, however, there is agreement among members of the CNM, judges and experts that the system of selection, including public examinations, needs to be improved to better ensure that the most qualified lawyers are appointed to the bench at all levels.

1.19 Because of efforts by the interim Jury of Honor and the CNM, about half of the vacancies have been filled during the past two years. Nevertheless, the CNM faces the task of appointing at least 500 judges of first instance. It expects to carry out the appointment process in stages in close coordination with the AM. Besides this emergency task, the CNM will need to fill the vacancies that occur as natural course (about 30 judges and 30 prosecutors per year) and also establish a system of periodic evaluation to be linked to the ratification process. To assist the CNM in fulfilling the emergency task, Congress recently approved changes to the Organic Law of the CNM, implementing the constitutional mandate that candidates be trained by the AM as prerequisite to judicial selection and appointment. This is certainly a positive step toward enhancing the functional coordination between the CNM and the AM in the area of judicial selection; at the same time, it has become urgently necessary for the AM to develop training programs for aspiring judges, based on technical criteria compatible with CNM's selection criteria.

1.20 Not only tenure is elusive, but judicial salaries are also extremely low in absolute and relative terms. They are about one-third to one-half of the equivalent salaries in the private sector. In addition, they are not in line with the legal standards. Indeed, the Organic Law of the Judiciary provides that a superior judge must earn 80% of the salary of a Supreme Court judge and that a first instance judge must earn 70% of the same salary. Currently a Supreme Court judge earns approximately US\$4,500 while a superior court judge earns approximately US\$1,800 (including bonus) and a first instance judge earns approximately US\$1,300 (including bonus). Administrative personnel in the Judiciary also receive very low salaries. Competitive salaries are a critical element of ensuring judicial independence. Although this issue cannot be discussed separately from the generic problem facing public sector salaries, it is true that the present salary level is a disincentive to attract more qualified personnel and to ensure judicial independence. It is important to increase judicial salaries as a sign of the government's commitment to judicial reform. During 1996, the Judiciary has made its own efforts to improve economic incentives of judges. In January 1996 a scheme of productivity bonus was introduced by using the Judiciary's own income, as a part of administrative modernization initiatives (para. 1.33). Also, to strengthen its financial base, measures have been taken to improve the current fee collection system and rationalize administrative and auxiliary court personnel. As the result, the level of productivity bonus was doubled during the recent six months (see Table 2). The Judiciary authorities are currently investigating the feasibility and ways to further increase economic incentives for judicial personnel.

1.21 **Disciplinary System.** The disciplinary system for judges has been largely ineffective. There are a number of sanction levels for judges including warning, fine, suspension, separation and removal from office. The CNM has the power to remove judges while the Office for the Supervision of the Magistracy (Oficina de Control de la Magistratura, or OCMA) of the Judiciary imposes the other sanctions. However, to date, there is no systematic system for monitoring and evaluating judges' performance, except that the OCMA has been functioning to receive and analyze public complaints of judicial decisions and/or processes. Recently, district-level disciplinary commissions were established to strengthen the OCMA's supervision capacity through decentralized management. District disciplinary commissions are headed by respective Superior Court Presidents and with the participation of various levels of judges (as fixed-term assignment for OCMA) in the districts.

1.22 **Budgetary Resources.** The political environment in Peru has traditionally neglected the financial support of the Judiciary. The previous 1979 Constitution established that the Judiciary should receive a minimum of 2 percent of the national budget. In spite of such constitutional provision, this share of funding was not received during the first 11 years after the enactment such Constitution. The situation improved during 1990-93, when the average allocation of the national budget exceeded 2% (peaking in 1990 at 2.45%). However, this ratio declined again in 1994-95. The actual Constitution does not set a minimum share of the national budget to be assigned to the Judiciary.

1.23 The 1996 budget initially allocated to the Judiciary was 288 million soles (including 19 million soles of the Judiciary's proper income), only 1.3% of the national budget. However, the Government later authorized a 50% budgetary increase (by 144 million soles or approximately US\$60 million) to specifically finance the emergency program for administrative modernization that was initiated by the Comision Ejecutiva in November 1995. For 1997, the budget allocated to the judiciary amounts to 315 million soles (including 22.5 million soles of proper income), 1.4% of the national budget.

Efficiency

1.24 An imperative area for reform is the modernization of the operational and functional aspects of the Judiciary. It is urgent to improve the efficiency in the sector administration, from the viewpoint of the management of the overall judicial branch as well as case administration.

1.25 **Administration of the Courts.** Since 1991, some efforts have been made to improve the overall administration of the courts, including administrative decentralization on a pilot basis, improved planning, and the development of operational manuals covering budget, accounting, treasury, personnel administration, and procurement etc. Although progress has been made, these measures were not sufficient to achieve substantial improvements in the supply of court services.

1.26 An important step taken to improve the administration of courts was the separation of the administrative functions from the judicial functions at the Supreme Court level. In 1992, the Organic Law of the Judiciary was modified to provide for a Board (Consejo Ejecutivo) with responsibility for the overall administration of the court system, and a judicial management office (Gerencia General de Administracion) with professionals in the diverse areas of administration. Previously, the responsibility to administer the Judiciary and its revenues had fallen to the Supreme Court justices who had neither time, the training nor the inclination to properly manage the organization or the finances of the system. This confusion of management and judicial duties resulted in very inefficient administration of the courts.

1.27 The Board or Consejo Ejecutivo originally comprised five members: the President of the Supreme Court, a Supreme Court justice selected by the plenary, the Chief of the Office of Supervision of the Magistracy, a Superior Court judge elected by the Presidents of the Superior Courts and a representative of the Bar Associations. This Board, now termed Comision Ejecutiva, has been temporarily reduced to three Supreme Court members (the Presidents of three chambers of the Supreme Court) and a general manager (Secretario Ejecutivo) by laws 26546 and 26623.⁴ The Secretario Ejecutivo is the technical and administrative arm of the Judiciary. Before November 1995, this office carried no voting power in the Board, but since then, it not only has such power but also retains authority to decide budgetary allocations and expenditures. It was officially explained that this move toward the limited membership of the policy-making body and the appointment of a manager with full delegation of administrative authority is an attempt to improve administrative efficiency and implement modernization of the Judiciary during the emergency reform period (1996-98). Upon assuming the responsibility, the Comision Ejecutiva and the Secretario Ejecutivo adopted a series of measures to address deep-seated problems in the sector, e.g., in the areas of the management of human and financial resources, statistics and management information system, court automation, judicial process, courtroom organization and infrastructure (paras. 1.32-1.33).

⁴ Law 26546 (November 1995) suspended the Consejo Ejecutivo and other administrative units and established a temporary governing body with a one-year reform mandate--i.e., the Comision Ejecutiva as a policy-making organ and an Secretario Ejecutivo with full delegation of administrative authority. In June 1996, such mandate was extended until end-1998 (law 26623).

1.28 **Financial Management.** As previously noted, the Judiciary has been assigned a low priority in the government's budget. Apart from the need for higher budget allocations, the Judiciary also must make its own efforts to strengthen the financial base by improving budget planning and execution, establishing a financial control system, and reinforcing its resource generating capacity. There is limited use in the Judiciary of mechanisms to raise separate resources (from the charging of fees) and a reluctance to implement such charges. In 1996, virtually all resources come directly from the treasury, equal to approximately 93% of the total Judiciary budget (288 million soles of initial allocation). At present, user fees are only charged on civil cases above 2,200 soles, while other claims and suits (such as criminal, labor, agriculture, family and mixed) are free of charges. (Civil cases account for about 51% of the total cases; and those cases below 2,200 soles account for about 10% of the total civil cases.)⁵ This system translates into real inequities as regards the treasury and public spending. The Judiciary is a costly service for the state and thus private parties should contribute to its maintenance unless there is a clear hindrance to access to justice. To achieve economic independence, the Judiciary needs to strengthen its capacity to seek the resources required for meeting its judicial responsibilities, use those resources prudently, and account for their use.

1.29 **Case Administration.** Regarding the processing of cases, substantial case delays and backlogs are reported to exist in the courts in Peru. On average, a case under ordinary proceedings takes 3 years (compared to a maximum of 300 days established in the code of civil procedure), and a case under summary proceedings in the first instance takes 270 days (compared to 60 days prescribed in the code)⁶. Fewer cases are resolved in a year than the total number of cases that enter the system in that year. According to the most recent survey conducted by the Judiciary with the support of INEI, in 1995, 749,216 cases were filed while only 592,589 cases were resolved in the whole judicial system (except for the Supreme Court); and at end-1995, there were 457,749 cases backlogged. In the Lima district where one-third of the total cases are concentrated, 141,864 cases were backlogged at end-1995 (see Chart 1).

1.30 The above situation results, on the supply side, in large measure from an inefficient administrative system for handling cases with the following main characteristics. First, the judicial process is based on a judge-specific administrative system; every court has its own administrative office, staffed by legal and administrative clerks. There is no centralized caseload management system in the court system. Second, there is confusion of judicial and managerial duties. Judges must play a dual role in their daily duties as dispensers of justice and administrators of their own courts. Judges are involved in personnel management, the management of financial resources, the management of judicial deposits and coordination of process servers and clerks. This duality is a major cause of court backlogs. Third, there exists no standard guidelines on critical issues such as the numbering of case files, the determination of the number and location of registries on court actions, methods for handling exhibits and records security. Lastly, there is no reliable information system on which to base decisions related to both the administration of the system and the management of the flow of cases (e.g., financial and personnel statistics, jurisprudence and case statistics, access to case management information).

⁵ Study by GERPRO S.A., for the Judiciary, 1996.

⁶ ditto.

1.31 **Physical Infrastructure.** Over the past years, the quality of the physical infrastructure within the Judiciary has deteriorated and failed to keep pace with the expansion of the population and the judicial system. The preliminary assessment at selected judicial districts suggests that regarding central buildings where appellate courts, part of the first instance courts (most of the specialized courts and a small number of Juzgados de Paz Letrados), and administrative offices are located, the main problems are: (i) the inefficient utilization of facilities due to lack of overall planning of functions and available space, and (ii) outdated facilities. There is a lack of modern office technology, information and communications, modern archives, and security safeguards. Increased caseloads, security issues, modern court technology and court organization, the movement toward oral hearings, and the decentralization of administrative functions are creating a series of design problems that must be addressed. Furthermore, in the case of courts for Jueces de Paz Letrados, the centralization of court facilities is a serious problem, and there is a need to decentralize these courts in order to improve access for a large segment of the population.

1.32 **Recent Reforms.** The Judiciary has recently undertaken initiatives to remedy this dismal picture. Immediately assuming the responsibility in end-November 1995, the Comision Ejecutiva, and their team elaborated a strategic action plan for 1996 and initiated a series of new and bold initiatives in the areas of human resource management, financial management, modernization of court organization and process optimization, statistical updates, backlog reduction, improvement in institutional image, and infrastructure improvement. The reform objectives spelled out in the strategic action plan are: to lay the grounds for a irreversible modernization and optimization of the administrative support system of the Judiciary to achieve effective, timely, and fair justice administration; to introduce efficient administrative and judicial processes, which should be implemented by qualified and disciplined personnel, with the support of information and technology; and to improve the image and the political and economic autonomy of the Judiciary.

1.33 The major actions taken by the Judiciary authorities to date include the following:

- *Human resource management:* (i) modifying the existing employment practices to increase transparency, e.g., by terminating judges' family members occupying clerical positions and prohibiting the employment of non-salaried clerical staff; (ii) introducing a scheme of productivity bonus by using the Judiciary's own income; (iii) defining the number of administrative positions required and developing job descriptions, reducing the redundancy of administrative personnel through a voluntary retirement program, and recruiting new personnel through competitive examinations; (iv) advancing administrative decentralization by nominating General Managers at each district, selected through competitive examination; (v) introducing the private sector labor regime for administrative and auxiliary personnel to increase the flexibility in labor contracts; and (vi) reinforcing a disciplinary system by strengthening the Oficina de Control de los Magistrados of the Judiciary and establishing district-level disciplinary commissions chaired by respective Superior Court Presidents.
- *Financial management:* (i) reviewing the existing fee structures and examining options for strengthening the Judiciary's income base; and (ii) analyzing the feasibility of contracting out selected administrative and judicial services (e.g., cleaning, security, logistics, notification) to increase the efficiency and quality of these services. The authorities plan to create a superintendency of legal services to supervise the implementation; the superintendency would be also responsible for fee collection.

- *Reorganization and process optimization:* (i) introducing standard formats regarding court administration and developing operational manuals; (ii) developing a new model of court organization (e.g., '*sistema corporativo*' or the creation of a centralized unit for registry and document processing) to change the current judge-specific administrative system into a more impersonal one; (iii) designing and installing, on a pilot basis, a computerized document registry system, and initiating the design of a case management system; and (iv) conducting a comprehensive statistical update of the entire districts in collaboration with INEI (National Statistical Institute) and compiling the Judicial Statistics for 1995. The computerized document registry system and new court organization were tested in a few criminal courts in Lima from August, and then introduced in civil courts in Chiclayo (the Lambayeque district) in November 1996. The Judiciary authorities plan to implement such court automation in the other districts in a phased manner, aiming at the completion of the nation-wide installation by end-1998.
- *Backlog reduction:* creating transitory courts to eliminate cases pending as of end-1995 (to be completed by end-1996), including 2 supreme transitory criminal courts, 14 superior transitory courts (criminal, labor and mixed), and 80 first-instance courts (criminal, civil, labor, and basic justice). According to the Judiciary's statistics, in less than a year, in Lima, all backlogs as of end-1995 (137,000 cases) were resolved.
- *Improving the image of the Judiciary:* (i) improving public attention; (ii) taking measures to strengthen the security of the existing court facilities; and (iii) conducting public opinion surveys as instrument to obtain feedback to the recently initiated reforms and identify areas where further efforts are required.
- *Infrastructure modernization:* (i) designing a model courtroom, taking account of the proposed new court organization, security and technology aspects; and (ii) undertaking the civil work identified as priority in 1996, such as the remodeling of the central building (Palacio de Justicia) and civil, labor, and criminal courthouses in Lima and the design study for the construction of central buildings in the Cono Norte and Tacna districts--in both cases, adopting the new model of courtroom.

Access

1.34 **General.** Access to justice is severely limited for a large segment of Peruvians. Principal barriers include physical access, high economic costs, lengthy and inefficient court procedures and cultural barriers. First, the geographical coverage of the judicial system is very irregular. This has been recognized by the President of the Supreme Court in his inaugural address of 1996 as the main barrier of access to justice. The ratio of judges per inhabitant varies widely across judicial districts with no relation at all to economic base or level of cases. High direct and indirect costs increase the difficulties of access for the poor to the judicial system. Also, Peru is a very heterogeneous country with 5.1 million of indigenous population (such as quechas, aimaras, and amazonicos) or 22% of the total population. These people may be intimidated not only by the unfamiliarity of the court system, but also by the language barrier.

1.35 Efforts have been made in recent times to improve access of justice in particular regarding decentralization of courts, modernization of the legislation for civil procedures, strengthening the public

defenders office and legal aid clinics and increased support for the justices of peace. The Judiciary has embarked on a plan to decentralize court services by opening new courts closer to low-income populations.

1.36 **Judicial Process**. A new civil procedural code replacing the Civil Proceedings Code of 1912 went into effect on July 28, 1993. This new code is designed to facilitate access to justice through its endorsement of the guiding principles of judicial management of trial, immediacy, concentration and procedural economy. In application of these principles, the judge is afforded increased authority over the conduct of the proceedings, parties will have a more direct contact with the judges, procedural acts are simplified and superfluous formalities are eliminated. While the previous code contained more than 100 different procedures, the new code reduces the number to six. Another significant change has been to assign the Supreme Court the role of a court of cassation and thus reduce the number of appeals to the highest court. Though the new code intends to facilitate the adjudication of disputes, in practice this has proven very difficult as a result of the insufficient number of judges, the inefficient administration of the courts, and the lack of proper training of judges and other judicial personnel.

1.37 **Alternative Dispute Resolution**. Some alternative dispute resolution methods have become more available in recent times. This has increased the "supply" of services to satisfy the need of society for prompt, effective and suitable means of conflict settlement. A new arbitration law was enacted in 1992, and modified in 1995, and there exists about eight arbitrage centers. The new civil procedural code requires the judge to seek, at the outset of a lawsuit, a conciliation between the parties by proposing formulas for reconciling their differences and arriving at an amicable solution to their conflict. However, the problems mentioned in the previous paragraph prevent the full benefit of this new feature in civil proceedings. Dejudicialization measures have been taken recently, including the assumption by notaries of several non-contentious matters which were previously handled by civil judges. In the area of consumer protection and intellectual property, INDECOPI has a very successful record in its conciliatory mechanisms for dispute settlement. Also, there is some NGO activity in the area of mediation and conciliation. While alternative dispute resolution mechanisms outside the formal system are legally available in Peru, these mechanisms are not widely used by the public thus forcing the parties into the formal system to resolve disputes. Strengthening ADR is expected to promote access to justice and result in decongestion of the formal court system.

1.38 An important institution to promote access to justice is the Ombudsman or Defensoria del Pueblo. Ombudsmen have been recently appointed in many countries responding to the increased complexity in the relations between the State and private parties and the inability of the public sector to satisfy the growing demands for protection of the rights of citizens. As previously stated, the Defensoria del Pueblo in Peru is charged with the investigation of claims by citizens against the public administration, to solve disputes in government matters and help establish accountability by the government for its actions. The Defensor del Pueblo was appointed in April 1996, and the office became operational in September 1996.

1.39 **Basic Justice**. A most outstanding institution in Peru are the justices of peace. They constitute a first instance of conflict resolution for the average Peruvian citizen especially in the rural areas. The number and location of the justices of peace is determined by the Superior Courts in each judicial district. There are two types of justices of peace: Jueces de Paz Letrados (legally trained justices of

peace) and Jueces de Paz (lay justices of peace). Jueces de Paz Letrados act as small claims courts with competence over both civil and some minor criminal matters. As of end-1996, there are approximately 337 Jueces de Paz Letrados, and it is expected that this number will increase in the next year. Many of the Jueces de Paz Letrados who are appointed have never been in the judicial system and have little experience both in substantive legal matters as well as in conciliation techniques. In fact, currently there is no consistency in how these Jueces de Paz Letrados conduct conciliation hearings.

1.40 Jueces de Paz (lay judges) are approximately 4,300 and account for almost 80% of justices in Peru. They are basically conciliation justices who administer justice *ex aequo et bono*, based on their best knowledge and understanding. They are generally persons with great respect and influence in their communities; the good neighbor. They speak the local languages and most of them have secondary education. Several studies have shown that the public has more confidence in such a system than it does in the formal justice system. (For example, the level of popular satisfaction with them is high at 60-70%, in a sharp contrast to consistent lack of faith in the formal system.) Thus, this extension of popular justice plays a critical role in access to justice in Peru particularly in regard to traditional and indigenous communities.

1.41 Jueces de Paz neither obtain compensation for their services nor receive any state support for administrative expenses in support of such services. Training opportunities are also limited; during the 1980s, these judges received some training, but this has been discontinued. Many of the Jueces de Paz have little or no experience upon taking the office. Though the 1993 Constitution requires that the Justices of Peace be elected by the communities, such selection system has not yet been implemented and they continue to be appointed by the Superior Courts.

Professional Competence and Integrity

1.42 Peruvian judges are generally poorly educated and trained as reflected in the generally poor quality, unpredictability and uncertainty of their rulings; lack of appropriate aptitudes and skills; and an overall misguided concept of their role and mission as magistrates.

1.43 Decisions rendered by judges reflect a very formalistic judicial reasoning. Judges tend in general to apply a very narrow and literal interpretation of the laws with disregard to the economic and social impact of their judgments. A recent research study on more than 200 cases in the civil courts in Lima confirms this reality when deciding cases involving extra-contractual liability (torts). Outcomes are also uncertain with almost no development of guiding case law. Further, judges are unfamiliar with legal developments in the business field such as competition law, banking and insurance law and securities legislation.

1.44 Though uncertainty and unpredictability are not easily measurable, as Chart 2 shows, people have little trust in the system--particularly those who participated in the judicial process. Moreover, it has translated into a private sector largely mistrustful of the Judiciary. In a survey carried out in 1993 among 108 businessmen from companies with gross income equal or over US\$1 million, 90% of those interviewed said they would not utilize the judicial system for the resolution of their legal disputes.⁷ Also, 32% of them

⁷ These companies were involved in commerce activities (39%), manufacture (39%), non-financial services (17%), and other activities (39%). The most frequent conflicts companies face are collection of bills, disputes over contractual interpretation,

responded that they are not interested in purchasing from new suppliers--even if they are offered much lower prices (compared to their traditional suppliers)--because of the lack of reliable contract enforcement mechanisms.

1.45 Judges also show a poor preparation in judicial and practical skills. These include those related to the procedure itself such as evaluation of evidence as well as other general matters as case flow management, informatics, administration, etc. Most importantly, judges fail to view their role as a public service to the people. There is a want of a "culture of service".

1.46 In the past, the Judiciary has undertaken training programs. In the 1970's, the then Comision de Reforma Judicial embarked on an active and aggressive training effort aimed at instilling a more creative mentality in the judges. In the 1980's important training activities were conducted for the justices of peace.⁸ Recently, the predecessor of the Academia de la Magistratura also engaged in training efforts to update the knowledge of judges in new legislative developments. However, the impact of those past efforts has been adversely affected by the high turnover in the Judiciary in the last two decades for political factors.

1.47 The training needs are profound and the new Academia de la Magistratura is well aware of the challenge. It has become operational earlier this year and conducted several seminars with the newly appointed superior judges and prosecutors, as well as a series of self-training programs ("*auto-capacitacion*") for the existing judges in Lima, northern, and southern parts of the country. In the *auto-capacitacion* programs, opinions were sought from judges on the ongoing reform process, and the need to improve the existing court organization and process was discussed. The Academia has also completed, with the funding of the Japanese PHRD grant, an initial needs assessment of the civil judges in the Lima district. There are, however, much work and assistance required ahead for the Academia to develop into a sustainable resource center for the improvement of the justice system. This will include upgrading curriculum development, teaching methodologies and styles, development of personal teaching tools and evaluation of training programs. Furthermore, with the recent modification to the Organic Law of the CNM, the AM is now requested to provide effective assistance to the CNM in the emergency, mass judicial selection, by offering training programs for aspiring judges (para. 1.19).

1.48 Ethics standards in the Judiciary requires a special consideration. There is a widespread perception in the public of pervasive corruption in the judiciary. Ethics was a point emphasized by the President of the Supreme Court in his inaugural address in 1996 and a recommendation was made to adopt a Code of Judicial Ethics. In the workshops with judges and the training needs assessments carried out by the Academia de la Magistratura, ethics was identified as a learning need.

1.49 Unethical behavior is much a cause as a result of the many problems in the Judiciary. There is a need to develop clear ethical guidelines, provide training and ensure appropriate enforcement

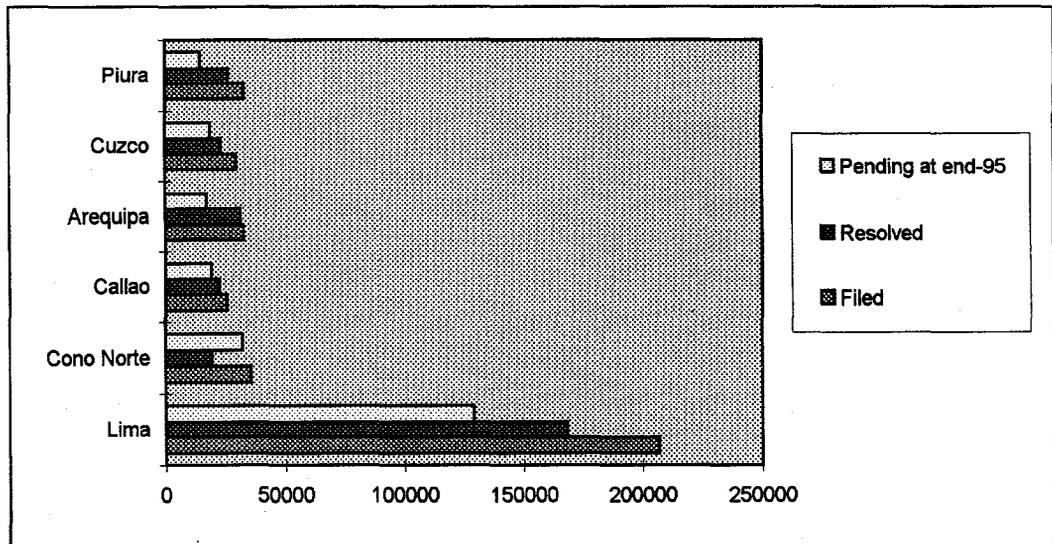
labor related conflicts, and finally, civil and mercantile conflicts. APOYO S.A. (1993), *Actitudes Empresariales ante el Poder Judicial*.

⁸ Indeed, the Centro Judicial de Investigaciones (a research unit of the Judiciary), with the assistance of the Naumman Foundation, carried out more than 250 seminars.

mechanisms. At the same time, it must be recognized that a system with no tenure, low salaries and great political interference encourages such behavior.

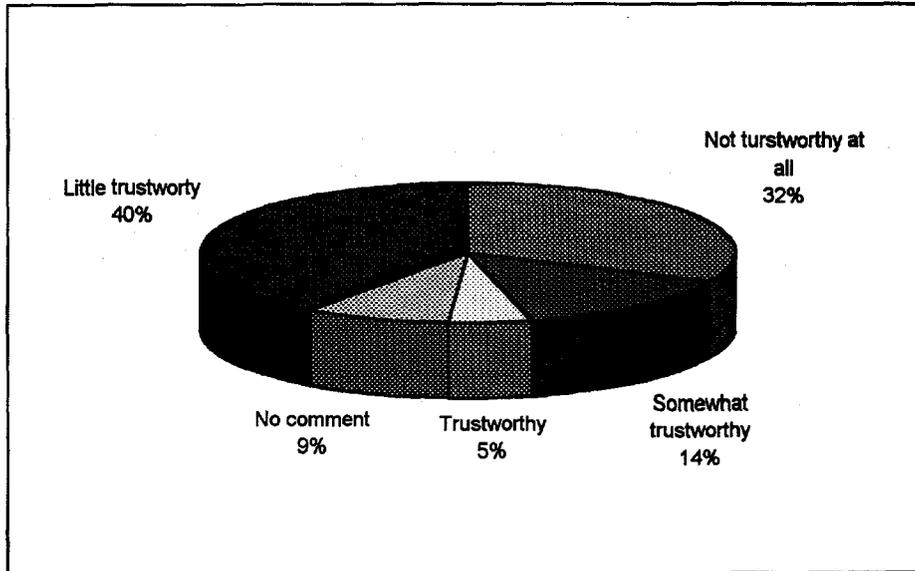
1.50. Recently, efforts have been made to correct unethical behavior. The most symbolic action was the modification of the prevailing employment practices to increase transparency, e.g., by terminating judges' family members occupying clerical positions and prohibiting the employment of non-salaried clerical staff (para.1.33). The function of the OCMA has been also strengthened. Without strengthening the values of ethics in the justice system, reform efforts will become futile and not sustainable.

Chart 1: Caseload Distribution by District (1995)



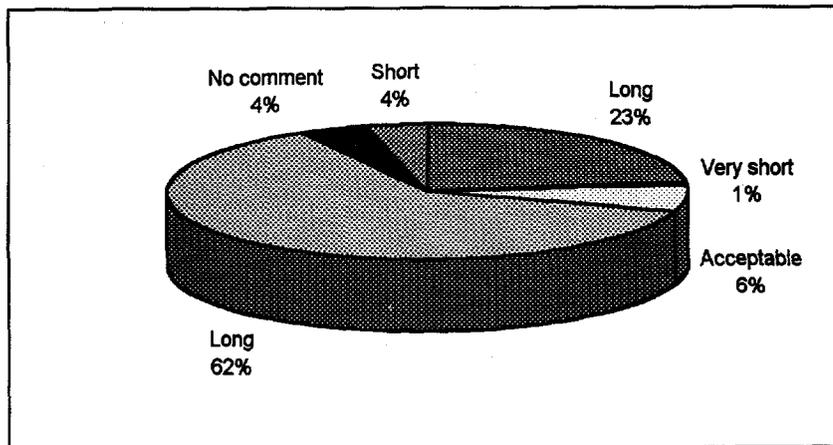
Source: the Judiciary, Estadística Resolucion 002-95-TP/J, PUCP

Chart 2: Public Trust on the Judiciary



Source: Apoyo 1993, *Evaluacion del Sistema Judicial, Opinion Publica*
 Sample of 502 persons in Lima, with age 18 years and above.

Chart 3: Judicial Process Time



Source: Apoyo 1993, *Evaluacion del Sistema Judicial, Agraviados*
 Sample of 180 businessmen in Lima.

Table 1: Costs of Selected Civil Judicial Procedures in Peru

Procedure	Cause	Amount (US\$)	Length	Cost (US\$)
Ordinary	Breach of contract	200,000	4 years	27,111.61
Executive	Collection of debt in US\$	60,000	1 year, 9 mos.	12,196.58
Summary	Damages	20,000	3 years	7,134.01
Summary	Damages	4,000	3 years	1,110.50
Executive	Collection of debt in Soles	1,500	1 year, 9 mos.	549.06
Setting and collecting alimony		250	2 years	321.07

Sources: APOYO, 1993, *El Cost de los Procedimientos Civiles en el Poder Judicial*.

Table 2. Monthly Salaries in the Judicial Sector

Category	Salary '93 Soles (US\$)	Salary '95 Soles (US\$)	Salary '97 Soles (US\$)	% increase '97 / '95	Private Equivalent	US\$ Range
Supreme Court Judges	2,300 (1,150)	6,695 (2,678)	11,995 (4,526)	79%	President Board	\$6-10,000
Supreior Court Pesident		3,005 (1,202)	5,765 (2,175)	92%		
Superior Court Judges	1,840 (920)	3,005 (1,202)	4,730 (1,785)	57%	General Manager	\$4-8,000
Specialized Judges	1,265 (622)	2,005 (1,002)	3,500 (1,320)	75%	Deputy Manager	\$2-5,000
Juecez de Paz	920 (460)	1,405 (562)	2,555 (963)	82%		

Source: Judicial Sector Assessment, LA3PS, World Bank, 1994 (for 1993 data); Judiciary Gerencia General (for 1995-97 data)
The 1997 salaries include remuneration + bonus for jurisdictional functions + gasoline allowance (for supreme court judges).

D. Judicial Reform Program and Recent Initiatives

1.51 As stated before, administrative modernization and reorganization of the Judiciary have gained new dynamics with the passage of law 26546 in November 1995 (para. 1.27). Although this law initially gave the Comision Ejecutiva only one-year to carry out reform in the administrative areas, last June such mandate was extended until end-1998 and its scope was expanded to include jurisdictional reforms (law 26623).⁹ Since January 1997, the Comision Ejecutiva has been presided by the President of the Supreme Court. Furthermore, law 26623 provides for: (i) the creation of a Consejo de Coordinacion Judicial (CCJ), with a broad representation of various interest groups, charged with strategic planning and policy coordination of the justice sector; and (ii) the reorganization and modernization of the Public Ministry, thus extending the reform to the criminal justice system. During the three-year reform period, the membership of the CCJ will be restricted to three organizations, i.e., the Judiciary, the CNM, and the Public Ministry. Also, an office was created within the CCJ to coordinate technical and financial cooperation with national and international agencies.

1.52 The stated objectives of the CCJ are: to coordinate the general policy directions on the development and organization of the institutions involved in the justice sector; to define strategies for permanent collaboration and concerted efforts in the areas of modernization and efficiency improvement in judicial services; to elaborate integral programs to modernize and reorganize procedures and administrative systems for the institutions directly related and/or associated with the service of justice administration; and to support efforts to improve the justice system in coordination with the related institutions such as Ministry of Justice, Police, Defensoria del Pueblo, universities, private business, legal community, and international agencies.

1.53 Upon assuming the responsibility in last November, the Judiciary authorities launched wide-ranging reform initiatives, primarily in the administrative areas (paras. 1.32-1.33). In August 1996, the Comision Ejecutiva elaborated a document that outlines a strategic plan and the proposed reform program for 1996-98. The document establishes three key objectives of the reform program: (i) to implement an efficient administrative organization (e.g., by strengthening general administration, disciplinary function, and other support services); (ii) to establish a modern court organization (e.g., through the implementation of backlog reduction, new court organization, and alternative dispute resolution mechanism); and (iii) to optimize the profile of judges (e.g., through the development of a judicial career system, improvement in incentive systems, judicial training with increased emphasis on quality and efficiency). Under each objective, specific time-bound work programs have been defined. Furthermore, during the recent months, there have been a collaborative effort among the Judiciary, the AM, the CNM, and the DP to develop a vision and strategy of the sector reform and clarify the responsibilities of respective institutions for achieving the shared vision (see Annex 1 for the policy letter).

E. Rationale for Bank Involvement

1.54 The project is consistent with the latest Country Assistance Strategy, presented to the Board in July 1997 (Report No. 16796-PE) and policy dialogue held with the Government at the time of the Bank programming missions in the recent years. In particular, the project would assist in the process of modernization of the state, improve public sector management in support of growth, assist in poverty

⁹ In December 1996, the Organic Law of the Judiciary was modified to accommodate these changes (law 26695). Law 26695 has established that from 1997, the Comision Ejecutiva would be presided by the President of the Supreme Court.

alleviation and provide better conflict resolution mechanisms for the private sector. The absence of a credible and efficient judiciary and alternative dispute resolution mechanisms negatively affects the enabling environment for private sector development, contributes to inequities in access to justice by the poor, and potentially could contribute to political instability. Moreover, a stronger judiciary will serve better to counteract corrupt and fraudulent practices in the public and private sectors. Bank support of the Government's economic program in the areas of private sector development and the social sectors is hampered by the lack of attention to problems in the judicial sector. While Perú has adopted a number of necessary legal reforms, its capacity to implement those reforms remains inadequate. The Bank's expertise in administrative strengthening, its perceived objectivity in a sensitive area, and its support for the Government's economic reform program provide the rationale for Bank involvement. Moreover, the Bank could play an important role in helping the authorities: (i) elaborate and implement a medium-term reform program; (ii) attain a smooth transition from the emergency situation and sustain the ongoing reform initiatives; and (iii) ensure the integrity and consistency of recent reform initiatives by involving other key players (such as the AM and the CNM) in the project. During the discussions of the sector report in March 1995, the Government agreed with many of the principal recommendations and the reform strategy outlined in the report, and in separate discussions with the Minister of Justice, the Minister of Economy and Finance, and then new President of the Supreme Court, strong positive feedback was provided for Bank assistance. This was reiterated by the new team of the Judiciary, which considers Bank involvement in the sector at this juncture critical to achieve smooth transition from current emergency efforts to longer-term, sustainable, comprehensive reform. The existence of a new constitutional framework and improved legislation for the sector including the administrative organization of the Judiciary, new legislation on civil procedure and arbitration—together with increased recognition within the civil society on the need for judicial reform—present a unique opportunity for accomplishing significant advances in the judicial sector.

F. Lessons Learned from Previous Bank Experience

1.55 Since this project would represent the Bank's first operation in support of judicial reform in Peru, no lessons of sectoral experience are available. Moreover, given the relative recent history of Bank involvement in the judicial sector, there has not been much experience in the area from which to draw lessons, except for Venezuela and Bolivia (under implementation) and Ecuador (recently approved by the Board). Experience with the Venezuela Judicial Infrastructure Project suggests the desirability of prior strengthening of the implementing agency and unit, especially given the limited experience in the judicial sector with project planning and implementation; the establishment of a broad-based advisory commission to ensure communication among agencies that affect and are affected by the project; and constant reinforcement of the commitment and ownership of the project by the Government and the judicial sector. Recent Bank efforts in Bolivia and in the preparation of the Ecuador Judicial Reform Project reinforce the need for these three elements: (i) professional and functioning coordination units; (ii) the establishment of clear coordination responsibilities across branches of Government; and (iii) commitment and understanding of changes by the Judiciary.

II. THE PROJECT

A. Project Objectives

2.1 The overall objective of the project is to assist the Borrower in improving the performance of its justice system by enhancing, under the framework and terms of its sector strategy in the policy letter, its access, quality, independence, efficiency and integrity. Specific objectives are to: (i) modernize the administrative structure and operation of the Judiciary; (ii) improve the overall performance in civil and labor courts in the selected districts; (iii) strengthen the CNM and consolidate and improve its merit-based system of appointment, advancement and removal of magistrates; (iv) strengthen the AM and enhance the professional competence of civil and labor judges in the selected districts; (v) strengthen OCMA's disciplinary system to enhance accountability and integrity of judges; (vi) develop and strengthen alternative dispute resolution methods; (vii) support the institutional development of the newly established Office of Public Defender; and (viii) strengthen the capacity of civil society to analyze, monitor and demand judicial performance. The achievement of these objectives would increase public trust and confidence in the justice system, and thus improve the competitive environment for conflict resolution.

B. Project Description

2.2 To achieve the above objectives, the project would support key initiatives in the first stage of a comprehensive and long-term reform program of the justice system. These key initiatives would improve the "supply" of judicial services as well as strengthen "demand" for better judicial services--both within and without the formal system. On the "supply" side, the project would strengthen basic institutions in the judicial sector and support a set of focused, specific activities aimed at improving judicial performance at five selected districts: Lima (including Cono Norte and Callao), Arequipa, Cusco, Lambayeque, and Piura. In this respect, the project aims to create five "centers of excellence" showing short-term, tangible and measurable results with demonstration effects to the rest of the judicial districts. In November 1996, the first, district-wide pilot program for new court organization and procedures (backed by court automation) was inaugurated in the civil courts in Chiclayo, capital city of the Lambayeque judicial district. A phased, pilot approach would be taken, and the experience of the Lambayeque pilot (medium-size) would be evaluated and disseminated before the pilot is replicated in the other selected judicial districts. On the "demand" side, the project would support greater public demand and accessibility to judicial services through the strengthening of the Justice of Peace and the ombudsman's office (Defensor del Pueblo) and a demand-driven "Access Fund" to promote ADR initiatives and other innovative activities to develop the capacity of the civil society for analyzing, demanding and monitoring judicial performance.

2.3 The project would finance consulting services and studies, training and seminars, goods and equipment, and physical infrastructure of the following three integrated components: (i) administration of justice (US\$18.1 million or 62% of total base costs); (ii) judicial selection, evaluation and training (US\$3.7 million or 13% of total base costs), and (iii) access to justice (US\$5.0 million or 17% of total base costs). Total project costs are estimated to be US\$31.6 million, including price and physical contingencies (total base costs \$29.2 million; see summary cost tables, Annex 10). Specific component activities are summarized below. (The detailed description of the component activities are provided in the Project Implementation Plan.)

Component I: Administration of Justice

2.4 The objectives of this component are to assist in: (i) modernizing the administrative apparatus of the Judiciary and make it more effective and self-sustainable; and (ii) improving judicial performance in selected districts through key activities related to its efficiency, equity and predictability.

Subcomponent 1: Modernization of the Administrative Apparatus of the Judiciary. This subcomponent would assist in deepening the ongoing reforms by the Judiciary authorities in the following three areas:

- *Administrative strengthening of district offices:* (i) providing training to administrative personnel of the General Administration Offices (at 25 judicial districts nationwide), who have been recently recruited through competitive examination, to upgrade their skills in such areas as: planning and management, operational procedures, statistics and information, computer skills etc.; (ii) conducting a study to review and refine the recently established administrative system and developing operational manuals; (iii) supporting the development and implementation of management information systems for the General Administration Offices in the areas of human resource, finance and procurement and the provision of informatic equipment to support general and court administration (nationwide); and (iv) conducting workshops for administrative personnel at the General Administration Offices and courts to discuss bottlenecks and improvement plans for administrative modernization.
- *Financial management:* (i) conducting studies on feasibility and alternative ways to strengthen economic autonomy of the Judiciary, including new forms of resource generation, costs of judicial services, and improved judicial fee systems; (ii) strengthening the capacity of the General Administration Office for the elaboration and execution of program-based budget; and (iii) designing and implementing a preferential fee scheme for low-income groups.
- *Institutional image of the Judiciary:* (i) supporting the dissemination of the Judiciary's reforms through public campaign (e.g., through radio and television spots); and (ii) conducting a series of evaluation studies on the administrative reforms being carried out (e.g., opinion surveys of litigants, lawyers, judges and court personnel).

Subcomponent 2: Court Performance Improvement Pilots. This subcomponent is designed to improve the quality, predictability and timeliness of judicial decision-making in the selected districts through the implementation of key activities in a participatory manner. These activities focus on improving the predictability of decisions of judges, court procedures and organization ('*sistema corporativo*'), court automation and infrastructure remodeling (see below). In addition judicial training activities (component 2) will also focus on these selected districts. Specific key activities have already commenced in civil courts of the Lambayeque district in November 1996 in the areas of the introduction of new court procedures and organization, court automation, infrastructure remodeling, and training of judges and court personnel in informatic skills and case administration. (Prior to this district-wide implementation in Lambayeque, during August-October 1996 the Judiciary team experimented the proposed new court procedures and organization, as well as the software system of the first-stage court automation in selected courts in Lima (i.e., anti-drug courts and transitory courts)). Upon satisfactory evaluation of the Lambayeque pilot, the implementation of the pilot program will expand to other selected districts in a phased manner. To this end, two teams have been recently set up within the Judiciary to plan and implement pilot programs (outside Lima) in collaboration with respective districts. The experience of the Lambayeque pilot would be evaluated and the lessons gained

would be incorporated into the subsequent pilots in the other districts of similar size (see Annex 8 for the description of a typical pilot program). Due to its very large size and complexity, the Lima pilot would be treated separately from those of the above medium-size districts. A team has been set up to exclusively focus on the preparation and implementation of the Lima program.

- *Civil and labor judgments:* (i) conducting national and regional forums (plenarios) with civil and labor judges to discuss specific judgments in civil and labor matters, share experience and knowledge among the judges, and make recommendations to uniformize case law on specific legal issues; (ii) developing innovative incentive schemes for judges, i.e., the dissemination of the work of judges and researchers through the publication of journals and annual reports, research competition, and the conduct of study tours; and (iii) expansion of court libraries in the selected districts.
- *Court procedure and organization:* (i) pilot implementation of a new court organization and simplified, standardized case processing procedures (starting from the Lambayeque district), introducing fine-tuning measures as required, and expanding the new organization and procedures to the remaining selected districts in a phased way. This exercise would include training of judges and auxiliary court personnel on case administration and information skills, public campaign, evaluation (through statistical verification, workshops, and surveys on users and judges), as well as court automation and infrastructure remodeling (see the separate section below); (ii) conducting regional workshops for judges to evaluate the impact and results of the application of the new code of civil procedures, deepen the understanding of court procedures, and make recommendations for further improvements; (iii) organizing workshops and surveys with the representatives of the civil society to evaluate the progress of new court organization and the implementation of the new civil procedure code; and (iv) conducting studies on quantitative and qualitative indicators to measure performance improvements of civil and labor courts and disseminating the results at workshops with judges (on an annual basis). The studies would include the process time, the volume of cases disposed per court, costs of judicial administration, and be used as a tool to monitor improvements in judicial performance in the selected districts.
- *Judicial information system and statistics:* (i) design of an automated caseflow management system, the pilot implementation of an integrated judicial information system in Lambayeque and its evaluation, and subsequent expansion of the system to the other selected districts in a phased way; (ii) conducting a diagnostic study of the existing judicial statistics system (including identification of key statistical indicators) and implementing improvement plans, so that key administrative and jurisdictional data, necessary for operations and decision making, can be provided timely and accurately; (iii) development of multiple data base (both legislation and cases); (iv) design and implementation of a modern archive system in the selected districts; and (v) automation of courts through the purchase of basic automation equipment-PCs, printers, basic software, and other equipment for the selected pilot districts (except for Lima where the purchase of these equipment is underway).
- *Infrastructure remodeling:* The project would finance the remodeling of physical facilities in the selected districts (i.e., central buildings) so that infrastructure investment could go hand in hand with administrative and judicial modernization efforts. The Judiciary has already developed a concept of model courtroom (or new court organization), which takes account of improved processes, modern technology, and security considerations. The remodeling works will be implemented by the architectural unit of the Judiciary. During preappraisal, the unit costs of the proposed remodeling (per m2) were reviewed and judged satisfactory. Infrastructure remodeling would be financed entirely with local counterpart funds.

Component 2: Judicial Selection, Evaluation and Training

2.5 This component aims, through integrated efforts of the CNM, the AM and the Judiciary, at (i) establishing and maintaining a merit-based judicial career system; and (ii) improving judicial ethics and accountability. This should result in an improvement of professional competence, ethical standards and legitimacy of judges and other court personnel.

Subcomponent 1: Judicial Selection and Evaluation. This subcomponent would support the CNM through: (i) developing, upgrading and refining its regulations, procedures and systems for selection, removal, and ratification of judges and strengthening its organizational structure accordingly; (ii) strengthening its strategic planning and management capacity through the implementation of diagnostic studies, the development of organizational visions and action plans, and expert advice; (iii) providing the CNM members with training on management and informatics skills; (iv) conducting studies on the profile of judges, the profile of the CNM staff, and ethical standards in the Judiciary; and (v) providing informatic and other logistic support, including the development of data bases in support of the selection, removal, and ratification functions.

Subcomponent 2: Judicial Training. This subcomponent would assist the AM in the initial institutional development and the implementation of comprehensive and integrated training programs for civil and labor judges in the selected districts to upgrade their judicial skills and aptitudes, strengthen their knowledge in selected areas of primarily business law matters, improve ethical standards and instill a “culture of service”. An initial training needs assessment conducted in the Lima judicial district (with the Japanese PHRD grant financing) shows as priority learning needs: (a) judicial skills such as judicial reasoning, legal writing, evaluation of evidence, conciliation techniques, court administration, etc.; (b) legal knowledge such as tax matters, capital markets, competition law, banking law, insurance law, negotiable instruments, extracontractual liability (torts) and measurement of damages; and (c) attitudes as mission and role of the judge in society, attitude or culture of service, treatment of minorities, etc. Project financing would include: (i) the design and implementation of annual training programs for the judges appointed by the CNM (e.g., needs assessments, curriculum and module design, training materials, honorarium, training of trainers, distance training, and logistic support); (ii) evaluation studies of impact and results of the training programs; and (iii) institutional strengthening of the AM (e.g., consultancy for designing intensive training programs for aspiring judges, judicial selection by the CNM, study tours for the AM staff, and the support to publications). These activities would complement the support received by the AM from the European Union (approximately US\$1 million in grant) in the areas of the Academia’s library, the contracting of professors for specific training courses (including non-civil matters and with emphasis in districts other than Lima and aspiring judges and prosecutors), and the purchase of informatic and office equipment.

Subcomponent 3: Disciplinary System. This subcomponent aims at strengthening the disciplinary system of the OCMA (Oficina de Control de los Magistrados; internal control unit of the Judiciary). Project financing would include: (i) the conduct of a diagnostic study of its organization, particularly in light of the OCMA’s recent decentralization efforts (i.e., the creation of district-level disciplinary commissions), and support to the implementation of the study’s recommendations; (ii) the refinement of the legal framework for a monitoring and control system; (iii) training of the OCMA staff, including needs assessment, workshops and annual training seminars, study tours; (iv) dissemination of OCMA’s activities; and (v) informatic and other equipment support for the decentralized, district-level disciplinary commissions. Because of the

complementary role of the CNM and the OCMA in the evaluation and the control of judges' performance, the activity (i)-(ii) would be carried out in close coordination with the subcomponent 1.

Component 3: Access to Justice

2.6 This component aims at improving access to justice in a broad sense by: (i) providing training for justices of peace (i.e., lay judges) and community authorities on conciliation and mediation techniques and refining the legal and regulatory framework for their activities; (ii) establishing and operating a demand-driven Access Fund to promote alternative means of dispute resolution and to strengthen the capacity of civil society for analyzing, demanding and monitoring judicial performance; and (iii) supporting the initial institutional development and key selected activities of the newly created Office of Public Defender (DP). The component is complementary to the proposed IDB project (estimated at up to US\$20 million), which would primarily focus on training, courtroom modernization and infrastructure improvement for the Jueces de Paz Letrado (legally-trained judges).

Subcomponent 1: Support to the Jueces de Paz System. This subcomponent would support: (i) the design and implementation of training programs for Jueces de Paz (lay judges, popularly elected under the new constitutional system) and community authorities, who provide an important mechanism for access to justice of the poorest people in the urban and the rural areas; (ii) the implementation of baseline studies of Jueces de Paz and user surveys (before and after training programs); and (iii) the review and refinement of the existing laws and regulations of the Jueces de Paz. The activities (i) and (ii) would focus on the selected districts.

- *Design and implementation of training programs:* (i) the development of training modules for training of trainers (about 30 local trainers, each for Jueces de Paz and local authorities) and their selection criteria, the provision of training for trainers in the skills of adult education and mediation and conciliation; (ii) the preparation of training materials; (iv) the implementation of training programs for conciliation in the selected districts; and (v) the evaluation of training programs (their impact, content, methodology, materials etc.) with the participation of trainers, professionals, universities, NGOs, and the AM etc.
- *Performance evaluation of Jueces de Paz:* (i) initial baseline and follow-up surveys (before and after the implementation of training) in selected districts, covering types of cases, time delay, form of conflict resolution etc., and the dissemination of the survey results through workshops; and (ii) client surveys--similarly before and after the implementation of training. The results of both baseline and client surveys would be discussed at the time of evaluation of training programs (see above (v)).
- *Analysis of legislation and regulations on Jueces de Paz:* (i) the review of the existing legislation and norms on Jueces de Paz by establishing working groups and make proposals for improvements; and (ii) public dissemination of the proposals through workshops to forge consensus on legal and regulatory changes.

Subcomponent 2: Access Fund. This subcomponent would help improve access to justice through the creation of a demand-driven fund to finance eligible subprojects aimed at: (i) promoting ADR mechanisms (e.g., setting up mediation centers, training mediators and arbitrators, development of training materials and requirements to be a mediator or arbitrator, etc.); and (ii) strengthening the capacity of civil society for analyzing, demanding and monitoring judicial performance. The proposed subprojects would be non-profit and items eligible for financing would be technical assistance activities. The Access Fund would be administered by the PCU through a management committee (comprising of the representatives of the PJ,

CNM, AM and DP). The management committee, in consultation with the advisory panel, would evaluate and approve subprojects based on rules and procedures to form part of the operational manual. In order to promote the participation of the civil society in the reform process, proposals would be sought widely from NGOs, bar associations, law schools, and other private and academic groups. Successful subprojects would be evaluated upon completion to assess their replicability. It is envisaged that the Access Fund would have a national coverage to assure that the large number of organizations and groups be given a chance to participate in the reform process. In this way, the Access Fund would complement the administration of justice component which would focus on strengthening of central administrative apparatus of the Judiciary and court performance improvement activities in the selected districts. The draft operational guideline for the Access Fund was reviewed during negotiations. The adoption of the operational guidelines, acceptable to the Bank, would constitute a condition of loan effectiveness.

Subcomponent 3: Support to the Office of Public Defender (DP). This subcomponent would support the institutional development of the DP in the areas of: (i) its organizational structure and functions, norms and procedures (through advisory services, strategic workshops, evaluation studies, and staff training and study tours); (ii) native communities, environmental protection, and citizen rights in the market economy (through studies and workshops), as well as the organization of the forum to promote the coordination between the state and civil society; (iii) public campaign and dissemination of DP activities, including the preparation and distribution of materials in native languages and regional workshops; and (iv) other logistic and informatic support to promote the decentralization of DP offices.

2.7 In addition, the project would provide consultant services, goods and training for the implementation and supervision of the project, and carrying out of effective coordination and performance monitoring activities.

D. Project Costs and Financing

2.8 Total project costs are estimated at US\$31.6 million equivalent, with a foreign exchange component of US\$5.4 million, or 17% of project costs. Project costs include US\$2.3 million for physical (US\$1.3 million) and price (US\$1.0 million) contingencies. The proposed loan of US\$22.5 million equivalent would finance approximate 71% of total project costs, net of taxes and duties, and the balance, US\$9.1 million equivalent, or 29% of the project costs, would be financed by the Judiciary, the CNM, the AM, and the DP through their respective budgetary appropriations, as well as by the beneficiaries of the Access Fund as their local contributions. The IDB has been providing a technical assistance grant (US\$1.4 million from MIF) for ADR and is also in the process of preparing a project, to be supported with a loan estimated at up to \$20 million, to support the judicial sector. There has been close coordination between the Bank and the IDB during preparation, including joint missions and workshops. The IDB project would focus on the justice of peace system (Jueces de Paz Letrado) including training and courtroom modernization and infrastructure improvement in decentralized Juzgados de Paz that are not covered under the Bank project. The USAID has been involved in the judicial sector through its Administration of Justice Program; however, virtually all of its activities have been focused on the criminal justice system. Furthermore, UNDP has provided some technical assistance funding in the design and preparation of several judicial sector activities, principally in the area of informatics development. UNDP has also been providing technical support in the administration of the Japanese PHRD Grant; however, limited funding beyond design assistance is available from this source.

**Table 3: Estimated Project Cost
(US\$m equivalent)**

Item	Local Costs	Foreign Costs	Total Costs
A. Administration of Justice	14.2	3.9	18.1
A.1 Modernization of the Administrative Apparatus of the Judiciary	3.1	0.1	3.3
A.2 Court Performance Improvement	11.1	3.8	14.9
- Civil & labor judgments	1.2	0.6	1.8
- Court procedures & organization	4.1	0.7	4.8
- Information & statistics	1.6	2.5	4.1
- Infrastructure remodeling	4.1	-	4.1
B. Judicial Selection, Evaluation, and Training	3.2	0.5	3.7
B.1 Judicial Selection and Evaluation	0.7	0.4	1.1
B.2 Judicial Training	1.8	0.1	1.9
B.3 Disciplinary System	0.7	0.1	0.8
C. Access to Justice	4.6	0.4	5.0
C.1 Support to Jueces de Paz	1.0	-	1.0
C.2 Access Fund	2.5 ^{c/}	0.1	2.5
C.3 Support to the Office of Public Defender	1.1	0.4	1.5
D. Project Management and Administration	2.1	0.2	2.4
D1. Project Coordination Unit	0.9	0.1	1.0
D2. Project Management	1.3	0.1	1.4
Total Base Costs	24.2	5.0	29.2
Physical Contingencies	1.0	0.2	1.3
Price Contingencies	0.8	0.2	1.0
TOTAL PROJECT COSTS a/	26.1	5.4	31.6

a/ Pre-identified preparation activities to be funded by the Japanese Grant are not included in these figures.

b/ Numbers may not add due to rounding.

c/ Includes beneficiary contributions.

III. PROJECT IMPLEMENTATION

A. Status of Preparation

3.1 Project preparation benefited greatly from a Japanese PHRD grant in an amount of 57.6 million Yen. The grant financed a series of workshops aimed at consensus building of judicial reform, training needs assessment of civil judges in Lima, pilot training program for new civil procedural code for judges in Lima, design and evaluation of a new court organization model, study tours for the professionals in the Judiciary, AM, and CNM. It has also supported the Project Preparation Unit within the Judiciary in the conduct of diagnostic studies and the design of component activities in collaboration with the other executing organs.

B. Institutional and Legal Arrangements

3.2 There are four implementing agencies for the project: the Judiciary (through the Executive Commission and OCMA), the AM, the CNM, and the DP. Because the project is a first major loan for the sector and in light of their unfamiliarity with Bank operations and weak institutional capacity, the Project Preparation Unit (PPU) was established within the Judiciary with the responsibility for executing the Japanese grant for the formulation of the Bank project--in collaboration with the other relevant parties--and coordinating the support from other donors.¹⁰ During the project implementation, this office will be reinforced as the Project Coordination Unit (PCU), headed by a Project Director and assisted by two project officers responsible for monitoring the execution of the PJ, AM, CNM, and DP components and a finance and accounting officer. To ensure inter-institutional coordination, a Steering Committee will be established with the participation of the representatives of the implementing agencies, and the PCU will serve as secretariat to the Committee.

3.3 The Government has decided to contract a management agency to administer the contracts and disbursements in light of the limited capacity of the implementing agencies and for reasons of transparency. The Government has proposed, and the Bank has agreed, to use UNDP as the management agency.¹¹ UNDP will administer the contracts under a "cost-sharing" arrangement and disburse directly to consultants, according to the terms of their respective contracts (signed by respective implementing agencies and authorized by the PCU).

3.4 The following legal arrangements will be executed in connection with the project. A loan agreement will be executed between the Bank and the Republic of Peru and project agreements will be executed with CNM and DP respectively. For purposes of transferring the respective portion of the Bank loan proceeds, a subsidiary agreement will be signed with each of CNM, AM and DP. Execution of such subsidiary agreements will constitute a condition of loan effectiveness.

¹⁰ *Resolucion Administrativa #092-95-CD-PJ*, October, 1995.

¹¹ Decreto Supremo #132-92-EF authorizes the UNDP office/Lima to provide such support, on the basis of the decision made by respective sector authorities.

C. Procurement

3.5 In order to strengthen capacity in dealing with procurement activities, key staff in the implementing agencies and the PCU would be trained and be familiarized with Bank norms and procedures. Consultants' services to be financed by the loan will be selected and contracted by the implementing agencies in accordance with Bank Guidelines for Use of Consultants (August 1981), except for the development of selected softwares for the administration of justice¹², which will be financed by the Government from its own counterpart funds and contracted according to its local procedures. During negotiations, agreements were reached that standard forms of contract and model letters of invitation acceptable to the Bank would be used for hiring of consultant services and that the Bank's Standard Bidding Documents (SBDs) would be used in all applicable cases of procurement of goods and works. Such standard forms, model letters and standard bidding documents will form part of the Operational Manual. Changes needed to suit project requirements would be approved by the Bank.

3.6 Procurement of goods would be carried out in accordance with Bank Procurement Guidelines (January 1995 as revised in January and August, 1996). Informatic equipment (including hardware, first-three year of maintenance, and basic training needed by the judicial information system subcomponent) would be packaged into 1 or 2 contracts of US\$250,000 or more and be procured under international competitive bidding (ICB) procedures. Other isolated computers, software, and office/specialized equipment would be procured using LIB among suppliers with service and maintenance facilities in Peru, for contracts valued at US\$50,000 equivalent or more up to a limit of US\$700,000. Small purchases of library books and other supplies would be made using shopping procedures, requiring at least three quotations from eligible suppliers, for the individual contracts of less than US\$25,000 each (national shopping) and less than US\$50,000 each (international shopping), up to an aggregate of US\$100,000 respectively.

3.7 Civil works would be financed entirely by the Government from its own counterpart funds and contracted according to its local procedures.

3.8 The Access Fund would finance subprojects which may include studies, training, dissemination, and ADR promotion proposed by the eligible entities--i.e., universities, research institutes, bar associations, business associations, NGOs, and other private organizations--with a maximum grant amount of \$50,000 per subproject and the possibility of multiple applications up to a maximum of US\$200,000. Selection of subprojects to be financed by the Fund would be carried out in accordance with eligibility criteria and operational procedures set out in the operational guidelines satisfactory to the Bank.

3.9 **Bank Prior Review.** The Bank will review and approve ex-ante all procurement documents and decisions for ICB and LIB contracting. For consulting firms on contracts estimated to cost less than US\$100,000 equivalent, and for individual consultants on contracts estimated to cost less than US\$50,000 equivalent, the Bank's prior review will cover only the terms of reference, single source contracting, assignments of a critical nature as reasonably determined by the Bank and amendments revising the contract value over the agreed threshold. These prior review arrangements would ensure ex-ante review by the Bank of about 55% of the total value of all Bank-financed contracts. Although this prior review coverage is relatively low, it is acceptable in light of the good performance by UNDP and PPU in following Bank

¹² These include: the second phase of case tracking system, statistical information system, management information system for general administration, and multiple data base.

guidelines for selection of consultants under the Japanese PHRD grant. While this prior coverage is relatively low, it is acceptable in light of the good performance of UNDP and PPU in following Bank guidelines under the Japanese grant. All procurement documentation would also be subject to selective ex-post review by the Bank and external auditors.

**Table 4: Procurement Arrangements
(US\$ millions equivalent)**

<i>Project Element</i>	<i>Procurement Method</i>			<i>Total Cost (inc. contingencies)</i>
	<i>ICB</i>	<i>Other</i>	<i>NBF</i>	
Consultants' Service, and Training and Studies	-	19.0 <i>a/</i> (16.4)	1.4	20.4 (16.4)
Goods and Equipment	3.5 (3.3)	0.9 (0.8) <i>b/</i>	-	4.3 (4.1)
Access Fund		2.4 (2.0) <i>c/</i>		2.4 (2.0)
Civil Works	-		4.4	4.4
Incremental Operating Costs	-	0.1 (0.1) <i>d/</i>	-	0.1 (0.1)
TOTAL	3.5 (3.3)	22.4 (19.3)	5.8	31.6 (22.5)

Notes: Figures in parenthesis are the respective amounts financed by the Bank. Numbers may not add due to rounding.

a/ Services should be procured in accordance with World Bank, Guidelines: Use of Consultants by World Bank Borrower and by the World Bank as Executing Agency (August 1981). Also includes the Cost-Sharing Agreement with UNDP/Lima office.

b/ LIB (estimated at US\$0.7 mn) and Shopping (estimated at US\$0.1 mn).

c/ Services should be procured in accordance with the selection procedures described in the operational procedures of the Access Fund.

d/ Includes office supplies, launch and mid-term evaluation workshops, and travel and training costs for PCU staff etc.

**Table 5: Procurement Prior Review and SOE Thresholds
(US\$ thousands)**

<i>Category</i>	<i>Contract Value (Thresholds)</i>	<i>Procurement Method</i>	<i>Contracts Subject to Prior Review by Bank</i>	<i>Under SOEs</i>
Consultant Services and Studies, Training and Seminars	Firm	Selection according to Consultants Guidelines.	<ul style="list-style-type: none"> • All • Review of TORs only. Other steps in selection process are exempted from prior review. (*) 	< 100
	Individual			
Goods and Equipment	> 250	ICB	• All	< 50
	50 to 250	LIB	• All	
	< 50	Int'l Shopping and	• None	
	< 25	National Shopping		

(*) Exemption from prior review does not apply to consultants contracts below the thresholds in cases of: (i) single source selection of firms, assignments of critical nature, and amendments to contracts raising original contract value above the thresholds.

D. Disbursement

3.10 The loan proceeds would be disbursed over a five-year period, and would finance: (i) 100% of expenditures (net of taxes) for international and local consultants' services (including studies, training, workshop activities); (ii) 100% of foreign expenditures and 85% of local expenditures (net of taxes and duties) for purchases of goods and equipment; (iii) 85% of expenditures (net of taxes and duties) for subprojects under the Access Fund; and (iv) 20% of expenditures for recurrent costs. The tables followed show the allocation of loan proceeds and the estimated disbursement schedule. The closing date will be June 30, 2002.

**Table 6: Disbursement Arrangements
(US\$'000 equivalent)**

<i>Category</i>	<i>Amount</i>	<i>Percentages (Net of taxes and duties)</i>
1. Consultant Services, Training and Studies	15,780	100%
- PJ and others	12,100	
- AM	1,740	
- CNM	850	
- DP	1,090	
2. Goods and Equipment	4,010	100% of foreign expenditure, and 85% of local expenditures
- PJ and others	3,470	
- CNM	170	
- DP	370	
3. Access Fund	800	85% of local expenditures
4. Incremental Operating Costs	10	20%
5. Unallocated	1,900	
TOTALS	22,500	

**Table : Projected Disbursement by Fiscal Year
(US\$ million equivalent)**

Bank FY (GOP Calendar Year)	FY98 (97/98)	FY99 (98/99)	FY2000 (99/00)	FY2001 (00/01)	FY2002 (01/02)
Annual	3.2	5.6	7.2	4.5	2.0
Cumulative	3.2	8.8	16.0	21.5	22.5

3.11 **Retroactive Financing.** Retroactive financing of up to US\$2 million would be provided to meet expenditures incurred between January 1, 1997 and date of loan signing (provided that this period does not exceed one year), mainly to finance: (i) court performance improvement pilots in the selected districts (e.g., public campaign and seminars on the introduction of new court procedures and organization, evaluation studies and workshops of the pilot experiences, training of court administration and basic informatics skills); (ii) studies to review the recently established administrative system and to strengthen economic autonomy of the Judiciary; (iii) baseline studies of Jueces de Paz and user surveys; (iv) consultancy for the AM in the design of training programs for aspiring judges; (v) initial institutional development of DP; and (vi) and the other areas as judged necessary.

3.12 **Documentation of Expenditures.** Disbursement for goods and equipments under contracts below US\$50,000 equivalent and technical assistance and training under contracts below US\$100,000 for firms and US\$50,000 for individuals would be made against Statement of Expenditure (SOE) for which appropriate documents would be retained by the PCU. Disbursement for contracts above these limits would be made on the basis of full documentation. The required supporting documentation will be retained by the PCU for at

least one year after receipt by the Bank of the audit report for the year in which the last disbursement is made. This documentation will be made available for review by the auditors and by visiting Bank staff upon request.

E. Accounts and Audits

3.13 The PCU would maintain a set of consolidated records and accounts for each project component and implementing agencies. All project accounts, including the special account and SOEs, would be audited annually in accordance with the Bank's "Guidelines for Financial Reporting and Auditing of Projects Financed by the World Bank". The Government will provide the Bank within six months of the end of each fiscal year (December 31), an audit report of such scope and detail as the Bank may reasonably request, including a separate opinion by an independent auditor acceptable to the Bank, on disbursement against SOEs. The cost of this audit will be eligible for financing under the Bank loan

F. Monitoring Performance and Reporting

3.14 **Performance Monitoring** The key monitoring indicators and benchmarks for each project component/subcomponent have been defined and are included in Annexes 2-3. In particular, the administration of justice component will be monitored in four ways: (i) changes in the volume of cases disposed; (ii) improvements in the quality of judicial decisions; (iii) economic analysis of reforms in judicial administration; and (iv) overall improvements in judicial services from the viewpoints of users and more broadly, of the general public.

3.15 First, changes in the volume of cases disposed will be measured by using two indicators: congestion index and congestion ratio. These indicators have been adopted to monitor judicial performance in Costa Rica and Chile, and show the level of congestion and the speed of reducing the congestion. (For example, the congestion ratio is the percentage of the cases sentenced or disposed as a proportion of the number of new filings in each court in a specific year.) In April 1996, the Judiciary conducted a statistical survey with the support of the INEI (National Statistical Institute) and is currently developing baseline performance indicators. Based on the experience in other Latin American countries, it is expected that productivity would increase by 15% in the first year and by 35% in the third year, compared to the level of 1995.¹³ Second, improvements in the quality of judicial decision will be evaluated annually at national and regional forums (plenarios) with judges, and further improvement plans will be discussed. With the improved case administration and training of court personnel, judges would have more time to devote to judicial decision-making. In addition, improved training of judges would enhance the quality of decisions based on sound legal reasoning. Third, the economic impact of reforms in judicial administration will be analyzed annually, both in terms of: (i) the costs of providing judicial services; and (ii) the income to be generated by the Judiciary's own efforts. And lastly, the overall improvements in judicial services will be assessed through: (i) opinion surveys on litigants, lawyers, businessmen, and the general public; and (ii) research and monitoring of the reform process by various groups in the civil society, supported under the Access Fund.

¹³ *Evaluacion Economico de la Reforma Judicial en la Republica del Peru and Plan de Reforma del Poder Judicial de Peru*, prepared by INVERTEC IGT, July 1996. For example, the Superior Court in Santiago (Chile) achieved productivity increase by 30% during 1995, due to the measures to systematically reduce pending cases and create a position of professional Administrative Coordinator to assist the President of the Superior Court in administrative matters.

3.16 **Reporting.** The PCU will prepare semi-annual progress reports for all components of the project, based on the inputs from the four implementing agencies. These will describe: (i) progress achieved during the previous six months in the implementation and in the achievement of the objectives of the project based on the performance indicators; (ii) an assessment of the problems and issues derived from the implementation of the project; (iii) updated implementation and disbursement schedules for the following six months; and (iv) status of compliance with the legal covenants contained in the Loan Agreement. The reports will provide timely and updated information on project implementation, highlighting issues and problem areas, recommending actions and commenting on progress in executing previous recommendations.

3.17 To facilitate project implementation and gain support from stakeholders, the PCU would organize a project launch workshop with the participation of the Judiciary, CNM, AM, DP representatives, and judges from the selected districts (Lima, Arequipa, Cusco, Lambayeque, Piura). Because the first court performance improvement pilot involving new court procedures and organization, court automation and related training, remodeling recently began in the Lambayeque district, the experience of the Lambayeque pilot would be evaluated and disseminated before the pilot is expanded to the other selected districts of similar size. Moreover, in the third year of the project life, a mid-term review of the five-year program will be conducted in addition to regular monitoring and reporting. Prior to this review, the PCU will conduct a comprehensive evaluation aimed at assessing the progress in achieving the objectives of the project, as defined by the set of agreed indicators and the prospects for successful project completion.

IV. ENVIRONMENTAL REQUIREMENTS

4.1 The proposed project aims to improve the enforceability of legal and contractual rights through improved judicial administration and judicial decision-making, and increased access to alternative dispute resolution mechanisms. As such, the project is not expected to adversely affect the environment. In the medium term, the project could have a positive impact on the environment as it reinforces the effectiveness of legal regulation over social and economic activities. An effective legal framework is a key instrument for deterring environmentally damaging activities or seeking remedies.

V. PROJECT BENEFITS AND RISKS

A. Benefits

5.1 The project is expected to improve the capacity of the judiciary to build and sustain its independent role, to improve the enabling environment for private sector development, and to improve the access to and the quality of justice for the citizenry. More specific benefits include increased courtroom productivity and efficiency, thereby reducing the private and social costs of dispute resolution and improve equity in access to justice. Benefits also include reductions in the time of delay in court actions, reduced case backlogs, and improved quality of decision making by judges and justice of the peace.

5.2 First, the project would support measures to improve economic and political independence of the Judiciary. Although budget allocation is partly a function of overall resource constraints, the Judiciary must be able to seek and obtain the resources needed to meet its responsibilities, use those resources prudently, and

account for their use. It must be also able to raise separate resources (from user charges) to secure its financial base. The low salary level of the judicial sector that hinders attracting capable personnel, poor infrastructure etc.--these problems are partially caused by the inability of the Judiciary to manage and assign resources efficiently and effectively. The project would strengthen financial management, implement new fee structure, and provide merit-based bonus incentives for judges, administrative and court personnel. Moreover, in supporting the CNM, the project is expected to assist in building a stronger, depoliticized, and merit-based system of selection, appointment, advancement and removal of judges. Second, the project is designed to strengthen the functioning of selected, fundamental pieces of the justice system: the Judiciary, CNM, AM, and DP. To this end, discrete activities have been identified: e.g., modernization of court management, judge training, transparent and impartial selection and promotion process for judges, infrastructure improvement. With improved incentive structures, a reorganized, modern court system, and a performance monitoring system put in place, the project would contribute to strengthening the functioning of selected, key judicial institutions in an integrated manner. In particular, the strengthening of the CNM (selection and evaluation of judges), AM (judicial training), and DP (defense of citizens' rights) is expected to have spill-over effects in the entire judicial sector. Third, although the project will not involve criminal courts or the TGC, the resources saved by the increased efficiency in the other areas may be devoted to these aspects of the judicial system. Additionally, better civil courts would improve the overall image of the Judiciary, thus increasing popular trust in the institutions. This is closely related to the second point above. In this way, the project would bring about positive externalities to the entire justice system, including criminal justice and TGC. Fourth, the project is designed to build the social capacity for demanding and monitoring the progress in judicial reform and judicial performance by attempting to broadly involve the civil society--such as bar associations, NGOs, universities, the business community, and the other users--in the evaluation of reform process and outcome (e.g., in the form of opinion surveys, user surveys, workshops). Such efforts would result in greater awareness of the society in the rule of law and the role and importance of the justice system, a better system of checks and balances as provided in the new Constitution and eventually contribute to achieving a long-term goal of judicial independence, integrity and accountability in Peru. Fifth, and finally, the project, by supporting several key improvements in the justice system, is expected to assist in preventing and correcting corrupt practices, making for greater transparency and accountability in the conduct of public affairs.

5.3 Economic Benefits. Because this is a primarily technical assistance project, it is not as easily susceptible to cost-benefit analysis. Nevertheless, a simplified analysis was attempted to capture quantitatively a dimension of benefits expected from the reform associated with the proposed project.¹⁴ The evaluation of economic viability considered the Bank project as a part of the investment and technical assistance required for comprehensive judicial modernization (about US\$60 million for five years, e.g., by including investments in the judicial districts other than those selected for the proposed project). A simple model was developed that takes account of the projected demand for judicial services (assuming a 3.5% growth rate per year), court productivity (in processing and resolving cases), and increases in court productivity expected under the reform scenario. Unit costs for typical courts were calculated, and then the

¹⁴ The analysis is based on a simple model to measure benefits associated with court productivity improvement. Under the "with" reform scenario, the future demand for judicial services would be satisfied and backlogs would be eliminated through a progressive increase in court productivity and the limited creation of transitory and/or permanent courts; under the "without" reform scenario, these would be achieved primarily through the creation of the larger number of transitory and permanent courts because court productivity will remain at the 1995 level. For more detailed analysis and assumption, see *Evaluacion Economica de la Reforma Judicial en la Republica de Peru*, INVERTEC IGT, July 1996.

costs required for satisfying the projected demand for judicial services and eliminating the accumulated backlogs were estimated for both the “with” and “without” reform scenarios. The saving to be generated under the “with” reform scenario is considered benefits to the proposed reform activities. The result of economic analysis suggests significant direct benefits, US\$96.5 million of a net present value of the incremental benefits (using a 11 percent discount rate). This does not include indirect benefits, such as possible increases in foreign investment and reactivation in domestic business transactions, greater institutional autonomy of the Judiciary, potential reduction in corruption, and the other quantitative benefits described in the above para. 5.2. The other potential benefit that is not captured in this analysis includes the positive fiscal impact resulting from the Judiciary’s improved income generating capacity, through the implementation of the better judicial fee structures and new forms of resource mobilization, to be supported under the proposed project.¹⁵

B. Project Risks and Safeguards

5.4 Despite new opportunities and impetus provided by recent developments, the project, within a very sensitive sector, faces challenges and potential risks. Major risks include: (i) medium-term sustainability of the project; (ii) a lack of solid participatory approach and coordination among key entities and agencies involved in the reform; (iii) weak institutional capacity for the implementation of the project; (iv) resistance to change from key groups, including judges, court personnel, businessmen and litigants, with vested interests in the current system; and (v) political interference and potential instability in the project environment. The project intends to deal with such risks as follows:

5.5 First, regarding the issue on medium-term sustainability, Bank preparation has been placing special emphasis on the engagement of key players, who would be responsible for the implementation of a project, in the reform process. Efforts are being made in identifying a core group of reform-minded judges to assume leadership in the design of the pilot programs in the selected districts. The project also supports activity to promote the participation of the civil society in monitoring progress in judicial reform to increase the chances of sustainable change. Moreover, in regard to the project, the implementing agencies have agreed, as will be reflected in the policy letter, to continue and strengthen a participatory approach in project implementation. These aspects will be evaluated in the project’s annual reviews (to which representatives of stakeholders will be invited). Second, the issue of coordination is being addressed by the establishment, prior to negotiations, of an appropriate coordination mechanism at both policy and operational levels. Furthermore, throughout preparation, a number of joint meetings and workshops have been organized to discuss specific reform proposals which have bearings on various actors. Third, to address the issue on weak institutional capacity, the administration of justice component takes a phased, pilot approach, starting in the Lambayeque and Lima districts, where there are indications of strong leadership commitment and a sense of reform ownership among judges with tenure. Before expanding the court performance improvement pilots to the other selected districts, these experiences would be evaluated and the lessons gained would be disseminated and incorporated into the subsequent pilots. Moreover, the Japanese PHRD grant has been provided to set up a functioning PCU, which lializes various agencies involved in the project and ensures the consistency of activities. Fourth, the issue of resistance to change is expected to be minimized through the implementation of a participatory approach, with project financing, to involve affected groups in each of the selected districts.

¹⁵ The preliminary study by GERPRO S.A. contracted by the Judiciary indicates a possibility of increasing the Judiciary’s proper income from 19 million soles (about \$7 million) up to 46 million soles (about \$17 million), in constant 1996 prices.

5.6 Lastly, the issue of political interference and potential instability in the project environment. This is a highly sensitive and complex matter. An effective Judiciary requires that it function free from political interference to ensure the impartiality and observance of judicial decisions. It is widely recognized that there is no strong tradition of an independent Judiciary in Peru as other LDCs, although important--but limited--developments in restoring some balance of power may be seen in the establishment and operation of the CNM and the DP. In particular, it is reported that interference continues to exist in military control of judicial processes and anti-terrorism legislation (outside the scope of the project). The project intends to help the "depoliticization" of the Judiciary in Peru at different levels. First, the project aims at supporting the CNM to move towards a merit-based system of judicial recruitment and removals. To this end, a coordination mechanism was established between the AM and the CNM, and the principle of transparency, openness, and contestability was agreed on the AM's training program for aspiring judges and technical evaluation of tenured judges, as spelled out in the policy letter. Second, to strengthen independence in decision-making, the project would support training efforts of the AM to enhance the independent role of the judge and reaffirm a "culture" of independence. Third, the project, mainly through the Access Fund, is expected to facilitate the development of a constituency in support of judicial reform as a means to demand and pressure for sustainable institutional changes. Fourth, other project interventions such as improvement in the administration of the courts would indirectly strengthen independence by improving the standing of the Judiciary in the community.

C. Participatory Approach and Sustainability

5.7 For judicial reform, and any institutional reform in general, to be sustainable and viable over the long-run, it requires consensus and a broad participation from the legal community as well as the civil society. During preparation, a carefully-designed participatory approach has been taken to build an internal consensus leading to reform. A series of workshops and meetings were organized and continued to be planned for: (i) judges and key agencies involved in the project (seeking the cooperation and consensus on the project design, and evaluating and sharing the lessons gained from the court performance improvement pilot in Chiclayo and Lima); and (ii) more broadly the civil society, including bar associations, NGOs, the business community, and other users of the system (aimed at information sharing, consultation, and evaluation on reform progress).

5.8 The sustainability of the project will depend in part on the continued commitment of the Judiciary itself and the government to judicial reform. Interest in this comprehensive reform program is shared between the Executive and Judiciary. The Executive views judicial reform as an integral component of its plan of government, supporting its economic reform objective as well as its aim to modernize state institutions.

Table 8: Participatory Approach

Participatory Approach	Identification/Preparation	Implementation	Operation
<p>Beneficiaries: Judges</p> <p>Civil society (public, legal & business communities)</p>	<p>- IS, CON, COL (workshops for diagnosis and proposals for project design: administration of justice component)</p> <p>- IS (meetings, opinion surveys)</p>	<p>- COL (participation in project activities: administration of justice component)</p> <p>- IS, COL (participation in project activities: access to justice component (e.g., support to Juces de Paz, research & monitoring of reform under the Access Fund))</p>	<p>- COL (continued collaboration to sustain the reform beyond the project period)</p> <p>- IS, COL (continued monitoring of reform process)</p>
<p>Intermediary NGOs: NGOs</p>	<p>- IS, COL (workshops and meetings for information sharing and diagnosis: access to justice component)</p>	<p>- CON, COL (participation in project activities: access to justice component (e.g., support to Jueces de Paz, research & monitoring of reform under the Access Fund))</p>	<p>- COL (continued monitoring the reform process beyond the project period)</p>
<p>Academic institutions: Universities, research and other academic institutions.</p>	<p>- IS, CON (interviews on training needs of judges)</p>	<p>- CON, COL (participation in project activities: judicial training, and access to justice components (e.g., support to Jueces de Paz, research & monitoring under the Access Fund))</p>	<p>- COL (continued collaboration to sustain the reform beyond the project period)</p>
<p>Other donors: IDB, USAID, UNDO,, European Union etc.</p>	<p>-IS, CON (joint missions with IDB, close consultation with USAID, European Union, and UNDP; plus organization of local donors meeting)</p>	<p>- COL (cofinancing expected from IDB and European Union; collaboration with the other interested donors)</p>	<p>It is expected that the reform would become self-sustainable.</p>
<p>Note: Form of involvement: of various stakeholders include: information sharing (IS); consultation (CON); and collaboration (COL.)</p>			

Box: Participatory Approach During Preparation

At the time of the Bank preappraisal mission (end-May/June 1996), two workshops were organized by the PPU with the funding of the Japanese Grant--(i) "Access to Justice" with the participation of Jueces de Paz Letrados, Defensor del Pueblo, NGOs, academics, and other authorities; and (ii) "Judicial Reform" with the participation of about 35 judges in selected districts and in collaboration with the Judiciary, the AM, and the CNM. Several donor representatives (e.g., IDB and European Union) were also present.

The first workshop (two days), "Access to Justice," aimed at information sharing and consultation with various authorities in order to get their inputs in the design of the Access to Justice component. It covered a variety of topics such as problems of access to justice, Justicia de Paz, system of justice administration in comunidades campesinas y nativas, legal services of NGOs, and Defensor del Pueblo and others. The second workshop (three days), "Judicial Reform," aimed at not only information sharing and consultation, but also assessing the degree of commitment of judges to reform, encouraging them to play an active role in making diagnosis and proposing changes, and identifying a group of potential leaders among judges. The main topics involved: predictability, efficiency, and social impact of judicial decisions; the efficiency of judicial process, court organization, disciplinary system; judicial training and the role of the Academia; the profile of judges and judicial selection; and proposals and commitment from judges as promoters of the reform process. On each topic, the participants were divided into working groups for discussion, and their analyses and recommendations were presented at the plenary.

These workshops resulted in a major success and confirmed the existence of: (i) strong motivation and commitment among judges to reform; (ii) the high degree of consensus among them on problems and actions to be taken; and (iii) strong interest in the civil society in participating in the reform process. The high quality and motivation of the participated judges are worthy to mention, and these workshops reaffirmed the validity and importance of participatory approach during the stage of reform design. The diagnosis and proposals presented at the workshops have been incorporated in the five-year reform plan to be supported by the Bank and other donors.

VI. AGREED ACTIONS AND LOAN CONDITIONS

6.1 Agreements reached at negotiations:

(1) the Judiciary shall:

- (a) maintain and operate the project coordinating unit (PCU) with staffing, functions and structure acceptable to the Bank;
- (b) retain, not later than December 31, 1997, a consultant to evaluate the impact and results of the pilot program in the district of Lambayaque; complete such evaluation not later than March 31, 1998; thereafter exchange views with the Bank on the evaluation and its recommendations and prepare a plan, acceptable to the Bank, to expand the pilot program in the remaining selected districts;
- (c) maintain in the AM an executive director and board with functions and qualifications acceptable to the Bank;

- (d) provide all necessary information to enable the PCU to prepare the progress reports;
- (e) participate in the annual reviews.

(2) CNM shall:

- (a) provide all necessary information to enable the Judiciary to prepare the progress reports;
- (b) participate in the annual reviews;

(3) DP shall:

- (a) provide all necessary information to enable the Judiciary to prepare the progress reports;
- (b) participate in the annual reviews;

(4) PCU shall:

- (a) furnish to the Bank, not later than February 28 and August 31 of each year, progress reports on the project, under terms of reference acceptable to the Bank including an implementation plan of the project for the upcoming semester (para. 3.16);
- (b) conduct annual reviews during the last quarter of each year to focus on:
 - qualitative and quantitative improvements in judicial services;
 - implementation of new court organization;
 - status of judicial tenure, including selection and appointment, ratification and removal of judges by CNM;
 - effectiveness and impact of AM's training activities;
 - demand, effectiveness and impact of the Access Fund;
 - effectiveness and impact of training activities for the Justices of Peace;
 - effectiveness and impact of DP activities;
 - effectiveness of coordination among implementing agencies;
 - progress in the improvement of economic and non-economic incentives for judges and other judicial personnel;
 - consensus building and participatory efforts and results in the implementation of the project;
 - the proposed annual investment program for the then upcoming year; and
 - any other relevant development or event which may affect the efficient execution of the project or the attainment of its objectives.

The PCU shall invite to such annual reviews a group acceptable to the Bank of representatives from the judges, court personnel and other stakeholders. In the event of unsatisfactory progress in project implementation or in the achievement of progress objectives, take any necessary action as determined by the Bank;

- (c) maintain a consolidated set of records and separate accounts for the project resources and expenditures;
- (d) appoint independent auditors to audit project expenditures in accordance with terms of reference acceptable to the Bank; certified copies of such reports to be sent to the Bank, within six months after the end of the Governments' fiscal year (para. 3.13);
- (e) supervise procurement of goods and works and contracting of consultants' services in accordance with Bank procedures (paras. 3.5-3.9);
- (f) operate the Access Fund in accordance with the agreed operational guidelines. Ensure that the advisory panel are formed by experts with terms of reference, experience and qualifications acceptable to the Bank. Furnish to the Bank quarterly reports on the performance of the Access Fund;

6.3 As condition of Board presentation: (a) the statement of policy and objectives, acceptable to the Bank, would be signed and sent to the Bank; and (b) the final draft of the operational guidelines for the Access Fund, acceptable to the Bank, would be sent to the Bank.

6.4 As condition of effectiveness; (a) the operational guidelines for the Access Fund would be adopted by implementing agencies, and the Advisory Panel for the Access Fund would be appointed; (b) the Operational Manual for the project would be approved by the implementing agencies and the PCU would be established with the functions and responsibilities specified in the Operational Manual; and (c) the subsidiary agreements with CNM, AM, and DP would be executed.

6.5 As condition for disbursements, for project expenditures related to new court procedures and organization and court automation (component 1-(2)) outside the Lambayeque district, a satisfactory evaluation of the Lambayeque pilot has been carried out, and after review of such evaluation, the Bank and the Judiciary agree to expand the pilot to the remaining selected districts.

ANNEXES

- Annex 1: Statement of Policy and Objectives of the Reform**
- Annex 2: Key Monitoring Indicators**
- Annex 3: Judicial Performance Indicators**
- Annex 4: Organization of the Judiciary**
- Annex 5: Academia de la Magistratura**
- Annex 6: Consejo Nacional de la Magistratura**
- Annex 7: Defensoria del Pueblo**
- Annex 8: Pilot Program for New Court Organization
(Modulo Corporativo)**
- Annex 9: Project Cost Summary**

**Declaración de Políticas, Objetivos y
Acciones en Relación a la Reforma
Judicial y el Proyecto de Inversión
Financiado por el Banco Mundial**

**Declaración de Políticas, Objetivos y
Acciones en Relación a la Reforma Judicial y el Proyecto de Inversión
Financiado por el Banco Mundial**

Esta declaración se compone de cuatro secciones:

- A. Antecedentes: visión y estrategia sectorial;
- B. Proyecto de inversión Banco Mundial (Proyecto BM);
- C. Coordinación de los entes ejecutores; y
- D. Metodología participativa de la reforma y el proyecto BM.

A. Antecedentes: visión y estrategia sectorial.

1. Un Estado moderno requiere de una vigencia efectiva del derecho, un ordenamiento jurídico actualizado y un buen servicio de justicia. Estas son condiciones indispensables para crear un entorno favorable a la inversión y el comercio, aliviar la pobreza e incorporar a todos los sectores sociales en el proceso productivo del país. Lo dicho asegurará no solamente la estabilidad y eficiencia de las transacciones económicas sino también la promoción del empleo y la mejora de los ingresos y nivel de vida de la población.

2. En los últimos años se han emprendido reformas y acciones concretas para combatir los problemas que aquejan a la administración de justicia a fin de mejorar el servicio, por ello se han realizado los siguientes hechos:

- (a) Un nuevo marco constitucional con la creación del Consejo Nacional de la Magistratura, el Tribunal Constitucional y la Defensoría del Pueblo.
- (b) Una nueva y moderna estructura orgánica para el Poder Judicial con la separación de la función jurisdiccional de la administrativa.
- (c) La redefinición de la Corte Suprema como tribunal de casación.
- (d) Reconocimiento de la justicia de paz como instancia fundamentalmente conciliadora y su designación por elección popular.
- (e) El reconocimiento de la jurisdicción especial de las Comunidades Campesinas y Nativas.
- (f) Nueva legislación procesal civil concediendo a los magistrados una función más activa en la dirección de los procesos judiciales y potenciando a la conciliación.
- (g) Nueva y moderna legislación sobre arbitraje.
- (j) Desjudicialización a través de la transferencia de competencia en asuntos no contenciosos a las notarías.
- (k) Una nueva academia de la magistratura encargada del perfeccionamiento y actualización de los magistrados, así como de la formación de aspirantes para la carrera judicial
- (l) El diseño e implantación de un plan de descentralización tanto jurisdiccional como administrativo

(m) Un incremento sustancial de recursos presupuestarios y mejoras salariales para magistrados.

3. Es nuestro compromiso, y venimos trabajando arduamente en ello, hacer realidad los cambios efectuados en los planos constitucional, legal y administrativo. Ello conlleva un proceso de reforma que no es inmediato sino de largo aliento. Para este proceso de reforma, hemos señalado lineamientos de política y objetivos para la administración de justicia con áreas y acciones de corto, mediano y largo plazo.

4. Es nuestro objetivo general brindar un servicio de justicia eficiente, eficaz, predecible, accesible y que se desarrolle con equidad, logrando el más alto grado de confianza de los usuarios y de respeto de los derechos ciudadanos. Para ello tenemos como política y objetivos específicos:

(a) Reestablecer una integridad y regla ética en los magistrados y funcionarios judiciales.

A tal efecto: (i) llevaremos adelante acciones y medidas concretas para motivar a jueces y personal judicial a efecto que se internalice en ellos la alta misión que se les ha encomendado y lo indebido e ilegal de la solicitud y/o recepción de dádivas por realizar labores judiciales; (ii) fortaleceremos la labor de control y fiscalización del OCMA y a través de ello facilitar el control y la fiscalización por parte del usuario.

(b) Fortalecer la autonomía del Poder Judicial tanto en su aspecto institucional como la independencia personal de los magistrados.

A tal efecto: (i) fortaleceremos y apoyaremos al Consejo Nacional de la Magistratura en su condición de organismo autónomo para la selección, promoción o ascenso, y correspondiente nombramiento, así como para los procesos de destitución y ratificación de magistrados. (ii) posibilitaremos que la Corte Suprema cumpla su rol fundamental de dirigir la política jurisdiccional; (iii) apoyaremos a la Academia de la Magistratura en su misión de formar magistrados que internalicen su rol independiente como parte de un servicio de justicia eficaz y eficiente al usuario; (iv) respetaremos y haremos respetar las garantías de independencia personal y de permanencia en el cargo. Garantizamos un proceso de ratificación con audiencia del magistrado y de protección contra la remoción arbitraria; (v) facilitaremos el financiamiento del P.J. con recursos autónomos a través de tasas judiciales con el resultado de otorgar al Poder Judicial la administración autónoma de dichos recursos; y (vi) continuaremos las medidas de mejoras remunerativas de los magistrados.

(c) Facilitar el acceso a la justicia a la ciudadanía, y en particular a los sectores más marginados social, económica y geográficamente.

A tal efecto: (i) continuaremos con la descentralización tanto jurisdiccional como administrativa; (ii) impulsaremos la reducción de los costos directos e indirectos de la justicia; (iii) fomentaremos y apoyaremos los mecanismos alternativos de resolución de conflictos incluyendo el desarrollo de la justicia de paz y la justicia arbitral; y (iv) favorecemos la justicia consuetudinaria dentro de una concepción unitaria y plural del

Derecho Peruano conforme a lo que dispone el artículo 149 de la Constitución del Estado.

(d) Mejorar la eficiencia del servicio de justicia en particular buscando la reducción de la demora y los costos de la justicia.

A tal efecto: (i) implementaremos un programa de reorganización del despacho judicial incluyendo una mayor eficiencia funcional en el uso de recursos humanos y materiales; (ii) implementaremos un programa de mejora de incentivos, incluyendo incrementos remunerativos, para magistrados y otros funcionarios judiciales; y (iii) facilitaremos la adecuada implantación del nuevo código procesal civil, mejoras edilicias, capacitación focalizada y una reorganización del despacho judicial.

(e) Mejorar el nivel de rendimiento profesional de los magistrados.

A tal efecto: (i) fortaleceremos y apoyaremos a la Academia de la Magistratura en su doble rol de preparar aspirantes y capacitar a magistrados actuales; (ii) promoveremos la realización de reuniones plenarias a fin de uniformizar jurisprudencia; (iii) promoveremos la mejora de la enseñanza legal en el país; (iv) facilitaremos el acceso de los magistrados a información legal incluyendo legislación y jurisprudencia; e (v) implementaremos un programa de incentivos no económicos para magistrados que se destaquen en su labor (becas, publicaciones, premiaciones).

(f) Fomentar y apoyar la participación y el consenso para la reforma de la justicia con los magistrados y la sociedad civil.

A tal efecto: (i) profundizaremos los procesos de diálogo, consulta y colaboración con magistrados, universidades, organizaciones no gubernamentales, etc. con objeto de tener una coalición de apoyo y promoción de la reforma; y (ii) fomentaremos y apoyaremos iniciativas del sector público y privado tendientes a crear y fortalecer en nuestra ciudadanía una verdadera cultura cívica de respeto a la ley y capacidad de demanda de un servicio de justicia adecuado.

5. El Anexo 1 de esta carta contiene una matriz de lineamientos generales de reforma a corto, mediano y largo plazo y áreas y acciones de reforma que busca implementar los objetivos mencionados.

B. Proyecto de Inversión Banco Mundial (Proyecto BM)

6. Dentro de la visión y estrategia definida para la reforma judicial, el Estado Peruano ha solicitado el apoyo financiero y técnico del Banco Mundial en relación a un conjunto integral de actividades e inversiones prioritarias tendientes a mejorar la calidad, eficiencia, integridad, independencia y acceso del servicio de justicia con énfasis en las áreas civil, comercial y laboral. Dichas actividades e inversiones resultan de un diálogo extenso y

profundo entre las autoridades del Estado Peruano y el Banco Mundial, teniendo en cuenta análisis y estudios sectoriales, consultas y opiniones a sectores interesados y afectados incluyendo los magistrados, personal auxiliar, académicos, litigantes, organizaciones no gubernamentales y usuarios en general.

La Corte Suprema de Justicia del Poder Judicial apoya esta asistencia del Banco Mundial.

El Anexo 2 a esta carta contiene un resumen de los objetivos y las actividades e inversiones del Proyecto BM.

7. La calidad así como la independencia, eficiencia y eficacia del servicio de justicia se fortalecerá con el apoyo financiero y técnico brindado al Consejo Nacional de la Magistratura, la Academia de la Magistratura y la Oficina de Control de la Magistratura.

Primeramente, reconocemos la necesidad de un sistema de selección y nombramiento, evaluación, ratificación y promoción de magistrados que sea independiente, meritario, transparente y objetivo, evitando todo tipo de influencias políticas o de otra índole.

A tal efecto, la Constitución ha dispuesto que el Consejo Nacional de la Magistratura tenga la responsabilidad de implementar tal sistema. El Consejo Nacional de la Magistratura reconoce que es la primera vez en la historia del Perú que se opta por alejar de las influencias y presiones político partidarias de los procesos de selección, nombramiento, ratificación y remoción .

El Consejo Nacional de la Magistratura se instala el 1ero. de marzo de 1995 después de promulgarse su Ley Orgánica - ley 26397- . Hasta la fecha ha cubierto las vacantes de Fiscalías Supremas y de Vocalías y Fiscalías Superiores de todos los distritos judiciales del país, quedando un remanente de plazas por haberse declarado desiertas.

8. El Consejo Nacional de la Magistratura con la experiencia obtenida en los concursos ya celebrados, ha formulado autocríticas. Reconoce como consecuencia de esas reflexiones, la necesidad de afinar criterios y perfeccionar las reglas y procedimientos de selección y nombramiento. A tal efecto emprenderá, con asistencia del proyecto BM, un programa de desarrollo institucional que le permitirá lograr excelencia y eficiencia técnica en el cumplimiento de su modelo constitucional.

La segunda función del Consejo, la destitución de los magistrados (Jueces y Fiscales) se ha cumplido simultáneamente a la de selección y nombramiento. Se ha dispuesto la apertura de proceso a 48 magistrados en base a las solicitudes de destitución recibidas, 29 de ellos con resolución de destitución y estando en pleno procesamiento los 19 restantes.

El Consejo no ha iniciado el proceso de ratificación, que es la tercera función o atribución que le concede la Constitución. Las razones son claras:

(a) La situación de provisionalidad y suplencias de los cargos judiciales que alcanza a más del 80%.

(b) No puede ratificarse al magistrado nombrado provisionalmente o suplente

(c) Debe definirse previamente el sentido de la norma constitucional relativa a la frase "...cada siete años" (art.154, inc. 2).

9. Reconocemos la profunda necesidad que tienen los magistrados peruanos de una formación y capacitación integral. A tal efecto, se estableció la Academia de la Magistratura que se encuentra en pleno funcionamiento a partir de 1996. La AM está comprometida en una capacitación integral del magistrado, no a una mera repetición de la enseñanza universitaria, involucrando primariamente los aspectos de actitudes y habilidades de los magistrados. Bajo el proyecto BM, la AM implementará programas anuales de capacitación de jueces civiles, laborales y mixtos, en áreas y temas prioritarios que mayor impacto produzcan en la mejora de la calidad del servicio. La AM se compromete a implementar dichos programas anuales a través de métodos costo-efectivos (contratación competitiva de servicios de terceros) que mejor aprovechen la capacidad profesional existente en los distritos seleccionados.

10. El Secretario Ejecutivo de la Comisión Ejecutiva del Poder Judicial delegó las atribuciones que le transfería la Ley 26623 a una Comisión de Gobierno y Reorganización para que conduzca la Academia de la Magistratura. Una función de la Academia de la Magistratura es la de capacitar a los aspirantes a magistrados, con la finalidad de disponer de un grupo humano técnicamente calificado para ser posteriormente elegible por el CNM. Para lograr este objetivo de una manera transparente y rigurosa desde el punto de vista académico, la Academia de la Magistratura va a realizar exámenes de admisión para seleccionar los abogados que deseen postular a los cursos de formación de aspirantes. El examen de admisión a los cursos de aspirantes será calificado de manera anónima y sus resultados serán publicados. Una vez admitidos a la Academia de la Magistratura, los aspirantes asistirán a un programa de entrenamiento consistente en diferentes módulos. Su desempeño será evaluado periódicamente durante el curso del programa de entrenamiento - módulo a módulo por la Academia de la Magistratura. El sistema de evaluación en todas sus etapas será anónimo. Aquellos que resulten aprobados serán elegibles para postular a un concurso para un nombramiento judicial. Dicho concurso será efectuado por el Consejo Nacional de la Magistratura, quien hará una selección transparente, independiente, meritosa y objetiva.

11. La Academia de la Magistratura tiene además la responsabilidad de hacer la evaluación de idoneidad técnico - profesional, jurídica, de conocimiento de los magistrados en actual ejercicio. Esta evaluación tiene por finalidad contribuir a determinar las necesidades de capacitación. Los magistrados provisionales o suplentes que desapruében la evaluación podrán ser separados por la Comisión Ejecutiva del Poder Judicial. En cambio, los magistrados titulares que desapruében la primera prueba seguirán un curso académico complementario financiado por el Estado y estarán obligados a tomar una segunda prueba escrita por la Academia. Aquellos magistrados que resulten desaprobados en la segunda prueba podrán ser separados por la Comisión Ejecutiva del Poder Judicial. Toda prueba de evaluación tendrá carácter anónimo y su calificación y revisión sólo podrá ser efectuada por la Academia de la Magistratura de acuerdo a criterios técnicos y transparentes. Las personas evaluadas en la segunda prueba podrán solicitar revisión de los resultados de la misma a la Academia.

12. Reconocemos que el magistrado, además de ser independiente y competente, debe guardar una conducta ética intachable. Para ello consideramos que es esencial realizar acciones concretas que estén orientadas a reducir las posibilidades de corrupción. En atención a ello, el Poder Judicial ha reorganizado los juzgados bajo un nuevo modelo lo cual permite un mejor control del despacho judicial; se ha racionalizado y reubicado al personal auxiliar; y, ha apoyado la tarea de la OCMA con el fin de estimular y apoyar a los jueces íntegros y sancionar a aquellos que incurran en conductas contrarias a la ética. Concretamente en este último año se ha descentralizado el control a las diversas Cortes Superiores en las que viene funcionando comisiones distritales de la OCMA.

13. Para mejorar la eficiencia del servicio de justicia, el Proyecto BM apoya el fortalecimiento y desconcentración de la gestión orgánica - administrativa del Poder Judicial. En este sentido se llevarán a cabo acciones dirigidas a reforzar la capacidad gerencial y modernizar la gestión judicial. A nivel de los juzgados, el Proyecto BM apoya la implantación, de un nuevo modelo de organización funcional comenzando en los distritos judiciales de Lima y Lambayeque. Con la implantación de este modelo se espera resolver el problema de la morosidad judicial, mejorando la productividad judicial; a su vez este modelo generará procesos judiciales más transparentes, creando con ello mayores condiciones para el control de la corrupción. Por otro lado, el Proyecto BM contribuirá en la sistematización, uniformización y mejora de la calidad de la jurisprudencia, especialmente en materia civil y laboral. La Comisión Ejecutiva ha iniciado, y continuará, un plan de mejora de los incentivos para los magistrados incluyendo un incremento en los ingresos, a través de los bonos jurisdiccionales.

14. En relación al acceso a la justicia, el Proyecto BM fortalecerá instituciones existentes así como instituciones nuevas que facilitan la resolución de conflictos particularmente de los grupos más marginados. Primeramente, se apoyará a los jueces de paz a través de una capacitación focalizada; asistencia técnica para implementar el marco regulatorio de la justicia de paz; y, estudios y encuestas sobre el desempeño de los jueces de paz. En segundo lugar, se apoyará a la Defensoría del Pueblo a través de asistencia técnica para el fortalecimiento institucional, así como asistencia especializada para el medio ambiente y comunidades nativas. Asimismo contribuirá con las campañas de difusión a nivel nacional sobre las funciones de la Defensoría y al equipamiento informático.

Por ultimo, el Proyecto incluye un fondo destinado a financiar iniciativas del sector privado tendientes a promover mecanismos alternativos de resolución de conflictos y desarrollar la capacidad de la sociedad civil para demandar y monitorear el desempeño judicial.

C. Coordinación.

15. El proyecto BM tiene cuatro entes ejecutores: Poder Judicial, a través de la Comisión Ejecutiva, la Academia de la Magistratura, el Consejo Nacional de la Magistratura y la Defensoría del Pueblo. Sin perjuicio de su propia autonomía y

responsabilidad de ejecución, dichos entes mencionados convinieron en establecer una unidad coordinadora con el personal y funciones descritos en el manual operativo del Proyecto BM. Asimismo, cada uno de los entes ejecutores ha nombrado un representante a los fines del Proyecto BM y a efectos de sostener reuniones mensuales para intercambiar opiniones sobre la marcha del Proyecto BM.

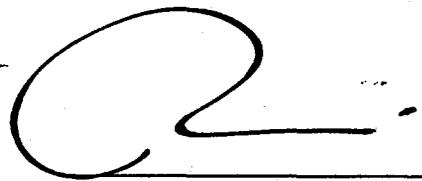
D. Metodología Participativa.

16. Reconocemos que el éxito y sostenibilidad de la reforma y el Proyecto BM dependen, no solamente del apoyo financiero y político, sino del grado de participación por parte de los magistrados particularmente y de la sociedad civil en general. Como consecuencia de ello, cada ente ejecutor ha involucrado a jueces y otras partes interesadas en el proceso de formulación y diseño de las actividades del Proyecto BM. Reconocemos además que dicha metodología participativa debe perfeccionarse y profundizarse mucho más. A tal efecto cada ente ejecutor se compromete a implementar sus actividades propias del Proyecto BM a través de una metodología de participación activa.

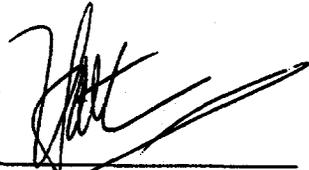
Lima, 22 de agosto de 1997.



Víctor Raúl Castillo Castillo
Presidente
Comisión Ejecutiva del Poder Judicial



Róger Rodríguez Iturri
Presidente
Consejo Nacional de la Magistratura



Jorge Santistevan de Noriega
Defensor del Pueblo



Francisco Eguiguren Praeli
Director General
Academia de la Magistratura

MATRIZ DE LINEAMIENTOS DE LA REFORMA A CORTO, MEDIANO Y LARGO PLAZO

AREAS DE REFORMA	CORTO PLAZO	MEDIANO PLAZO	LARGO PLAZO
Educación Legal y Capacitación Judicial.	Fortalecimiento institucional de la Academia de la Magistratura. Capacitación de Magistrados en áreas críticas de la función jurisdiccional y a nivel nacional.	Contar con un sistema de capacitación continua para magistrados a nivel nacional.	Elevar la calidad de las resoluciones judiciales.
Administración del Sistema.	Racionalización del personal del Poder Judicial. Modernizar la organización administrativa del Poder Judicial.	Reforzamiento de la Gerencia General y de las oficinas administrativas de las diversas Cortes del país.	Desarrollar un sistema nacional de administración del Poder Judicial que sea eficiente
Gestión a nivel de juzgado.	Organizar el Despacho Judicial bajo el nuevo modelo Corporativo. Informatizar los distritos judiciales.	Consolidar a nivel nacional un nuevo modelo de organización del Despacho Judicial.	Elevar los niveles de productividad judicial a estándares internacionales.
Recursos	Racionalización del presupuesto del Poder Judicial. Mejorar el sistema de tasas judiciales.	Generar nuevos recursos para lograr el equilibrio financiero de las diversas instituciones de la Administración de Justicia.	Lograr que el Poder Judicial cuente con los recursos necesarios a fin de mejorar la calidad de la prestación del servicio de justicia y disponer de incentivos económicos para los magistrados.

Acceso a la Justicia.	Fortalecer y extender si es necesario a nivel nacional el número de dependencias jurisdiccionales y administrativas de la Administración de Justicia.	Alcanzar niveles aceptables de rendimiento y acceso de las dependencias nacionales de la Administración de Justicia.	Contar con una Administración de Justicia accesible a los sectores sociales mayoritarios.
Carrera Judicial	Ofrecer signos visibles de mejora del Poder Judicial con la finalidad de atraer a buenos abogados a la judicatura.	Desarrollar un sistema de carrera judicial para buenos profesionales del derecho	Contar con Magistrados sólidos en hacer respetar su función y el estado de derecho.
Métodos Alternativos	Favorecer el desarrollo de la conciliación en el ámbito de los procesos judiciales.	Difundir el uso de los mecanismos alternativos de solución de conflictos.	Elevar la cultura de la conciliación en la sociedad peruana.
Sistemas de Información.	Modernizar y racionalizar los sistemas de administración de la información judicial.	Mejorar la estadística judicial. Contar con indicadores de productividad y calidad de la Administración de Justicia.	Avanzaren la interconexión de la información judicial.
Infraestructura	Remodelar los locales judiciales en los que viene operando el Poder Judicial.	Saneamiento legal de las propiedades del Poder Judicial.	Contar con locales judiciales modernos que brinden condiciones de seguridad y una atención integral al usuario.
Ética Judicial	Fortalecimiento de las funciones de control del Poder Judicial y del Consejo Nacional de la Magistratura .	Desarrollar campañas públicas para la revalorización del servicio de justicia.	Reducir el nivel de la corrupción judicial

PROYECTO "REFORMA JUDICIAL" Componentes

Componente I Administración de Justicia

Subcomponente 1: Mejoramiento del Aparato Administrativo del Poder Judicial.

- . *Descentralización Administrativa:* (i) capacitación para el personal administrativo en áreas como: planeamiento y administración, procedimientos operativos, estadística e informática, computación, etc.; (ii) estudio para revisar y perfeccionar el sistema de administración descentralizado y desarrollo de manuales operativos; (iii) sistema de información gerencial para las Oficinas Generales de Administración en áreas de recursos humanos, finanzas y adquisiciones; y (iv) talleres para el personal administrativo de las Oficinas Generales de Administración y cortes para discutir los cuellos de botella y planes de mejoramiento para la modernización administrativa.
- . *Administración financiera:* (i) estudios sobre formas alternativas de reforzar la autonomía económica del Poder Judicial, incluyendo nuevas formas de generación de recursos, costos de los servicios judiciales y mejorando los sistemas de tasas judiciales; (ii) elaboración y ejecución del programa presupuestario; y (iii) diseño e implementación de un esquema de tasa preferencial para grupos de bajos ingresos.
- . *Imagen Institucional del Poder Judicial:* (i) difusión de las reformas del Poder Judicial a través de campañas públicas; y (ii) estudios de evaluación sobre las reformas administrativas llevadas a cabo.

Subcomponente 2: Mejoramiento del desempeño de las cortes piloto.

- . *Remodelación de la infraestructura:* El proyecto financiaría la remodelación de las instalaciones físicas en los distritos seleccionados (edificios centrales) así la inversión en infraestructura podría ir de la mano con los esfuerzos de modernización administrativa y judicial. El Poder Judicial ya ha desarrollado un concepto de Despacho modelo (o nueva organización del despacho), que toma en cuenta un proceso mejorado, tecnología moderna y consideraciones de seguridad.
- . *Juzgados civiles y laborales:* (i) plenarios nacionales y regionales con jueces civiles y laborales; (ii) difusión del trabajo de los jueces e investigadores a través de la publicación de revistas e informes anuales, concursos de investigación y conducción de study tours; y (iii) la ampliación de las bibliotecas de las cortes en los distritos seleccionados.
- . *Procedimiento y organización de la corte:* (i) la ejecución piloto de una nueva y simplificada organización de la corte, procedimientos de procesamiento de casos estandarizados,. Este ejercicio incluiría capacitación de jueces y personal auxiliar de las cortes en administración de casos y habilidades informáticas, campañas públicas, evaluación, así como la automatización y remodelación de la infraestructura de las cortes; (ii) talleres regionales para jueces a fin de evaluar el impacto y resultados de la aplicación del nuevo código procesal civil, profundizando el entendimiento de los procedimientos de las cortes y haciendo recomendaciones para futuras mejoras; y (iii) estudios de reducción de demoras (actualizaciones de base y anuales) en las instancias judiciales excepto los penales y difundiendo los resultados en talleres con jueces.

- . *Sistema de Información Judicial y estadísticas:* (i) diseño del sistema automatizado de administración del flujo de casos, ejecución piloto de un sistema de información judicial integrado en Lambayeque y su evaluación, y la consiguiente extensión del sistema a los otros distritos seleccionados como siguiente etapa; (ii) estudio de diagnóstico del sistema de estadística judicial existente (incluyendo la identificación de indicadores estadísticos claves) e implementación de planes de mejora; (iii) desarrollo de la base de datos múltiple (legislación y casos); (iv) diseño y ejecución de un moderno sistema de archivo en los distritos seleccionados; y (v) la automatización de las cortes a través de la compra de equipo básico - PC's, impresoras, software básico, y otro equipo para los distritos seleccionados.

Componente 2: Selección, Evaluación y Capacitación Judicial

Subcomponente 1: Selección y Evaluación Judicial:

Apoyará al CNM a través del: (i) desarrollo, actualización y perfeccionamiento de sus regulaciones, procedimientos y sistemas para la selección, remoción y ratificación de jueces y reforzamiento de su estructura organizativa; (ii) reforzamiento de su planeamiento estratégico y capacidad de administración a través de la ejecución de estudios de diagnóstico, desarrollo de visiones organizativas y planes de acción, y asesoramiento de expertos; (iii) provisión del CNM con capacitación en selección y evaluación judicial, administración y habilidades informáticas; (iv) conducción de estudios sobre perfil del juez, perfil del personal del CNM, y estándares éticos en el Poder Judicial; y (v) provisión de apoyo informático y logístico, incluyendo el desarrollo de base de datos en apoyo al sistema de selección, remoción y ratificación.

Subcomponente 2: Capacitación Judicial.

Asistirá a la AM en: (i) el diseño y ejecución de programas de capacitación anuales para jueces designados por el CNM (evaluación de necesidades, curriculum y diseño de módulos, materiales de capacitación, honorarios, capacitación de capacitadores, capacitación a distancia, y apoyo logístico); (ii) estudios de evaluación de impacto y resultados de los programas de capacitación; y (iii) reforzamiento institucional de la AM.

Subcomponente 3: Sistema Disciplinario.

Reforzamiento del sistema disciplinario de los Magistrados, unidad de control interno del Poder Judicial, a través de: (i) la conducción de un estudio de diagnóstico de su organización y el apoyo a la ejecución de las recomendaciones del estudio; (ii) el perfeccionamiento del sistema legal hacia un sistema de monitoreo y control; (iii) capacitación del personal de la OCMA incluyendo evaluación de necesidades, talleres y seminarios anuales de capacitación; (iv) difusión de las actividades de la OCMA; y (v) apoyo informático para las comisiones disciplinarias descentralizadas.

Componente 3: Acceso a la Justicia

Subcomponente 1: Apoyo al Sistema de Justicia de Paz.

- . *Diseño y ejecución de programas de capacitación:* (i) módulos de capacitación para capacitación de capacitadores y criterios de selección, provisión de capacitación para

capacitadores en técnicas de educación para adultos y mediación y conciliación, (ii) materiales de capacitación, (iii) programas de capacitación para conciliación en distritos seleccionados; y (iv) evaluación de programas de capacitación con la participación de capacitadores, profesionales, universitarios, ONGs y la AM, etc.

- *Evaluación del desempeño de los Jueces de Paz:* (i) estudios iniciales de base y seguimiento (antes y después de la ejecución de la capacitación) en los distritos seleccionados, cubriendo tipos de casos, tiempos de demora, forma de resolución de conflictos, etc. y la difusión de los resultados de los estudios a través de talleres; y (ii) encuestas a clientes - similarmente antes y después de la ejecución de la capacitación.
- *Análisis de la legislación y regulación sobre Jueces de Paz:* (i) la revisión de la legislación existente y normas sobre Jueces de Paz estableciendo grupos de trabajo y haciendo propuestas para mejoramientos; y (ii) la difusión pública de las propuestas a través de talleres para forjar consenso sobre los cambios legales y regulatorios.

Subcomponente 2: Fondo de Acceso.

Mejorar el acceso a la justicia a través de la creación de un fondo para financiar subproyectos elegibles que aspiren a: (i) la promoción de MARC's y (ii) el refuerzo de la capacidad de la sociedad civil por el análisis, demanda y monitoreo de la reforma y desempeño judicial. A fin de promover la participación de la sociedad civil en el proceso de reforma, las propuestas serían preparadas por ONGs, asociaciones de abogados, escuelas de leyes y otros grupos privados y académicos. Los subproyectos ganadores serían evaluados hasta su terminación para evaluar su replicabilidad. Está previsto que el Fondo de Acceso tendría una cobertura nacional para asegurar que un gran número de organizaciones y grupos tengan la oportunidad de participar en el proceso de reforma.

Subcomponente 3: Apoyo a la Oficina del Defensor del Pueblo.

Apoyará el desarrollo institucional inicial de la DP en las áreas de: (i) su estructura y funciones organizativas, normas y procedimientos; (ii) comunidades nativas, protección del medio ambiente, y derechos ciudadanos en una economía de mercado, así como la organización de plenos para promover la coordinación entre el estado y la sociedad civil; (iii) campañas públicas y difusión de las actividades de la defensoría, incluyendo la preparación y distribución de materiales en idioma nativo y talleres regionales; y (iv) otro apoyo logístico e informático para promover la descentralización de las oficinas de la DP.

KEY MONITORING INDICATORS (*)

I. Institutional Framework for Judicial Reform

OBJECTIVES	INPUTS	OUTPUTS	OUTCOME/ IMPACTS	TIMING
<p>Strengthen the institutional framework for planning and implementation of judicial reform.</p>	<ul style="list-style-type: none"> • Retain consultants to assist in planning, administration, and coordination of judicial reform. • Planning & evaluation workshops for judicial reform to be supported under the project. • Logistic support. 	<ul style="list-style-type: none"> • Establish an operational coordination mechanism to administer and monitor the project and coordinate with the Bank and other organs involved. (Project Preparation Unit initiated activities in March 1996; the coordination mechanism under the project must be confirmed thr. OM.) • Implementation Plan, Operational Manual (by PPU). • Semi-annual and annual progress reports (by PCU). • Launch, mid-term review, and completion evaluation workshops (by PCU). • Annual financial audits. 	<ul style="list-style-type: none"> • Improve coordination among organs involved in judicial reform. • Generate consensus on reform strategy, disseminate the strategy and lessons gained from project implementation. • Efficient administration and timely execution of project activities. • Periodic monitoring of progress of project activities. 	<p><u>Start:</u></p> <ul style="list-style-type: none"> • March 1996 (PHRD) : PPU established and became operational. • June 1996 (PHRD): Judicial Reform workshop. • Judicial Coordination Council created (June 1996) by law#26623 aimed at inter-sectoral policy coordination. • Final IP as condition for negotiations. • Draft OM as condition for negotiations. • Signing of statement of policy & objectives of the reform by all implementing agencies as conditions for Board. <p><u>Finish:</u> December, 2001</p>

(*) Those highlighted are key monitoring indicators.

II. Administration of Justice Component

OBJECTIVES	INPUTS	OUTPUTS	OUTCOME/ IMPACTS	TIMING
<p>Establish efficient, modern, and self-sustainable system for judicial administration.</p> <p>1) Administrative modernization & decentralization .</p> <p>2) Financial management</p> <p>3) Institutional image of the Judiciary</p>	<ul style="list-style-type: none"> • Workshops & training of administrative personnel (25 districts nationwide). • Consultants for refining the administrative system. • Informatic to support general and court administration. • Consultants for design & implementation of mgt. information system. • Consultants for budget planning & execution. • Consultants for alternative ways for strengthening economic autonomy of the PJ (e.g., new forms of resource generation, costs of judicial services, and revision of judicial fee systems). • Consultants for design & implementation of a preferential fee scheme for lower-income groups. • Public campaign of judicial reform. • Consultants for design & implementation of client/user surveys. 	<ul style="list-style-type: none"> • Annual diagnosis & skill upgrading workshops. • Functioning integrated mgt. information system (budget, accounting, personnel etc.). • Develop operational manuals for the administrative system. • Develop program-based budget. • Adopt improved fee structure. • Dissemination through TV and radio spots. • Annual opinion surveys (litigants, lawyers, judges etc.) 	<ul style="list-style-type: none"> • Improve mgt. efficiency of general administration offices. • More effective use of budget resources and increased income from fee collection. • Increase economic autonomy /independence of PJ. • Improved access to judicial service for low-income groups. • Increased public recognition of activities of the Judiciary. • Obtain feedback of reform process from client & users of the system. 	<p><u>Start:</u></p> <ul style="list-style-type: none"> • General Managers & adm. staff at all districts selected thr. competitive examinations and appointed (April-May 1996). • Program-based budget prepared (from 1997 budget). • Integrated mgt. information system to be installed (by March 1998). • Operational manuals for the administrative system to be developed (by June 1998). • Opinion survey to be conducted and results to be disseminated (by December each year) <p><u>Finish:</u> December 2001</p>

<p>Improve efficiency, equity, and predictability of judicial performance. 1) Civil and labor judgements -- (*) in selected districts.</p> <p>2) Court organization & procedures -- (*) in selected districts</p>	<ul style="list-style-type: none"> • National & regional (*) workshops with judges to diagnose the uniformity of judgements & discuss improvement plans. • Consultants for studies of incentives schemes for better judicial performance. • Publication of work by judges & academics; annual reports; research competition. • Study tours & fellowships. • Consultants for library needs assessment; literature purchase. • Training of judges & court personnel in modern court administration & informatic skills etc. (*). • Logistic & consultant support to dissemination, supervision, evaluation, and subsequent technical follow-up of new court organization (*). • Regional workshops with judges for application of new civil procedure code (*). • Consultants for quantitative & qualitative indicators (*). • Workshops & surveys with civil society to evaluate the progress in procedures & organization. (*). 	<ul style="list-style-type: none"> • Annual national & regional workshops with judges. • Design & implement innovative incentive schemes for judges. • Publication of journals & annual reports. • Improve district-level library. • Implement new court organization ("sistema corporativo"). • Evaluate application of new civil procedure code. • Baseline study & annual updates of key judicial performance indicators. 	<ul style="list-style-type: none"> • Improve uniformity and rationality of judicial decisions. • Diffusion of judgement criteria. • Increase sustainability of reform based on better incentives and participation of judges. • Improve speed and efficiency in case management (through statistical indicators as measured by congestion ratio & congetion index). 	<p>Start:</p> <ul style="list-style-type: none"> • Workshops organized for Lima judges on civil procedures (July 1996) & labor judgement (Oct. 1996) -- PHRD grant. • Implementation Manual of new court organization at respective districts prepared (Sept.-Oct. 1996). • Implementation of new court organization started in Lambayeque (Nov. 1996). • The first phase result of the Lambayeque pilot to be evaluated (by March 1998). • Implementation of new court organization in the other selected districts to be completed (by Dec. 1999) -- including training, judicial information, & infrastructure remodeling.
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<p>3) Judicial information & statistics system -- (*) in selected districts: Lima (inc. Cono Norte, Callao), Arequipa, Cusco, Piura, Lambayeque.</p>	<ul style="list-style-type: none"> • Consultants for design & implementation of judicial information system (i.e., caseflow management). • Consultants for diagnosis & improvements for statistic system. • Consultants for design & implementation of a modern archive system • Consultants for design & implementation of multiple data base. 	<ul style="list-style-type: none"> • Develop automated system for improved case distribution among judges and case tracking. • Develop automated system for statistical reporting. Annual statistical reports. • Develop modern archive system. • Data base completed. 	<ul style="list-style-type: none"> • Improve allocation of resources to courts, efficiency of case administration, and access to information. • Technologically modern administration and court room. 	<ul style="list-style-type: none"> • Design of a model court house completed (May 1996). • Remodeling is to be implemented in parallel to new court organization implementation (see the timing above). <p><u>Finish:</u> December 2001</p>
<p>4) Infrastructure remodeling</p>	<ul style="list-style-type: none"> • Informatic support. (*) • Remodel courthouses in Callo, Cono Norte, Arequipa, Cuzco, Lambayeque, and Piura (central buildings only) to accomodate new court organization.. 	<ul style="list-style-type: none"> • Detailed architeturual studies. • Remodeling completed. 	<ul style="list-style-type: none"> • Improve public access to courts, judicial security, and minimize inappropriate contact by judges with litigants. 	

III. Judicial Selection, Evaluation and Training

OBJECTIVES	INPUTS	OUTPUTS	OUTCOME/ IMPACTS	TIMING
<p>Strengthen judicial selection and evaluation system (Consejo Nacional de la Magistratura)</p>	<ul style="list-style-type: none"> • Consultants for diagnosis & managerial strengthening for CNM (i.e., judicial selection, ratification & removal). • Consultants for strategic planning. • Training of CNM members & staff in selection/ratification, management, & informatic skills. • Consultants for studies on corruption, judges' profile, and CNM staff profile etc. • Consultants for design and implementation of data base to support judicial selection, ratification & removal. • Informatic and equipment support; literature purchase etc. 	<ul style="list-style-type: none"> • Develop/improve norms and process of judicial selection, ratification & removal. • Biannual updating of strategic plans. • Internal training & study tours of CNM staff. • Implement various studies. • Installation of data base. 	<ul style="list-style-type: none"> • Increase competence, legitimacy, honesty, transparency, and responsibility of selection, ratification, & removal processes (merit-based systems). • Improve administrative efficiency of CNM. • Strengthen judicial independence. 	<p><u>Start:</u></p> <ul style="list-style-type: none"> • Evaluation of norms & processes of selection, ratification & removal of judges to be completed, and improved structure of CNM designed (by Dec. 1998). • Data base on selection, ratification & removal of judges to be installed (by Dec. 1999). <p><u>Finish:</u> December 2001</p>

<p>Strengthen judicial training (Academia de la Magistratura) -- (*) in selected districts.</p>	<ul style="list-style-type: none"> • Training of judges on civil, commercial, labor matters, & conciliation etc. in selected districts (*). • Consultants for training needs assessment (*). • Consultants for impact evaluation of training program (*). • Consultants for designing training programs for aspiring judges. • Training & study tours for AM staff. • Support to publications. 	<ul style="list-style-type: none"> • 10 training course in 1st year, increasing to 20 per year (on average) from 2nd year onward. • Develop training module per speciality. • Update training needs assessment. • Conduct biannual impact evaluation studies. • Develop curriculum of training programs for aspiring judges. • Publication of research activities. 	<ul style="list-style-type: none"> • Improve quality of judicial decision and judges' skills in free market economy. • Improve investigation capacity of AM. 	<p>Start:</p> <ul style="list-style-type: none"> • Training needs assessment on Lima civil judges conducted in May 1996 (PHRD grant). • Preparation of detailed first-year training plan as condition for negotiations. • First series of training courses on civil, labor & conciliation to be conducted for Lima judges (by June 1998). • Impact evaluation studies to be completed by Dec. 1998 & 2001). <p>Finish: December 2001</p>
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<p>Strengthen a disciplinary system of judges (Oficina de Control de los Magistrados/ the Judiciary).</p>	<ul style="list-style-type: none"> • Consultants for diagnosis of organization of OCMA and implementation of the study's recommendations. • Workshops on corruption. • Consultants for training needs assessment/ training of OCMA staff. • Study tours • Informatic support. • Consultants for legislative proposal for monitoring & control mechanism. • Dissemination 	<ul style="list-style-type: none"> • Evaluate decentralization experience of OCMA. • Skill upgrading of OCMA staff. • Improve legal framework for system for monitoring & control of judicial performance. • Annual reports of OCMA activities. 	<ul style="list-style-type: none"> • Improve judicial ethics & discipline. 	<p>Start: July 1997</p> <ul style="list-style-type: none"> • First diagnostic study on OCMA organization to be completed (by June 1998). <p>Finish: December 2001</p>
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IV. Access to Justice Component

OBJECTIVES	INPUTS	OUTPUTS	OUTCOME/ IMPACTS	TIMING
<p>Improve the quality of judicial services of Jueces de Paz (lay judges) and community authorities. -- (*) in selected districts.</p>	<ul style="list-style-type: none"> • Initial workshop for diagnosis and training needs of Jueces de Paz. • Consultants for preparation of training materials (trainers and JP), selection criteria and methodology for trainers. • Training of trainers • Training of JP & community authorities. (*) • Consultants for evaluation of training program. (*) • Consultants for baseline and follow-up surveys on performance of JP and user surveys (before and after training). (*) • Workshops for dissemination of survey results. • Consultants for preparation of legislation on JP. • Workshops to discuss proposed legislative modifications. 	<ul style="list-style-type: none"> • Develop curriculum and training module for trainers, JP and community authorities. • 50 trainers selected and trained. • Training workshops per selected districts implemented. • Feedback and evaluation of training program. • Analysis of user survey results. • Publication of legal norms on jurisdiction of JP. 	<ul style="list-style-type: none"> • Improve competence of JP and community authorities, including conciliation techniques. • Improve access to justice. • Establish legal framework for jurisdiction of JP and rural and native communities. 	<p><u>Start:</u></p> <ul style="list-style-type: none"> • Access to Justice workshop organized in June 1996 (PHRD grant). • Basic Justice workshop organized with IDB in Nov. 1996. • Initial workshop to be conducted (by Dec. 1998). • First training of JP to be conducted (by Dec. 1999). • Evaluation workshop on the above training to be conducted (by Dec. 2000). • Second training of JP to be conducted (by Dec. 2001). • Evaluation workshop on the above training to be conducted (by Dec. 2001). <p><u>Finish:</u> December 2001</p>

<p>Increase access to alternative means of dispute resolution and civil society participation in judicial reform. 1) Creation of a demand-driven Access Fund.</p>	<ul style="list-style-type: none"> • Consultants for elaboration of contract forms. • Public campaign of Special Fund. • Establish technical committee. • Implement Access Fund in the areas of: (i) ADR; (ii) innovative research & monitoring of reform process. 	<ul style="list-style-type: none"> • Operational manuals for Access Fund, allocation of resources for each program, TOR for Fund and technical committee. • Evaluate & approve demand-driven projects. 	<ul style="list-style-type: none"> • Facilitate access to ADR outside formal system. • Promote civil society participation in judicial reform process. 	<ul style="list-style-type: none"> • Draft operational manual as condition for negotiations. • Adoption of final operational manual, and appointment of technical committee as condition for effectiveness. • Access Fund to become fully operational (by Jan. 1998). <p><u>Fund operation</u> : July 1998 - 2001</p>
<p>Strengthen the newly created Public Defender's Office (ombudsman).</p>	<ul style="list-style-type: none"> • Consultants on institutional development (DP's competency, procedures etc.) • Annual strategic planning workshops. • Workshops: native communities, environmental issues, market economy. • Public campaign (production of materials in Spanish, native languages, regional workshops) • Consultants for evaluation & opinion surveys. • DP staff training (including study tours). <p>Informatic support: PCs, software, printers etc.</p>	<ul style="list-style-type: none"> • Improve technical capacity of DP & operational decentralization. • Action plans to improve DP's functions and procedures. • Diagnosis of protection of environment, citizen rights for native communities (selva and sierra), consumer rights in market economy. • Materials translated in Spanish and native languages. Materials distributed. • Information system installed at central and selected districts. 	<ul style="list-style-type: none"> • Develop modern & efficient DP's administrative structure and functions. • Establish collaborative relationship with civil society & public institutions. • Increased public recognition of DP activities. 	<p><u>Start</u>: July 1997</p> <ul style="list-style-type: none"> • First biannual strategic planning workshop to be organized (by Dec. 1997). • First series of topical workshops to be organized (by June 1998). • Public campaign to be carried out (by June 1998). • Information system to be installed at selected districts (by June 1998). • Opinion surveys on evaluation of DP services be conducted (by Dec. 1998 & 2000). <p><u>Finish</u>: December 2001</p>

Judicial Performance Indicators

The project is expected to produce more efficient and effective results and improve the quality of services, particularly in the first instance courts. As described in paras. 3.14-3.15 of the main text, the judicial performance will be monitored through performance indicators to assess progress in judicial productivity and decongestion quality of judicial decisions, improvements in overall administration of the system, improvements in restoring judicial tenure and increased access to justice.

Performance Indicators by Component

Component I: Judicial Administration

I-(1) Administrative Modernization

- (a) Ratios of self-generating income relative to the budget assigned by the Treasury as measured annually.
- (b) Quantity and quality of support (legal, administrative, and technical) to the courts by the General Administrative Office and District Administrative Office, as measured by: (i) judge's opinions as reflected in annual anonymous surveys; and (ii) delay reduction of key administrative services.

I-(2) Pilot Performance Improvement Program in the Selected Districts

- (a) Evaluation of court performance indicators for courts in the selected districts: (i) before and after the introduction of automated case tracking systems and (ii) changes onward, as measured in annual surveys in accordance with a methodology satisfactory to the Bank (see below for "supplementary note on court performance indicators").
- (b) Percentage of judges by target group in the selected districts having attended a regional or national meeting of peers within the past twelve months.
- (c) Average quality of judicial performance as determined by selected survey groups on the basis of: (i) legal knowledge; (ii) analytic technique; (iii) judicial writing; and (iv) other criteria as determined by the Bank and the Judiciary (for mid-term and final reviews).

Component II Judicial Selection, Evaluation and Training

- (a) Success of AM training courses in effectively delivering knowledge and improving skills and aptitudes as measured by the evaluation methodology to be developed under the Project (for mid-term and final reviews).

- (b) Improvement in ratio of tenured magistrates to provisional magistrates.

Component III: Access to Justice

- (a) Quality of support to the general public and users by the DP's office, as measured by biannual opinion surveys.
- (b) Success of training courses for Jueces de Paz in conciliation techniques, as measured by the evaluation methodology to be developed under the project (for mid-term and final reviews).

<Supplementary Notes on Court Performance Indicators>

Indicators for Congestion

(1) Congestion ratio (TC) is defined as the number of cases disposed (T) as a proportion of the number of cases filed (I) during a certain period of time. In the project, the disposition per year of the courts in the selected districts will be calculated as a percentage of the number of filing per year. This ratio will allow monitoring of whether judges are able to handle the volume of work or backlogs are developing.

$$TC = T / I$$

Experience suggests that if the congestion ratio is 1 or above, the volume of cases disposed in a particular courtroom is either equal or even exceed the number of filings. If the congestion ratio is less than 1, the caseload is higher than the capacity of a courtroom (or judges) for handling the volume of work. As Table shows, the volume of case disposed of as a proportion of filed cases is lower than one in most of the districts in Peru.

(2) Congestion index (IC) is defined as the number of pending cases at the end of a particular year (CT-T) as a proportion of the number of cases brought to a courtroom in this year plus unresolved cases (or “stock”) from the previous year (CT).

$$IC = (CT-T) / CT$$

The congestion index below 20% implies that a particular courtroom is roughly capable of satisfying the caseload imposed by the system. On the other hand, if the congestion index is above 20%, it suggests that the cumulative caseload is too heavy for a courtroom to handle the work.

(3) Productivity index: Productivity can be measured as the volume of different types of cases disposed per courtroom (or one judge) or per sala (3 superior judges) in a certain period of time. Although this is an indicator for production (not productivity) in a strict sense, it roughly explains the volume of production per unit of judges. Therefore, by comparing the volume of cases in a year to that in the previous year, it is possible to measure annual productivity increase of a particular courtroom.

In order to calculate the above indicators, the Statistics Office of the Judiciary will annually prepare the following formats for civil and labor courts as well as juzgados de paz letrados in the selected districts: Lima (including Callao and Cono Norte), Arequipa, Cuzco, Piura, and Lambayeque. Similar information will be prepared for superior courts in the selected districts and the Supreme Court.

(4) Efficiency index:

- (a) Number of sentences and judgments (sentencias) and interlocutory appeal decisions (autos interlocutorios) divided by the number of court employees.
- (b) Number of final sentences and judgments divided by the number of court employees.

(5) Processing time for civil and special cases:

- (a) For cases which have not concluded, average time between case filing (ingreso del expediente) and the final judgment divided by the maximum time established by law.
- (b) For cases which have not concluded, average time between case filing and the current date (at which the case is reviewed by the investigator), divided by the maximum time established by law for case filing to judgment.

Example: Annual Statistics of Congestion

Juzgados: Civil

Period: _____

	Pendientes (Inicio Period)	Ingresadas	Resueltas	Pendientes (Final Period)	Indice de Cogestion	Tasa de Congestion
1er. J. Civil Lima						
2o. J. Civil Lima						
.....						
1er. J. Civil Arequipa						
2o. J. Civil Arequipa						
.....						
Total						

Court: Superior Court of Lima

Period: _____

	Pendientes (Inicio Period)	Ingresadas	Resueltas	Pendientes (Final Period)	Indice de Cogestion	Tasa de Congestion
Sala 1ra.						
Sala 2a.						
Sala 3a.						
.....						
Total						

Table Caseload and Indicators for Congestion at Selected Districts (1995)

		Stock (beg.-95)	Ingresadas	Resueltas	Stock (end-95)	Indice de Congestion	Tasa de Congestion
Arequipa	2o Inst.	3,808	10,140	7,221	7,866	48.2%	0.71
	1er Inst.	8,262	19,517	21,547	9,852	22.4%	1.10
	JPL	6,072	13,081	9,643	7,443	49.7%	0.74
Callao	2o Inst.	3,173	6,707	7,387	804	25.2%	1.10
	1er Inst.	10,822	12,171	14,144	7,533	38.5%	1.16
	JPL	5,711	13,158	8,291	11,573	56.1%	0.63
Cono Norte	2o Inst.	1,007	2,351	1,146	1,277	65.9%	0.49
	1er Inst.	11,293	12,685	7,776	10,321	67.6%	0.61
	JPL	6,166	22,744	11,706	21,628	59.5%	0.51
Cuzco	2o Inst.	7,298	5,911	6,971	(433)	47.2%	1.18
	1er Inst.	13,438	13,931	12,357	12,639	54.9%	0.89
	JPL	6,145	15,718	11,048	6,074	49.5%	0.70
Lambayeque	2o Inst.	3,046	9,772	8,287	12,831	35.3%	0.85
	1er Inst.	11,804	17,292	16,682	90,751	42.7%	0.96
	JPL	2,003	17,001	12,230	38,282	35.6%	0.72
Lima	2o Inst.	14,417	34,082	33,093	12,831	31.8%	0.97
	1er Inst.	267,152	115,282	100,969	90,751	73.6%	0.88
	JPL	43,800	91,381	67,391	38,282	50.1%	0.74
Piura	2o Inst.	786	9,307	6,668	4,669	33.9%	0.72
	1er Inst.	6,860	20,010	17,030	9,923	36.6%	0.85
	JPL	1,936	12,847	9,272	4,589	37.3%	0.72
All Districts	2o Inst.	55,577	129,197	111,162	56,239	39.8%	0.86
Total	1er Inst.	402,846	319,221	280,469	242,540	61.2%	0.88
	JPL	101,415	303,798	200,958	158,970	50.4%	0.66

Source: the Judiciary, Office of Statistics, and INVERTEC "Evaluacion Economica de la Reforma Judicial en la Republica de Peru" July 1996.

Organization of the Judiciary

1. In accordance with the Constitution and its Organic Law, the Peruvian Judiciary is organized with the following judicial institutions: the Supreme Court, Superior Courts or Courts of Appeal, Trial Courts, and Justices of the Peace. Within the court system, there has been an increasing effort to decentralize the courts and to separate administrative from judicial matters. The court system is distributed loosely according to the defined political jurisdictions of the country. There are 24 departments (political jurisdictions) and 24 judicial districts, roughly correspondent, and two additional districts in preparation (Cono Sur and Chosica). The Supreme Court serves the whole nation, while there is a Superior Court in each judicial district. Under the Superior Courts there are several first instance courts and a very small number of "lettered" Justices of the Peace. As of April 1996, there are 1,253 magistrates throughout the country.

2. Much of the ordinary justice in Perú occurs at the level of Justices of the Peace (JPs), who have jurisdictional responsibility of first instance for some criminal and civil matters. JPs do not specialize according to case matter, but are divided into two orders: those who have obtained a legal education ("lettered", or Juecez de Paz Letrados) and those whose reputation in the community in which they live have won them the responsibility to adjudicate in matters relevant to the daily lives of citizens (Juecez de Paz, or lay judges). "Lettered" JPs have jurisdictional competence and autonomy of decision over both civil and some criminal, and are the equivalent to judges of first instance in areas where the reach of the ordinary court system for the administration of justice is absent. In this sense, it is a mechanism to relieve the case load burden of the court and to provide access to the vast majority of citizens. In contrast, the Juecez de Paz (lay judges) are not part of the judicial career and are loosely--if at all--supported by the formal justice system. The development and expansion of the Juecez de Paz (lay judge) system is largely the result of the continuous import of foreign legislation by the Peruvian legal system, its lack of roots in any local development, and the limited access to the formal legal system. There are currently around 4,300 Juecez de Paz (vs. 1,253 formal judges). In this system, rooted in local traditions, the judges are elected by popular votes within their constituencies and apply customary law.

3. Courts of First Instance (Juzgados) are organized jurisdictionally in districts that correspond to the Superior Courts. In districts with large populations, there are specialized jurisdiction tribunals (Civil, Criminal, Labor, Agrarian, and Children). Otherwise, there is a single mixed-jurisdiction tribunal, or a mixed tribunal working together with specialized courts, usually in civil and criminal matters. All districts, except Lima and Callao, which are physically proximate to each other, have at least one mixed First Instance Courts. Overall, there are 134 Mixed Courts, and 490 specialized First Instance Courts.

4. The Superior Courts have both appellate and original jurisdiction. With the new Organic Law, Superior Courts in most cases are the court of final appeal. There is at least one Superior Court in the capital of each judicial district. It is the highest judicial authority in each district. Decentralized Superior Courts can be created by the Supreme Court out of the capital of the district (as has happened in the cases of Cono Norte Superior Court in Lima, the Tarapoto Court in San Martín, or the Chimbote Court in Ancash). Overall, there are 24 Superior Court districts and 99 chambers. There are up to five separate specialized chambers,

composed of three or four magistrates each: Civil, Criminal, Labor, Family law, and Mixed jurisdictions. As in the case of First Instance Courts, Mixed Jurisdiction Courts replace the specialized ones.

5. The Supreme Court, located in Lima, has three separate chambers of five judges each, and a total of eighteen judges. (The remaining three judges serve in the Executive Council, the Office of the Magistracy Control, and the Presidency of the Court.) The three specialized chambers in the Court include: Civil (Family Law, Property, Contracts, Torts, and Commercial Controversies), Criminal, and Constitutional and Social Law. Constitutional reforms have attempted to limit the types and numbers of cases heard by the Supreme Court to those of cassation¹⁶ and "exceptional cases" involving matters of law and the civil responsibilities of judges. In practice, prior to recent reforms, the Supreme Court had become simply one more instance of appeal, and virtually all cases could find their way to this "third instance." The result has been extreme overload at this level.

Table 9: Number of Chambers and Courts, and Judges

Judicial District	2nd Inst.						1st Inst.						JPL	Magistrados
	Civil	Penal	Labor	Agr.	Fam. I	Mix.	Civil	Penal	Labor	Agr.	N-Adol.	Mix.		
Amazonaz						1	2	4		1		5	5	20
An cash	1	2				1	5	9	3	5	3	18	9	64
Apurimac						1	2	2		2	2	5	12	28
Arequipa	3	3	1				8	11	4	6	3	5	10	68
Ayacucho						2	4	6		1	2	5	7	31
Cajamarca						2	2	5	1	2	2	8	9	35
Callao	1	2	1				4	7	4		2	1	8	38
Canete						1	1	2		1		1	6	14
Cono Norte						1	4	4			1	2	15	29
Cuzco	2	3					7	10	2	5	4	10	24	77
Huancavel.						1	1	2		1	1	2	4	14
Huanuco	1	2					4	8	1	2	2	7	14	47
Huara	1	1					4	4	1	3	1	2	9	30
Ica	1	2					6	8	2	5	4	7	16	58
Junin	1	4	1				5	7	2	5	2	8	19	67
Libertad	2	3	1				7	10	2	4	2	6	13	63
Lambayeque	2	4				1	9	14	2	2	2	6	16	73
Lima	5	13	4	1	1		34	50	18	2	10		69	255
Loreto	1	3				1	2	3	1		1	5	8	35
Piura	3	2					9	12	5	2	2	3	16	67
Puno						3	3	6	1	3	4	11	18	55
San Martin						1	5	5	1	1	1	6	12	34
Tacna	1	1					2	4	2		1	7	7	32
Ucayali						1	2	2	1		1	4	6	19
TOTAL	25	45	8	1	1	19	132	195	57	53	53	134	332	1253

Source: Estadística Resolución 002-95-TP/PJ, PCUP

¹⁶ Through a cassation the Supreme Court can review the Superior Court's sentences or decrees that finish the process, to decide whether: (i) the case was decided following the law and previous jurisprudence; or (ii) the guarantees for a due process of law were observed. Accordingly, the Supreme Court can cassate the case by either: (i) applying the law by itself, or (ii) sending the case back to the instance that failed to observe a due process requirement.

Table 10. Caseload Distribution by District in 1995

	2nd Instance				1st Instance and JPL			
	Cases entered	Cases resolved	Pending (process)	Total Stock at end-95	Cases entered	Cases resolved	Pending (process)	Total Stock at end-95
Amazonas	743	909	407	241	3,063	2,370	1,046	1,739
Ancash	4,897	2,560	1,865	4,202	15,660	13,692	7,452	9,420
Apurimac	984	498	336	822	10,273	7,908	1,377	3,742
Arequipa	10,140	7,221	4,947	7,866	32,598	31,190	15,877	17,285
Ayacucho	879	884	771	766	5,932	4,845	1,182	2,269
Cajamarca	3,325	3,914	124	(465)	9,700	7,029	1,944	4,615
Canete	997	453	476	1,020	5,109	2,941	2,680	4,848
Callao	6,707	7,387	1,484	804	25,329	22,435	16,212	19,106
Cono Norte	2,351	1,146	72	1,277	35,429	19,482	16,002	31,949
Cuzco-M.Dios	5,911	6,971	627	(433)	29,649	23,405	12,469	18,713
Huancavelica	471	253	52	270	3,803	2,045	576	2,334
Huara	3,416	2,078	639	1,977	10,770	7,096	8,282	11,956
Huanco-Pasco	2,180	2,186	2,020	2,014	15,931	11,243	6,320	11,008
Ica	5,981	4,378	1,082	2,685	21,089	16,684	6,944	11,349
Junin	6,303	4,734	1,777	3,346	30,525	24,846	18,432	24,111
La Libertad	8,013	7,531	3,207	3,689	28,220	22,711	12,396	17,905
Lambayeque	9,722	8,287	2,573	4,008	34,293	28,912	11,342	16,723
Lima	34,082	33,093	11,842	12,831	206,663	168,360	90,730	129,033
Loreto	2,446	2,443	741	744	9,572	6,481	7,238	10,329
Piura-Tumbes	9,307	6,668	2,030	4,669	32,857	26,302	10,286	14,512
Puno	1,990	1,807	1,575	1,758	30,053	13,311	3,115	19,857
San Martin	1,811	1,513	424	722	7,470	5,953	1,413	2,930
Tacna-Moqueg	2,528	3,082	1,113	559	12,290	8,004	5,856	10,142
Ucayali	1,013	1,166	1,020	867	6,741	4,182	3,076	5,635
Subtotal	126,197	111,182	41,204	56,239	623,019	481,427	262,247	401,510
TOTAL	749,216	592,589	301,122	457,749				

Source: the Judiciary, Estadística Resolucion 002-95-TP/J, PUCP

La Academia de la Magistratura del Peru -AM

Background

1. The AM was established pursuant to article 151 of the Peruvian Constitution as one element of the Judiciary. Its role is to undertake the education and training of judges and prosecutors and candidates for judgeships and prosecutorships at all levels excluding the jueces de paz. In fact, the Constitution provides that the approval of the respective AM courses is a prerequisite for judicial appointment.

2. The specific mandate, goals and organizational structure of AM are regulated in Law 26335 of July 20, 1994 and in its by-laws approved through Resolution No. 01-94/AMAG-CD of December 26, 1994. The AM is part of the Judiciary but is afforded autonomy in the academic, financial and administrative sense. By law 26623 of June 18, 1996, the AM was included in the judicial reorganization process. On a transitory basis, the Board has been suspended, and the Executive Secretary of the CE has assumed its functions. Through Administrative Resolution No. 241-96-SE-TP-CME-PJ of June 26, 1996 the Executive Secretary has delegated its functions in a committee of jurists headed by the Director General of the AM. On July 11, 1996 the members of the committee were appointed.

3. The AM's existence can be traced to specific local concerns as well as to international trends in judicial professional development. Following 1992 it became critical to provide education and training for a largely renewed and inexperienced judiciary. In addition, judicial sector reports in Peru indicated that the judiciary was affected by inefficiency, incompetence and corruption. The country's aspirations for economic and social development of course depend on the reliability of the legal system and specifically the quality of judicial action. Both international and domestic commercial enterprises require a predictable and reliable judicial system for the enforcement and regulation of the affairs. Around the world legal systems at all stages of development have concluded that the continued professionalization of the judiciary is fundamental to enhancing both social and economic values. Judging, like all other human endeavor, requires training, education, monitoring and constant attention to improvement.

AM's Fundamental Principles

4. The AM seeks to be a primary contributor to development and improvement of the public service of administration of justice in Peru. It has quite properly declared itself to be committed to:
 - the sanctity of human life and individual rights
 - peace, the right to life and social justice as core societal values
 - the fundamentality of the rule of law and the institutions necessary for its maintenance
 - the independence of the judiciary
 - the continuing education and training of the judiciary
 - the recognition that honor, foresight, integrity and honesty are indispensable attributes of competent judges

These central principles guide all AM activities that seek to create a judiciary capable of contributing to a just and prosperous society.

AM's Central Goals

5. In order to adequately play its part in the ongoing development of the country through justice under law, the AM has therefore committed itself to a long term program of research, development and educational activities. This program aims to provide the Peruvian judiciary with the resources and environment necessary to carry out its societal role efficiently and effectively. The AM's research and development, and the programs and other activities arising from them, therefore aim to:

- train and educate those seeking appointments of judges and prosecutors
- train and educate those considering, seeking or eligible for promotion
- enhance the quality of individual judges and prosecutors through continuing education programs
- train and educate auxiliary court personnel

AM's Role in Concert with Others

6. The professionalization of the judiciary is in large part dependent on the conditions under which its members operate. The AM can assist the Judiciary authorities in identifying barriers to actual on-the-job success, but it cannot itself remedy those that may be associated with working conditions beyond the AM's control. Similarly, the AM can play a central role in helping to establish a positive judicial culture through the enhancement of judicial attitudes and ethics. Again, the physical, social and professional environment must reinforce these values. Perhaps the best way that the AM can contribute in the long term, beyond research and development activities aimed at education and training, is through the creation of a flexible, adaptive and supportive resource center for judges, no matter their location.

Operating Principles

7. The AM is committed to a system of education and training that is decentralized, based on sound adult education principles and practices, aimed at the improvement of skills and attitudes as well as knowledge, and quality oriented. It is also determined to base its activities on original and locally validated action research into judicial work.

8. To date the AM has wisely focused its efforts on major research into the training needs of judges, the planning process and the delivery of an initial group of courses. Through these activities the AM has been able to design a plan of action aimed at systematically improving judicial quality in the country.

AM activities

9. The AM's program is jointly sponsored by several organizations in addition to the Peruvian government. The AM component will focus on civil and labor judges only in the area of the Lima judicial district and four other of the country's twenty-four judicial districts. While the rest of this annex will for the most part be concerned with the AM component it must be underscored that this part cannot succeed unless the overall organization and operation of the AM, and balance of its activities, mesh comfortably with it.

AM Component of Project Activities

10. The AM component will be implemented over four years and half beginning in 1997 and ending in 2001. There are five main areas of activity planned, namely:
- Training and Education
 - Research
 - Publications
 - Study Tours
 - Expert Support (Apoyo Institucional)

Each of the project activities is described briefly below.

Training and Education

11. The AM component, reflecting AM's overall program, is not intended either to replace or repeat university legal education, which is oriented to general education and the preparation of lawyers rather than to judicial training. Rather, the AM's training and education courses will aim to educate creative and reflective judges capable of carrying out the unique duties of the judiciary, including legal analysis, decision-making and dispute resolution. The AM will seek to ensure that judges make their decisions in the context of a profound understanding of the impact on and means of the exercise of the judicial role in the support of economic and social development.

Specific Objectives of the Training Program

12. The AM recognizes that the conduct of the judicial role is complex and difficult. The exercise of judgment in context requires an understanding of diverse knowledge bases and the ability to exercise the judge's role with skill. In particular, the AM has set the following learning outcomes for its participants:
- knowledge and skill to conduct and improve their role
 - theoretical and practical education and training to enable judges to analyze and interpret the law in the context of the specific facts of the case and arrive at a creative and reasoned decision
 - preparation in disciplines connected to the law including, for example, economics, sociology, criminology, information technology, business affairs so as to enable participants to appreciate and take account of the economic and social demands and consequences of decision making
 - training in the theory and practice of efficient and effective court and caseload management and communications skills to improve quality and speed of case handling, avoid delay and improve users' perceptions of the judicial system
 - preparation to influence judicial attitudes so as to promote positive reform, professional development, and improved public relations
 - education that will support the development of an independent and impartial judiciary concerned with the achievement of justice, the maintenance of the constitution and the Rule of Law
 - education and training that will produce moral and ethical judges prepared to join in the fight against corruption

Methodology

13. In order to achieve its training objectives the AM plans to design and develop its programs and courses with the direct involvement of its participants to ensure that they are actively engaged in their own learning process. Lectures and a focus on the delivery of information will be minimized, permitting participants to acquire knowledge, skills, attitudes and operational strategies that will enable them to carry out their role professionally.

14. The following are the main criteria by which courses will be designed and developed:

- participants will be provided carefully prepared written materials providing up to date summaries of the case law, statute law and commentaries
- learning and teaching will take place in small groups to permit active debate, analysis and problem solving
- small group activities will usually be followed by plenary sessions in which group solutions will be presented and tested in the presents of experts who will offer their views.
- expert opinions will be offered so as to promote debate, critical reflection, and a variety of feasible solutions that may be questioned and debated by the participants
- skills training will involve presentation of information, demonstration of adequate performance, opportunities for participants to practice followed by constructive feedback
- the study and formation of professional attitudes will take place in the context of reflective and active discussion.

Delivery System

15. The program will be delivered through carefully selected teacher experts who share a concern for quality instruction and learning. There will be regular training courses to “train the trainers” and ensure highest possible quality throughout the program’s offerings. Most programs will be outsources to competent providers approved by the AM. These contractors will be required to maintain preset standards and their performance will be monitored throughout the period of their participation. As a result the main burden of program delivery will be shifted to private contractors while the AM will be able to concentrate on program management and quality control. Through this mechanism the AM will be able to deliver more courses and produce additional publications than would be the case if it were directly responsible for all production.

Tendering and Course Requirements

16. Courses will be prepared following a rigorous tendering process. A standard form tender document will be provided to proposers, specifying the form of any proposal and its minimum contents. The final work product of the successful party will include:

- the resumes of all persons who may teach on the course (two or more instructors are planed for each course to facilitate small group teaching)
- the specific instructional objectives to be achieved in the course
- the relationship between those objectives and the course objectives contained in the tender document
- the connection between the course objectives and the needs specified in the AM’s needs assessment as varied from time to time
- the course syllabus including detailed outlines of substantive, procedural and other knowledge to be covered
- a statement of the skills areas to be covered

- a description of the course materials to be prepared
- an outline of the audio-visual supports and aids that will be prepared
- a statement of equipment, other resource and facility requirements
- any other special requirements
- a detailed lesson plan with teacher's notes, activity descriptions and learning points
- a statement indicating how participant learning will be assessed
- an undertaking to use the AM's standard course evaluation instrument

Course Offerings

17. Courses will be offered in the capital and four other districts according to a prescribed schedule.

Examples of areas in respect of which courses will be offered include:

- Caseflow and Court Management
- Judicial Reasoning, Decision Making and the Writing Judgments
- Total Quality
- Judicial Ethics
- Judicial Administration and Information technology
- Civil Procedure
- Commercial Law
- Constitutional Law
- Property Law
- Employment and Social Security Law

18. Courses will blend substantive, procedural, skills, ethics and social impact objectives through teaching in realistic contexts.

19. In the first year, the AM component will sponsor two three-day courses in areas derived from the needs assessment (likely in the field of property and commercial law). The courses will be offered to all first instance judges and appellate judges in the Lima judicial district. As result, there will be approximately twelve offerings of each course, once to each judge in groups of about twenty-five. In the four other districts of the Bank project the same courses will be offered six times to groups of about twenty-five judges. In short, there will be thirty course offerings each year.

20. By concentrating on needs assessment derived subjects the impact assessment (see Research below) of the AM's activities will be reasonably traceable.

21. Overall the AM plans to run about 100 courses in the first year, of which thirty will be conducted under the Bank financed project and about seventy with the support of the sponsorship of the Peruvian government and other funding agencies.

Course Monitoring and Evaluation

22. All courses will be evaluated by participants after each offering. As well, ongoing research activities (referred to below) will be undertaken to study the impact of the training program on the operations of the courts and the conduct of judges.

Research

23. The AM has already demonstrated its serious commitment to action research that provides a basis for the preparation of education and training programs aimed at the real and perceived needs of judges and prosecutors with the Japanese grant proceeds, it carried out an initial needs assessment of civil judges in the judicial district of Lima (see Appendix). Such initial needs assessment research provides a solid base for its programming activities and for the preparation of a publications plan. However, its needs assessment work will not be fully complete until a carefully conducted job analysis is carried out. In addition, as the circumstances change the AM must be prepared to update its work.

24. The AM will also carry out research to determine whether its programming and publications are having the desired effect through follow-up studies done both at the time of program offering and over time to attempt to measure the impact of education and training on job performance.

25. In a very real sense the research and evaluation activities planned will provide the expanded basis for determining the success or failure of the AM's programming and will provide crucial data to support improvement of its activities.

26. Two major research activities are planned during the period of the Bank assisted project. the first is a longitudinal study of the impact of the work of the AM and the second is the job analysis to support the second part of the training needs assessment.

The Impact of the AM's Activities

27. This research project will be designed with the assistance of social science research experts both local and foreign. Funds for international experts have been provided in the expert support section (below). The balance of required funds are specified in the research sub-subcomponent of the budget.

28. Such longitudinal research aimed at measuring them impact of education and training activities is complex. However, its importance cannot be underrated. Too often educational projects have no data or analysis upon which to predicate future action.

Learning Needs Assessment - Job Analysis

29. The conduct of a job analysis is one of the few ways to obtain an accurate picture and description of professional work. Where such analyses do take place they provide a rich basis for providing future education and training activities. Through a job analysis researchers identify the main tasks, knowledge and skills required of particular professionals in action. By studying frequency, difficulty (in both performance and learning), importance to accomplishment and other issues, researchers are able to identify the components of professional knowledge and practice requiring specific attention through training and support activities. As a result programming can systematically address the requirements of competent professional practice.

30. Such fundamentally important research is relatively uncommon among education providers. It is viewed as a foundation and necessity for the adequate operation of a professionally sound education and training institution.

Research Planning

31. The AM will prepare a detailed research plan for each project specifying objectives, methodology, personnel requirements, schedule and budget. The Bank will approve each project prior to its inception.

Publications

32. The AM will develop four major types of publications, all of which will provide free standing resources to support competent, quality professional practice on the job or through distance learning. First each course offered (see topics listed above under *Course Offerings*) by or through the AM will be supported by descriptive and analytical written materials and some specially crafted instructional materials. The non-instructional materials will also be available for use by practitioners who have not attended the courses. This has already taken place with the pilot model courses offered by the AM in October and November with Japanese Grant proceeds. Secondly, the AM will prepare practice manuals and other free-standing publications. Thirdly, the AM will report through publication on its research activities. Finally there will be newsletters, magazines and professional journals dedicated to the judiciary.

33. The number of publications each year will match the individual courses offered and the research completed. From time to time the AM will publish the other educational and practice supports mentioned above for its participants. These latter materials will likely include:

- manuals in the main areas of civil and labor law practice
- a conciliation and dispute resolution handbook
- a guide to decision-making and judgment writing
- a handbook on ethical judicial practice
- a guide to litigation and caseload management
- a guide to professional self-development

34. No clear proposal has been devised for the publication of newsletters, magazines or professional journals. However, as plans progress it will become more apparent how best to serve the information and learning of judges through publications.

Study Visits

35. Judicial professional development programs and activities are now proliferating throughout the world. It is practically impossible to keep abreast of learning in the field without a program of regular exchanges and visits. The AM is committed to developing and maintaining its operations at the highest possible level and had already begun to establish working relationships with similar projects in other countries.

The main objectives include:

- the establishment and strengthening of relationships with foreign judicial education authorities;

- the gathering and exchange of information and experience; and
- the acquisition of new approaches to judicial professional development for application in Peru.

36. In light of circumstances in the countries mentioned, and given needs pertinent in Peru, the AM senior staff will undertake about seven visits (one or two each year) to some of the following organizations for the purposes outlined following:

- Canada - comparative legal systems and the administration of justice
- Chile - exchange and study of the Chilean Judicial Academy for technical advice on operations
- Colombia - Judicial methods in civil law
- Costa Rica - links with the Judicial School to support training activities in the administration of justice
- France - learning and teaching methods
- Portugal - methods of program evaluation
- Spain - training of candidate judges
- USA - experience at both state and federal court levels through federal and state court education authorities
- Uruguay - information and experience exchange

37. Each visit will be undertaken by two members of staff and is expected to last about two weeks on average. This will provide sufficient time to observe and participate in the work of the foreign organization so as to gain maximum possible benefit. On some occasions more than one site may be visited during a two week trip.

Expert Advice

38. The AM will of course require the periodic assistance of international consultants to stabilize and improve its activities. It plans five annual consultations over the years of the project.

The main objectives of the consultations include:

- Curriculum and course development
- Research on the work and training of judges
- Technical advice in developing fields,
e.g., problem solving, decision making, judgment writing, law and economics, dispute resolution, judicial resolution, judicial ethics, civil law and civil procedure, substantive civil and labor law.

Conclusion

39. The AM has been in actual operation since early 1996. It has steadily developed its research and operating plan through systematic work to ensure that it will meet the real needs of the Peruvian state and people.

40. However, it is unlikely that the AM component's real effects will be known until it has had the opportunity to influence the behavior of a critical mass of judicial officers across a wide band of their activities. Expertise in judicial performance cannot be transferred or created overnight. The process of producing creative, adaptive and reflective practitioners capable of self-development can be expected to take longer than the project life. On the other hand, there is little doubt that much progress can be made though

the multi-pronged efforts of training, research, publication and consultation, as has been planned by the AM overall, and within the Bank financed project.

<Supplementary Note>

Learning Needs Assessment

1. AM carried out, with external experts, a training needs assessment of civil judges in the judicial district of Lima. The assessment comprised three stages: (i) design and carrying out of a survey; (ii) organization of two focus groups of judges; and (iii) a workshop with litigants and other experts, national and foreign.
2. The survey, consisted of 45 multiple choice question and was applied to 58 judges representing 92 % of the civil judges in Lima judicial district.
3. Characteristics of group under the survey.
 - (a) Gender: 57% male, and 41% female
 - (b) Age: 57% under 40 years
36% 40 to 60 years
7% over 60 years
 - (c) Legal education:
 - 36% - Universidad Nacional Mayor de San Marcos
 - 24% - Universidad Nacional Federico Villaruel
 - 24% - Universidad San Martín de Porres
 - 12% - Pontifical Universidad Catolica del Perú
4. Problems in the Judiciary: Main problems identified are the excessive workload and deficient performance of support personnel (84%). Other priority problems were the inadequate infrastructure (74%) and lack of adequate resources (71%). It showed a tendency to invoke external factors to explain the poor performance of the Judiciary.
5. Training needs: Training areas identified fall within three categories: (i) judicial skills; (ii) legal knowledge; and (iii) judicial culture. As far as judicial skills, most significant areas included evaluation of evidence, judicial reasoning, legal writing, management, leadership and ethics. In regard to legal knowledge, most significant areas included contractual and extracontractual liability and measurement of damages, nullity and inefficacy of transactions, constitutional resources, administrative law, business law matters such as competitive law, banking and insurance, securities, etc. In connection with judicial culture, most significant areas include public relations, relationship with other branches of government, sociology and economic impact of judicial decisions.

Consejo Nacional de la Magistratura - CNM

1. The Constitution entrusts to the CNM the powers to select and appoint judges and prosecutors with the exception of those selected by popular election. The Council also is empowered to remove magistrates, as well as to ratify them every seven years. The CNM, unlike judicial councils in other countries, does not hold any responsibility for the management and administration of the court system.
2. Previous to the 1993 Constitution, Peru has experimented various systems of judicial appointment. With the 1933 Constitution, Supreme Court members were selected by the executive and legislative branches. The appellate judges and prosecutors were selected by the executive from a "tern" proposed by the Supreme Court. The trial judges and prosecutors were also selected by the executive from a "tern" proposed by the respective appellate court. Finally, justices of peace were selected by the appellate courts. This system lasted until the military regime of 1968.
3. In 1969, the National Council of Justice was established with powers to select judges. The Council had two representatives from the executive, two from the legislative, two from the judiciary, one from the national federation of bar associations, one from the Lima bar association and one from each of the two oldest universities. This composition in the Council's membership gave virtual control to the then current regime whose control grew stronger when the representation of the Lima bar association and one of the Universities (Cuzco) was eliminated.
4. The Council selected but the executive appointed the magistrates. Until 1976, the executive always appointed the candidates selected by the Council. However, in November 1976 such situation changed when a Supreme Court candidate proposed by the Council was rejected by the executive. This prompted the resignation of the president and vice-president of the Council.
5. With the 1979 Constitution, the Magistracy Councils are established modeled after the previous Council. The Councils would have no direct representation from the political branches but Supreme Court nominees required Senate approval and judges continued to be appointed by the executive from a "tern" proposed by the Councils. The National Council comprised the Public Prosecutor, two Supreme Court representatives, one representative from the Federation of Bar Associations and two representatives from law schools. Such Council proposed nominees for the Supreme Court and appellate courts. At each judicial district, there existed a respective district council. Such district councils were formed by the senior public prosecutor. The two most senior members of the appellate court and two representatives from the local bar association. Such district councils proposed nominees for the trial courts. Unlike the previous Council, the National Council had no representation from either the executive or legislative. In addition, there was an open examination. However, the tern system allowed the executive to exercise much influence.
6. On April 8, 1992, as part of the "autogolpe", the Councils ceased to exist. In such year, several hundreds of judges were dismissed and replaced by provisional judges. In 1993, the Constitutional Congress, charged with drafting the new constitution, determined to resolve the provisional status of most of the Judiciary.

7. Recognizing that the process to set up the new constitutional bodies involved in the selection of judges would take considerable time, the Constitutional Congress established an interim Jury of Honor. The Jury consisted of a committee of five prestigious jurists charged with the evaluation of all provisional judges and prosecutors and the filling of vacant positions. The Jury of Honor existed for two years until the CNM came into being. In those two years, the Jury of Honor completed the selection of Supreme Court judges and appellate and trial judges in the Lima judicial district. Despite much difficulties, the Jury is recognized for undertaking a merit-based selection process.

8. The CNM, unlike previous Councils, has the following features: (a) contrary to the 1979 Constitution, there is only one national council; (b) the membership includes one representative from the Supreme Court, one from the Public Ministry, one from the bar association, two from professional associations, one from public universities and one from private universities; (c) it has a broader mandate than the one afforded in the 1979 constitution; it appoints, ratifies and removes judges and prosecutors at all levels; (d) the Council does not propose candidates in "tern" to the executive but selects the nominee and makes the formal appointment; and (e) cannot select candidates unless they have approved the respective training courses offered by the AM.

9. It is widely recognized that the CNM is an important and positive step in improving the selection system of judges. However, while the prospects of a judicial career remain unattractive, the best selection system will fail. It is conditioned by the limited pool of well trained candidates. These limiting factors include a deficient legal education present in the great majority of applicants plus the unattractive environment under which judges operate with political control and limited resources.

10. The CNM has initiated its operations in March 1995. Since then, it has completed the appointment of all the positions held by provisional magistrates at the appellate level. It has now to complete the appointment of all trial level positions held by provisional magistrates. To this effect, CNM has drawn up a time-based plan, in coordination with AM, to complete such process (see Annex 1 for the policy letter)

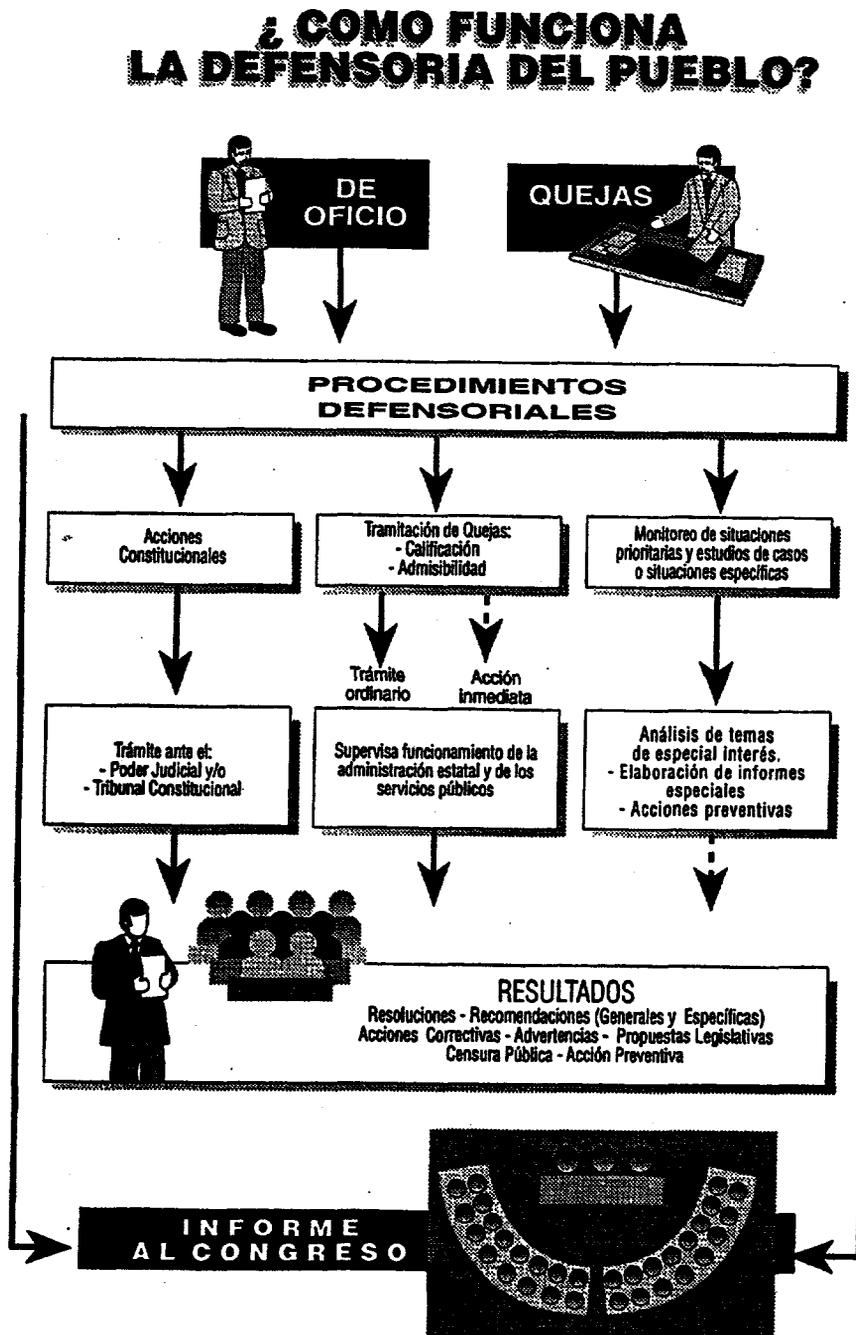
11. The project intends to support CNM, by providing technical assistance, in key areas identified during project preparation such as perfecting its system of selection of magistrates, designing an adequate system of evaluation and strengthening its management skills.

Defensoria del Pueblo - DP

1. Defensoria del Pueblo, the Office of Public Defenders, is one of the new institutions established by the 1993 Constitution to promote democracy in Peru. The Articles of Constitutions 161 and 162, and the Ley Organica de la Defensoria del Pueblo (law 26250) issued in 1995 govern the norms and functions of this office and the role of ombudsman, or Defensor del Pueblo.
2. DP is an autonomous organ of the State, whose mandate originates from Congress. Its specific responsibilities include: (i) protecting the constitutional and fundamental rights of citizens and communities before the power of the State; (ii) supervising the status of compliance by public administration with their mandated obligations; and (iii) supervising the provisions of public services. Based on the experience learned under the 1979, the new DP acts independently of the function of the Ministry of Public. DP prepares and presents its budget before the Ministry of Economy and Finance and the Budget Commission of Congress.
3. The 1993 Constitution has established that DP is to be designated by Congress with two-thirds of votes. DP will be elected for five years and can be reelected one more time for another five years. The first ombudsman, Defensor del Pueblo, was elected in April 1996. Under his leadership, immediately the basic organizational structure has been developed, and the office initiated its activity in September 1996. To develop an efficient institution capable of responding to public demands quickly, DP's office plans to rely on qualified, but a small number of professional and support staff, with reduced bureaucracy. In the initial stage, DP's office plans to develop the functioning system for public attention and processing various types of complaints (see chart below).
4. DP plans to consolidate and expand its activities in a phased manner. In Lima, in addition to the principal office of DP, it is expected to open five offices in the densely populated urban marginal areas, where the incidence of poverty and the need for defense of basic rights are high (e.g., Cono Norte, Cono Sur, Ate-Vitarte and el Callao). Furthermore, the Ley Organica del DP envisages gradual decentralization of DP's office by establishing branch offices in all the departments in Peru; however, the speed of this process critically depends on the availability of budgetary resources. Decentralized, departmental offices would primarily rely on professionals in respective geographical areas so that the offices could benefit from their knowledge of specific local situations and problems. DP's office also plans to work closely with university students, who have shown enthusiasm and willingness to accumulate practical and professional experience as promoters.
5. Support to rural Andean regions is another priority area for this office. Rural Andean regions currently face the challenging task of population migration ("poblaciones desplazadas")--legacy of the recent past years that suffered from terrorist violence. With gradual restoration of peace, an increased number of people are returning back home, and it is expected that their demand for DP's assistance in reestablishing the base of their living with dignity, welfare and security would increase significantly. Under "Programa de Apoyo al Repoblamiento", DP has recently initiated the coordination of this effort and has been working closely with the other organs of the State, as well as donor agencies which have offered support in this area (e.g., USAID).

6. The proposed Bank project will support the institutional development of the DP's office in the areas of: (i) its organizational structure and functions, norms and procedures--through advisory services, strategic workshops, evaluation studies, and staff training; (ii) environmental protection, native communities, and citizen rights in the market economy--through studies and workshops--and the organization of the forum to promote the coordination between the State and civil society; (iii) public campaign and dissemination of DP activities, including the preparation and distribution of materials in native languages and regional workshops; and (iv) support to the first phase of decentralization efforts, by providing informatic and other logistic support to central offices in Lima (Lima HDQ and Callao) and two offices in the other departments (i.e., Piura, Arequipa).

Chart:



Annex 8

**Typical Pilot Program for Implementation of
New Court Procedures and Organization**

This section provides, first, the overview of the pilot program of the new court procedures and organization ("*sistema corporativo*"), and then more specifics on its implementation, i.e., (i) key steps involved in the implementation of a typical pilot program of new court organization; (ii) a plan for the evaluation and verification of the pilot program; and (iii) the timetable for pilot implementation in the selected districts. (The latter part is provided in Spanish.)

Overview

The first pilot program was inaugurated in the Lambayeque district (civil courts in Chiclayo, departmental capital) in November 1996 (a medium-size district), to be followed immediately in the Lima district in April 1997 (a large-size district). A typical pilot program involves the following steps: (i) infrastructure remodeling; (ii) installation of hardware and software ("*sistema de registro de expedientes*" y "*sistema de seguimiento de casos*"); (iii) rationalization and training of human resources; (iii) diffusion; and (iv) evaluation and statistical verification. Because of its importance as the first district-wide exercise, the experience of the Lambayeque program will be evaluated, and the lessons learned will be diffused and incorporated into the subsequent pilot programs in the other districts of similar size (i.e., Cono Norte, Callao, Piura, Cusco, Arequipa, the remaining labor courts in Lambayeque). Due to its large size and complexity, the Lima program will be treated separately. Because an integrated system (combining both "*sistema de registro de expedientes*" and "*sistema de seguimiento de casos*") will not be available until the 3rd quarter of 1997, the implementation of the programs in Lambayeque will occur in two phases, starting with the installation of "*sistema de registro de expedientes*". However, the pilot programs planned for the 3rd quarter of 1997 onwards would have only one phase, with shorter duration.

Prior to the implementation of the Lambayeque program, the design of the new court procedures and organization and "*sistema de registro de expedientes*" were tested on a small scale in both anti-drug courts and transitory courts in the Lima District during August-October, 1996, and necessary adjustments have been made.

The implementation of the new court organization will be carried out as a joint effort of the central technical unit and the district-level commission. At the central level, three professional teams have been established within the Judiciary to support the implementation process--one for the northern part of the country, second for the remaining part of the country except for Lima, and third for Lima. It is anticipated that the implementation of the Lima program will require separately treatment due to its complexity. At the local level, a *Comision de Coordinacion Distrital* (five members, typically composed of the President of the Superior Court, 1-2 vocales superiores, and 1-2 jueces especializados) will be created in each district. The *Comision de Coordinacion Distrital*, with the technical assistance of the central unit, will be responsible for the planning, implementation, and follow-up of the pilot program. (An operational manual for each district has been prepared by the central technical unit.) Moreover, it is expected that the *Comisiones de Coordinacion Distrital* of the Lambayeque district would eventually function as a regional center of

excellence and assist the implementation of the new court procedures and organization in the other districts within the same northern region.

Implementation Plan in Selected Districts

Medium-size districts Timing	Districts/courts	Lima (Large district) Timing	Courts
November 1996	Lambayeque, 5 model civil courts		
June 1997	Lambayeque, civil superior courts (as the extension of the above)	April 1997 July 1997	civil courts civil courts
August 1997	Callao	September 1997	superior civil courts
October 1997	Cono Norte	December 1997	supreme court
	(*) The implementation plan at the Piura, Arequipa, Cuzco districts (1998-99) will be adjusted, taking account of the initial experience of the above districts.		

Specifics

1. Etapas Claves y Tiempo Necesario

En los casos de Lambayeque and Lima including Callao and Cono Norte (un modulo de dos fases), el proceso de implantacion dura nueve meses. Mas del 70% del trabajo de implantacion es realizado en los primeros dos meses del proceso, el tiempo restante se mantienen en ejecucion las actividades de la Comision de Coordinacion Distrital y de monitoreo y evaluacion de resultados. El modulo que sea implantado a partir del tercer trimestre de 1997 (un modulo de un fase) tendra el software de seguimiento de casos integrado a una primera y unica fase de implantacion. Se estima que estas replicas de implantacion tendran una duracion de cuatro meses, pues no sera necesario un seguimiento de mayor duracion. Las etapas claves en el proceso de implantacion son las siguientes (algunas actividades seran implementadas simultaneamente):

- *Adequar Infraestructura (60 dias)*: Acondicionar la infraestructura actual para que responda al modelo corporativo, orientado al usuario del servicio, lo que permita que los equipos de especialistas y asistentes se encuentren en ambientes separados del de los Magistrados a fin que estos cuenten con todas las comodidades del caso para la eficiente administracion de justicia; manteniendo en ambientes separados el area de servicios administrativos a fin que no se interfiera en las audiencias y diligencias propias del proceso.

- **Dotar de Software y Hardware (60 dias):** Establecer la automatizacion progresiva del Poder Judicial, permitiendo la sistematizacion del seguimiento del proceso y de la gestion judicial, asi como brindar servicios de jurisprudencia y normas legales, a traves de diferentes paquetes lo que permitira realizar la labor en forma rapida, eficiente y oportuna.
- **Racionalizar los Recursos Humanos (30 dias):** Formar profesionales para que desarrollen la labor jurisdiccional, a fin que establecer un programa de ingreso al Poder Judicial sustentado en la capacitacion permanente, evaluacion periodica del rendimiento, acceso a nuevas funciones y posibilidad de entrar en la carrera de Magistrado. Todo ello para brindar seguridad juridica al ciudadano y elevar la calidad de la carrera judicial.
- **Difundir y Validar Acciones (30 dias):** Asegurar la publicidad de todo proceso de cambio a fin que no se genere malestar en los abogados y justiciables. Toda accion que se realice que genere cambio sera refrendada por una comision conformada por Magistrados (Comision Distrital), personal de la Secretaria Ejecutiva e incluso Abogados de reconocido prestigio.
- **Elaborar Estadisticas (30 dias):** Generar en forma sistematizada y a nivel nacional las estadisticas de la labor judicial a fin de determinar las principales dificultades que se producen en los procesos judiciales, poder medir la productividad efectiva de la administracion de justicia y realizar las acciones correctivas que se precisen.

Box: Manual de Operacion Tipico

"El Plan de Implantacion Distrito Judicial XXX" preparado por el equipo central del Poder Judicial cuenta con una estructura de contenido similar a la siguiente:

1. Descripcion Conceptual del Nuevo Despacho Judicial
 - a) Despacho judicial
 - b) Juzgado corporativo
 - c) Procesos simplificados
 - d) Recursos humanos
2. Implantacion del Nuevo Despacho Judicial - Distrito XXX
 - a) Juzgados corporativos civiles, laborales y de familia
 - b) juzgados penales (*)
 - c) Recursos humanos
 - d) Servicios a ser tercerizados
 - e) Comision de Coordinacion de la Implantacion del Despacho Judicial en el Distrito XXX
 - f) Difusion de la implantacion del despacho judicial
 - g) Monitoreo y evaluacion de los resultados
3. Cronograma de Implantacion

penales. (*) El proyecto de BM no incluye apoyo a los juzgados

2. Base de Diseño para la Evaluación de la Implantación de Nuevos Despachos Judiciales

- Cada módulo de implantación de nuevo despacho será sujeto a una evaluación ex-post de resultados del aumento de la productividad y disminución del índice de congestión del sistema judicial distrito/materia.
- La evaluación ex-post será realizada al menos seis meses después de iniciada la implantación.
- La evaluación incluirá tres ámbitos de análisis:
 - a) El análisis estadístico comparativo de indicadores de desempeño de los despachos judiciales. La situación antes de implantación del nuevo despacho considerará las estadísticas de indicadores de al menos seis meses previos a la instalación del nuevo modelo. La situación posterior a la implantación incluirá un análisis de las estadísticas desde la fecha de implantación hasta la fecha de evaluación. Las estadísticas de indicadores incluirán los casos ingresados, terminados y pendientes (o circulantes); además incluirá el índice de congestión y la tasa de congestión.
 - b) La realización de encuestas de satisfacción de usuarios para detectar la calidad del servicio percibida por el usuario. La encuesta deberá ser realizada a un universo de usuarios que considere los diferentes servicios (materia/instancias) y deberá procesar un número de respuestas que represente una muestra válida en términos estadísticos.
 - c) La realización de una encuesta de clima organizacional para detectar problemas organizacionales internos. La respuesta a esta encuesta debe ser anónima. El universo de encuestados deberá considerar personal de todos los cargos y deberá cubrir al menos el 15% del personal total del despacho.
- La evaluación ex-post podrá ser realizada por el propio Poder Judicial o por un tercero, ya sea una empresa o una institución sin fines de lucro.
- La evaluación deberá ser reportada en un informe que incluya al menos los seis capítulos siguientes:
 - a) Resumen Ejecutivo
 - b) Antecedentes del Distrito Judicial
 - c) Proceso de Implantación del Nuevo Modelo de Despacho Judicial
 - d) Análisis Estadístico Comparativo de Indicadores
 - e) Encuesta de Satisfacción de Usuarios
 - f) Encuesta de Clima Organizacional.

PERU
JUDICIAL REFORM PROJECT
Project Cost Summary

	(US\$ '000)			(US\$ '000)			Foreign Exchange	% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total		
A. Administration of Justice								
1. Modernization of Administrative Apparatus of the Judiciary	3,137.0	120.0	3,257.0	3,137.0	120.0	3,257.0	4	11
2. Court Performance Improvement and Monitoring								
Civil and Labor Judgements	1,212.5	597.5	1,810.0	1,212.5	597.5	1,810.0	33	6
Court Procedures and Organization	4,143.0	650.0	4,793.0	4,143.0	650.0	4,793.0	14	16
Informatics and Statistics	1,632.2	2,494.8	4,127.0	1,632.2	2,494.8	4,127.0	60	14
Infrastructure Remodeling	4,127.0	-	4,127.0	4,127.0	-	4,127.0	-	14
Subtotal Court Performance Improvement and Monitoring	<u>11,114.7</u>	<u>3,742.3</u>	<u>14,857.0</u>	<u>11,114.7</u>	<u>3,742.3</u>	<u>14,857.0</u>	<u>25</u>	<u>51</u>
Subtotal Administration of Justice	14,251.7	3,862.3	18,114.0	14,251.7	3,862.3	18,114.0	21	62
B. Judicial Selection, Evaluation and Training								
1. Judicial Selection and Evaluation	720.5	361.5	1,082.0	720.5	361.5	1,082.0	33	4
2. Judicial Training	1,785.0	75.0	1,860.0	1,785.0	75.0	1,860.0	4	6
3. Disciplinary System	725.0	50.0	775.0	725.0	50.0	775.0	6	3
Subtotal Judicial Selection, Evaluation and Training	<u>3,230.5</u>	<u>486.5</u>	<u>3,717.0</u>	<u>3,230.5</u>	<u>486.5</u>	<u>3,717.0</u>	<u>13</u>	<u>13</u>
C. Access to Justice								
1. Support to Jueces de Paz	993.0	-	993.0	993.0	-	993.0	-	3
2. Access Fund	2,523.2	25.6	2,548.8	2,523.2	25.6	2,548.8	1	9
3. Support to the Office of Public Defender	1,106.0	394.0	1,500.0	1,106.0	394.0	1,500.0	26	5
Subtotal Access to Justice	<u>4,622.2</u>	<u>419.6</u>	<u>5,041.8</u>	<u>4,622.2</u>	<u>419.6</u>	<u>5,041.8</u>	<u>8</u>	<u>17</u>
D. Project Management and Administration								
1. Project Coordination Unit	881.4	70.1	951.5	881.4	70.1	951.5	7	3
2. Project Management	1,255.0	150.0	1,405.0	1,255.0	150.0	1,405.0	11	5
Subtotal Project Management and Administration	<u>2,136.4</u>	<u>220.1</u>	<u>2,356.5</u>	<u>2,136.4</u>	<u>220.1</u>	<u>2,356.5</u>	<u>9</u>	<u>8</u>
Total BASELINE COSTS	<u>24,240.8</u>	<u>4,988.5</u>	<u>29,229.3</u>	<u>24,240.8</u>	<u>4,988.5</u>	<u>29,229.3</u>	<u>17</u>	<u>100</u>
Physical Contingencies	1,042.9	249.4	1,292.3	1,042.9	249.4	1,292.3	19	4
Price Contingencies	837.4	192.1	1,029.6	837.4	192.1	1,029.6	19	4
Total PROJECT COSTS	<u>26,121.1</u>	<u>5,430.1</u>	<u>31,551.2</u>	<u>26,121.1</u>	<u>5,430.1</u>	<u>31,551.2</u>	<u>17</u>	<u>108</u>

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Table 100. Administrative Strengthening
Detailed Costs
(US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002
I. Investment Costs															
A. Administrative Decentralization															
Local Consulting Contract /a	Amount	20.0	20.0	20.0	10.0	10.0	-	80.0							
Local Consulting Contract /b	Amount	300.0	-	-	-	-	-	300.0							
International Consultant for Org. Study	Amount	40.0	40.0	20.0	10.0	10.0	-	120.0							
Design and Implement MIS (SIGA) /c	Amount	100.0	500.0	-	-	-	-	600.0							
Training of SIGA /d	Amount	65.0	65.0	-	-	-	-	130.0							
Training of Total Quality & Management Strategy, etc. /e	Amount	-	180.0	20.0	-	-	-	200.0							
Local Consulting Contract /f	Amount	30.0	-	-	-	-	-	30.0							
National workshops	Amount	25.0	25.0	25.0	25.0	25.0	-	125.0							
Subtotal Administrative Decentralization		580.0	830.0	85.0	45.0	45.0	-	1,585.0							
B. Financial Management - Local Consultants															
New Form of Resource Mobilization	Amount	50.0	-	-	-	-	-	50.0							
Local Consulting Contract /g	Amount	70.0	-	-	-	-	-	70.0							
Budget Planning	Amount	40.0	40.0	-	-	-	-	80.0							
Revision of Judicial Fees	Amount	-	100.0	-	60.0	-	-	160.0							
Local Consulting Contract /h	Amount	100.0	-	-	-	-	-	100.0							
Subtotal Financial Management - Local Consultants		260.0	140.0	-	60.0	-	-	460.0							
C. Institutional Image - Local Consultants															
Design and Implement Survey of Litigants	Amount	28.0	30.0	30.0	30.0	30.0	-	148.0							
Design and Implement Survey of Lawyers	Amount	28.0	30.0	30.0	30.0	30.0	-	148.0							
Design and Implement Survey of JP staff	Amount	28.0	30.0	30.0	30.0	30.0	-	148.0							
Design and Implement Survey of General Public	Amount	28.0	30.0	30.0	30.0	30.0	-	148.0							
Design TV and Radio Spots	Amount	20.0	-	-	-	-	-	20.0							
Diffusion through TV and Radio	Amount	400.0	200.0	-	-	-	-	600.0							
Subtotal Institutional Image - Local Consultants		532.0	320.0	120.0	120.0	120.0	-	1,212.0							
Total		1,372.0	1,290.0	205.0	225.0	165.0	-	3,257.0							

- \a For diagnosis of the existing administrative system.
 \b For design of decentralized administrative system and operational manuals.
 \c All districts. Non-Bank financing. (Both design and implementation.)
 \d Managers & staff: Lima 80; others 4 person per district, up to 172 persons.
 \e For managers and administrative staff; between 2/98 to 1/99.
 \f Adviser for institutional development.
 \g Studies on strengthening economic self-sustainability of the PJ-- cost structure of judicial services \$70,000.
 \h For design and implementation of judicial system and preferential fee structure for low-income groups.

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 JUDICIAL REFORM PROJECT
 Table 210. Civil and Labor Judgements
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit	Base Cost								
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total	1997
I. Investment Costs																	
National Workshops /a	Amount								130.0	130.0	130.0	130.0	130.0	-	650.0	137.7	
Regional Workshops /b	Amount								25.0	25.0	25.0	25.0	25.0	-	125.0	26.5	
Journal for Judges and Academics	Amount								15.0	30.0	30.0	30.0	30.0	-	135.0	15.9	
Annual Reports	Amount								30.0	30.0	30.0	30.0	30.0	-	150.0	31.8	
Research Competition	Amount								-	20.0	20.0	20.0	20.0	-	80.0	-	
Study Tours Abroad for Judges	Judge	20	20	20	20	20	-	100	5	100.0	100.0	100.0	100.0	100.0	-	500.0	105.9
Literature for Libraries /c	Amount								-	60.0	-	-	-	-	60.0	-	
Local Contract for Library Needs Assessment /d	Amount								50.0	-	-	-	-	-	50.0	52.9	
Local Contract Design of Incentive System	Amount								-	-	-	20.0	-	-	20.0	-	
Local Contract Evaluate Implem. Incentive System	Amount								-	-	20.0	-	20.0	-	40.0	-	
Total									350.0	395.0	355.0	355.0	355.0	-	1,810.0	370.6	

\a Twice a year, for civil, labor, commercial and family.
 \b Five districts at \$5,000 each per year.
 \c Lima plus five districts at \$10,000 each.
 \d Including domestic trips to visit all districts (3 persons).

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 JUDICIAL REFORM PROJECT
 Table 220. Court Procedures and Organization
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						
		1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002	
I. Investment Costs															
A. Judicial Process															
Workshops on Civil PC Application	Amount									-	75.0		75.0		
Training Judges -- Court Organization /a	Amount	150.0	150.0							150.0	150.0				
Training Court Admin. -- Court Organization /b	Amount	250.0	250.0							250.0	250.0				
Training Court Admin. -- Total Quality	Amount											100.0	100.0	100.0	
Local Contract -- Delay Study & Quality Indicators	Amount									50.0	50.0	50.0	50.0	50.0	
International Consultant -- Delay Study & Quality Indicators	Staffmonth		2	2	2	2	2	-	10	15	30.0	30.0	30.0	30.0	30.0
Subtotal Judicial Process											480.0	555.0	180.0	255.0	180.0
B. Court Organization /c															
Public Campaign /d	Amount	250.0	250.0								250.0	250.0			
Evaluation Workshops and Studies with Civil Society /e	Amount	270.0	270.0								270.0	270.0	270.0	270.0	
Evaluation Workshops /f	Amount	115.0									115.0				
International Consultant for Evaluation/Optimization	Amount	100.0	100.0								100.0	100.0	100.0	100.0	
National Cons. for Supervision of new court org. implementation	Amount	30.0	60.0								30.0	60.0			
National Cons. for Evaluation and Optimization /g	Amount										180.0	120.0			
National Cons. for technical follow-up after end-98 /h	Staffmonth			24	24	24			72	4			96.0	96.0	96.0
Subtotal Court Organization											765.0	860.0	586.0	466.0	466.0
Total											1,245.0	1,415.0	766.0	721.0	646.0

- \a For five districts. 375 judges x \$200 (6 weeks) = \$75,000 x 2 times/year.
- \b 1,500 court administrators x \$200.
- \c This subcomponent is closely linked to judicial information system, court automation, and civil works.
- \d Tallers de difusion (judges, lawyers, general public, etc.)
- \e Twice a year at Lambayeque, Cusco, Piura, Arequipa, Lima and once a year at Cono Norte and Callao
- \f Lima \$40,000, and the other districts \$75,000.
- \g Includes statistical verification and user surveys.
- \h \$4,000 x 6 persons x 4 months/year.

PERU
 JUDICIAL REFORM PROJECT
 Table 230. Information and Statistics
 Detailed Costs
 (US\$ '000)

		Quantities						Unit	Unit Cost	Base Cost						1997	
		1997	1998	1999	2000	2001	2002			Total	1997	1998	1999	2000	2001		2002
I. Investment Costs																	
A. Multiple Data Base																	
Design and Implement Jurisprudence Database /a	Amount									15.0	15.0	15.0	15.0	15.0	-	75.0	15.9
B. Judicial Information system																	
Design and Implement Case Tracking System /b	Amount								350.0	-	-	-	-	-	-	350.0	370.6
Refine and Design Statistics Software /c	Amount								125.0	125.0	-	-	-	-	-	250.0	132.4
Design Modern Archive System /d	Amount								30.0	-	-	-	-	-	-	30.0	31.8
Implement Modern Archive System /e	Amount								650.0	-	-	-	-	-	-	650.0	688.3
Subtotal Judicial Information system									1,155.0	125.0	-	-	-	-	-	1,280.0	1,223.1
C. Court Automation																	
Computers /f	Unit	-	860	-	-	-	-	860	2.5	-	2,150.0	-	-	-	-	2,150.0	-
Printers	Unit	-	180	-	-	-	-	180	1	-	180.0	-	-	-	-	180.0	-
Servers - small, stand-alone	Unit	-	34	-	-	-	-	34	13	-	442.0	-	-	-	-	442.0	-
Subtotal Court Automation										-	2,772.0	-	-	-	-	2,772.0	-
Total										1,170.0	2,912.0	15.0	15.0	15.0	-	4,127.0	1,238.9

- \a NOTE: Non-Bank financing.
- \b Includes basic maintenance. NOTE: NON-BANK FINANCING.
- \c NOTE: IMPORTANT. Non-Bank financing.
- \d BANK FINANCING. By consultant services.
- \e Lima \$350,000 and \$50,000 for each of the 6 districts. BANK FINANCING.
 Allocated 70% to ICB and the rest to implementation support (by LIB; cannot put into cons. services).
- \f National level, excluding criminal courts.

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PERU
JUDICIAL REFORM PROJECT
 Table 310. CNM - Judicial Selection and Evaluation /a
Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						1997		
		1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002		Total	
I. Investment Costs																	
A. Evaluacion Diseno de Reglamentos y Estructura Organizacional	Amount								200.0	-	50.0	-	-	-	250.0	211.8	
B. Plan Estrategico Corporativo	Amount								40.0	-	40.0	-	40.0	-	120.0	42.4	
C. Sistemas de Apoyo																	
Software /b	Amount								80.0	-	-	-	-	-	80.0	84.7	
Hardware PCs /c	Amount								45.0	-	-	-	-	-	45.0	47.7	
Other equipment /d	Amount								4.0	-	-	-	-	-	4.0	4.2	
Subtotal Sistemas de Apoyo									<u>129.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129.0</u>	<u>136.6</u>	
D. Fortalecimiento de estructura organizacional	Amount								30.0	30.0	-	-	-	-	60.0	31.8	
E. Fortalecimiento de Centro de Informacion /e																	
Adquisicion de libros	Amount								2.0	2.0	2.0	2.0	2.0	-	10.0	2.1	
Conexion y uso de Internet	Amount								1.0	1.0	2.0	2.0	2.0	-	8.0	1.1	
Software manejo centro de documentacion	Amount								15.0	-	-	-	-	-	15.0	15.9	
Subtotal Fortalecimiento de Centro de Informacion									<u>18.0</u>	<u>3.0</u>	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>	<u>-</u>	<u>33.0</u>	<u>19.1</u>	
F. Capacitacion	Amount								10.0	5.0	5.0	5.0	5.0	-	30.0	10.6	
G. Realizacion de estudios																	
Perfil de juez	Amount								20.0	-	-	-	-	-	20.0	21.2	
Corrupcion	Amount								20.0	-	-	-	-	-	20.0	21.2	
Perfil del personal del CNM	Amount								20.0	-	-	-	-	-	20.0	21.2	
Otros estudios	Amount								-	40.0	40.0	40.0	40.0	-	160.0	-	
Subtotal Realizacion de estudios									<u>60.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>40.0</u>	<u>-</u>	<u>220.0</u>	<u>63.5</u>	
H. Agency Implementation Staff																	
Project Officer	Staffmonth	12	12	12	12	12	-	60	2.5	30.0	30.0	30.0	30.0	30.0	-	150.0	31.8
Executive Assistant	Staffmonth	12	12	12	12	12	-	60	1.5	18.0	18.0	18.0	18.0	18.0	-	90.0	19.1
Subtotal Agency Implementation Staff									<u>48.0</u>	<u>48.0</u>	<u>48.0</u>	<u>48.0</u>	<u>48.0</u>	<u>-</u>	<u>240.0</u>	<u>50.8</u>	
Total									<u>535.0</u>	<u>126.0</u>	<u>187.0</u>	<u>97.0</u>	<u>137.0</u>	<u>-</u>	<u>1,082.0</u>	<u>566.5</u>	

\a NOTE: IMPORTANT. Aggregated to separate CNM Legal Accounts !

\b By LIB method - 100%.

\c By LIB method - 100%.

\d By local shopping procedure.

\e By local shopping procedure.

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 JUDICIAL REFORM PROJECT
 Table 240. Infrastructure Remodeling Civil Works
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						Totals Including Co				
		1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002	Total	1997	1998	1999	2000
I. Investment Costs																			
A. Civil Works /a																			
Architectual Design /b	Amount							150.0	-	-	-	-	-	-	150.0	158.8	-	-	-
Lima - Cono Norte /c	Amount							1,031.0	-	-	-	-	-	-	1,031.0	1,091.8	-	-	-
Callao /d	Amount							498.0	-	-	-	-	-	-	498.0	527.3	-	-	-
Arequipa /e	Amount							-	260.0	-	-	-	-	-	260.0	-	280.7	-	-
Cuzco	Amount							-	308.0	-	-	-	-	-	308.0	-	332.5	-	-
Lambayeque - new constr.	Amount							-	1,680.0	-	-	-	-	-	1,680.0	-	1,813.7	-	-
Piura	Amount							-	200.0	-	-	-	-	-	200.0	-	215.9	-	-
Total								1,679.0	2,448.0	-	-	-	-	-	4,127.0	1,777.9	2,642.9	-	-

\a NOTE: All for NON_BANK FINANCING
 \b By local consultancy.
 \c Before -- US\$ 8.0 million for Lima.
 \d Not in previous' plan. Before, Libertad was \$0.9 million.
 \e Before -- \$2.4 million.

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JUDICIAL REFORM PROJECT
Table 320. Judicial Training by the Academia de la Magistratura /a
Detailed Costs
(US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						Total	
		1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002		
I. Investment Costs																
A. Design of Courses	Unit	7	-	8	-	8	-	23	5	35.0	-	40.0	-	40.0	-	115.0
B. Delivery of Courses																
1. Course - Responsabilidad Civil																
Lima	Unit	3	-	2	1	2	-	8	10	30.0	-	20.0	10.0	20.0	-	80.0
Outside Lima	Unit	-	2	2	2	2	-	8	15	-	30.0	30.0	30.0	30.0	-	120.0
Subtotal Course - Responsabilidad Civil										30.0	30.0	50.0	40.0	50.0	-	200.0
2. Course - Acciones de Amparo en Materia Economica																
Lima	Unit	-	2	1	1	1	-	5	10	-	20.0	10.0	10.0	10.0	-	50.0
Outside Lima	Unit	-	-	1	1	1	-	3	15	-	-	15.0	15.0	15.0	-	45.0
Subtotal Course - Acciones de Amparo en Materia Economica										-	20.0	25.0	25.0	25.0	-	95.0
3. Course - Tecnicas de Conciliacion																
Lima	Unit	2	-	2	1	2	-	7	10	20.0	-	20.0	10.0	20.0	-	70.0
Outside Lima	Unit	-	3	2	2	2	-	9	15	-	45.0	30.0	30.0	30.0	-	135.0
Subtotal Course - Tecnicas de Conciliacion										20.0	45.0	50.0	40.0	50.0	-	205.0
4. Course - Derecho Laboral																
Lima	Unit	-	1	-	1	1	-	3	10	-	10.0	-	10.0	10.0	-	30.0
Outside Lima	Unit	-	1	1	-	2	-	4	15	-	15.0	15.0	-	30.0	-	60.0
Subtotal Course - Derecho Laboral										-	25.0	15.0	10.0	40.0	-	90.0
5. Course - Procesoal Civil																
Lima	Unit	3	-	2	1	2	-	8	10	30.0	-	20.0	10.0	20.0	-	80.0
Outside Lima	Unit	-	3	2	2	1	-	8	15	-	45.0	30.0	30.0	15.0	-	120.0
Subtotal Course - Procesoal Civil										30.0	45.0	50.0	40.0	35.0	-	200.0
6. Course - Contratos																
Lima	Unit	2	2	1	2	1	-	8	10	20.0	20.0	10.0	20.0	10.0	-	80.0
Outside Lima	Unit	-	2	2	2	1	-	7	15	-	30.0	30.0	30.0	15.0	-	105.0
Subtotal Course - Contratos										20.0	50.0	40.0	50.0	25.0	-	185.0
7. Course - Derecho Comercial																
Lima	Unit	-	3	1	2	1	-	7	10	-	30.0	10.0	20.0	10.0	-	70.0
Outside Lima	Unit	-	-	-	1	-	-	1	15	-	-	-	15.0	-	-	15.0
Subtotal Course - Derecho Comercial										-	30.0	10.0	35.0	10.0	-	85.0
8. Course - Derecho Economico																
Lima	Unit	-	3	1	1	-	-	5	10	-	30.0	10.0	10.0	-	-	50.0
Outside Lima	Unit	-	1	1	-	-	-	2	15	-	15.0	15.0	-	-	-	30.0
Subtotal Course - Derecho Economico										-	45.0	25.0	10.0	-	-	80.0
Subtotal Delivery of Courses										100.0	290.0	265.0	250.0	235.0	-	1,140.0
C. Investigaciones																
Determinacion de necesidad de Capacitacion I	Amount									-	34.0	-	-	-	-	34.0
Determinacion de necesidades de Capacitacion II	Amount									-	-	-	-	36.0	-	36.0
Medicion de impacto actividades AMAG I y II	Amount									-	30.0	-	-	30.0	-	60.0
Criterios Jurisprudenciales Civil y comercial	Amount									-	25.0	-	-	-	-	25.0
Subtotal Investigaciones										-	89.0	-	-	66.0	-	155.0
D. Publication																
Publicaciones /b	Amount									10.0	25.0	25.0	35.0	40.0	-	135.0
E. Pasnatas y Becas																
Paises Latinoamericanos /c	Amount									7.0	7.0	7.0	12.0	12.0	-	45.0
Otros paises /d	Amount									6.0	6.0	6.0	6.0	6.0	-	30.0
Subtotal Pasnatas y Becas										13.0	13.0	13.0	18.0	18.0	-	75.0
F. Monitoreo del Proyecto																
Project Officer	Staffmonth	12	12	12	12	12	-	60	2.5	30.0	30.0	30.0	30.0	30.0	-	150.0
Executive Assistant	Staffmonth	12	12	12	12	12	-	60	1.5	18.0	18.0	18.0	18.0	18.0	-	90.0
Subtotal Monitoreo del Proyecto										48.0	48.0	48.0	48.0	48.0	-	240.0
Total										206.0	465.0	391.0	351.0	447.0	-	1,860.0

\a NOTE: IMPORTANT. Aggregated to separate AMAG's Legal Accounts.

\b For Year 1-5: 1, 3, 3, 6, and 7 publications.

\c For two trips a year.

\d For one trip a year.

PERU
 JUDICIAL REFORM PROJECT
 Table 330. Oficina de Control de los Magistrados
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost							Totals Including Contingencies					
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total	1997	1998	1999	2000	2001
I. Investment Costs																					
Local Consulting Contract /a	Amount							80.0	-	-	80.0	-	-	160.0	84.7	-	-	90.8	-	-	175.5
Local Consulting Contract /b	Amount							100.0	-	-	100.0	-	-	200.0	105.9	-	-	113.5	-	-	219.4
Local Consulting Contract /c	Amount							20.0	-	-	20.0	-	-	40.0	21.2	-	-	22.7	-	-	43.9
Local consulting Contract /d	Amount							20.0	-	-	-	-	-	20.0	21.2	-	-	-	-	-	21.2
Local Consulting Contract /e	Amount							15.0	-	-	15.0	-	-	30.0	15.9	-	-	17.0	-	-	32.9
Workshops on disciplinary functions	Amount							20.0	-	-	20.0	-	-	40.0	21.2	-	-	22.7	-	-	43.9
Study tours (abroad...)	Amount							10.0	10.0	10.0	10.0	10.0	-	50.0	10.6	10.8	11.1	11.4	11.7	-	55.5
Training of OCMA staff	Amount							-	40.0	40.0	40.0	40.0	-	160.0	-	43.2	44.2	45.4	46.6	-	179.5
Annual Reports and Publications	Amount							15.0	15.0	15.0	15.0	15.0	-	75.0	15.9	16.2	16.6	17.0	17.5	-	83.2
Total								280.0	65.0	65.0	300.0	65.0	-	775.0	296.5	70.2	71.9	340.6	75.8	-	854.9

- \a For diagnosis of OCMA organization and proposal for improved decentralized disciplinary system.
- \b For implementation of decentralized disciplinary system.
- \c For operational procedures of decentralized disciplinary system.
- \d For legal proposal of control system.
- \e Training needs assessment.

PERU
 JUDICIAL REFORM PROJECT
 Table 410. Jueces de Paz
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						Tot		
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total	1997
I. Investment Costs																	
A. Training																	
Initial Workshop and Needs Assessment /a	workshop	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Local Consulting Contract - training materials /b	Amount	60.0	-	-	-	-	-	-	60.0	-	-	-	-	-	60.0	63.5	-
Local Consulting Contract - selection criteria /c	Amount	8.0	-	-	-	-	-	-	8.0	-	-	-	-	-	8.0	8.5	-
Training of trainees (trainers.... methodology	Amount	-	35.0	-	-	-	-	-	-	35.0	-	-	-	-	35.0	-	37.8
Training of trainees ... conciliation	Amount	-	35.0	-	-	-	-	-	-	35.0	-	-	-	-	35.0	-	37.8
Training of JP /d	Amount	-	300.0	-	300.0	-	-	-	-	600.0	-	-	-	-	600.0	-	323.9
Subtotal Training		68.0	370.0	-	300.0	-	-	-	68.0	370.0	-	300.0	-	-	738.0	72.0	399.5
B. Training Evaluation																	
Evaluation Workshop	workshop	-	-	30.0	-	30.0	-	-	-	-	30.0	-	-	-	60.0	-	-
Follow-up Study /e	Amount	-	-	60.0	-	-	-	-	-	60.0	-	-	-	-	60.0	-	-
Client Survey Study /f	Amount	20.0	-	20.0	-	-	-	-	20.0	-	20.0	-	-	-	40.0	21.2	-
Subtotal Training Evaluation		20.0	-	110.0	-	30.0	-	-	20.0	-	110.0	-	30.0	-	160.0	21.2	-
C. Normative Revision																	
Local Consulting Construct /g	Amount	15.0	-	-	-	-	-	-	15.0	-	-	-	-	-	15.0	15.9	-
Regional Workshop /h	Amount	80.0	-	-	-	-	-	-	80.0	-	-	-	-	-	80.0	84.7	-
Subtotal Normative Revision		95.0	-	-	-	-	-	-	95.0	-	-	-	-	-	95.0	100.6	-
Total		183.0	370.0	110.0	300.0	30.0	-	-	183.0	370.0	110.0	300.0	30.0	-	993.0	193.8	399.5

- \a To be funded by the PHRD grant (\$35,000).
- \b About 6 staffmonths.
- \c About 2 staffmonths.
- \d 60 workshops for 20 persons each (per year).
- \e About 5 staffmonths per study.
- \f About 3 staffmonths per study.
- \g For review of JPNL norms; about 4 staffmonths.
- \h Discussion of No-Letrados norms; 1 x 4 districts.

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 JUDICIAL REFORM PROJECT
 Table 420. Access Fund
 Detailed Costs
 (US\$ '000)

Unit	Quantities						Unit Total Cost	Base Cost						Totals Including Co					
	1997	1998	1999	2000	2001	2002		1997	1998	1999	2000	2001	2002	Total	1997	1998	1999	2000	
I. Investment Costs																			
Local Consultant /a	Staffmonth	1	-	-	-	-	1	4	4.0	-	-	-	-	-	4.0	4.2	-	-	-
Diffusion of Fund	Amount								5.0	5.0	5.0	5.0	5.0	-	25.0	5.3	5.4	5.5	5.7
Advisory Committee /b	Amount								15.0	30.0	30.0	30.0	30.0	-	135.0	15.9	32.4	33.2	34.1
Fund Implementation /c	fund	-	10	10	10	10	40	58.82	-	588.2	588.2	588.2	588.2	-	2,352.8	-	588.2	588.2	588.2
Publications	Amount								-	8.0	8.0	8.0	8.0	-	32.0	-	8.6	8.8	9.1
Total									24.0	631.2	631.2	631.2	631.2	-	2,548.8	25.4	634.6	635.7	637.0

\a For model contract.

\b Four persons, two time a year. (\$125/day x 30 days).

\c With NO physical and price contingencies. 30% to Unallocated account. Beneficiary's contribution is estimated at about 15% of total cost.

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JUDICIAL REFORM PROJECT
Table 430. Support to the Office of Public Defender /a
Detailed Costs
(US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost							
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total
I. Investment Costs																
A. Initial Institutional Development																
International Consultants /b	10day visit	1	-	1	-	-	-	2	11.5	11.5	-	11.5	-	-	-	23.0
Workshop on Native Community	workshop	-	1	-	1	-	-	2	31	-	31.0	-	31.0	-	-	62.0
Workshop on Environment	workshop	-	1	-	1	-	-	2	21	-	21.0	-	21.0	-	-	42.0
International Consultants for Workshop	workshop	-	1	-	1	-	-	2	10	-	10.0	-	10.0	-	-	20.0
Workshop on Citizen Rights and Market Economy /c	workshop	-	1	1	1	1	-	4	15	-	15.0	15.0	15.0	15.0	-	60.0
Subtotal Initial Institutional Development										11.5	77.0	26.5	77.0	15.0	-	207.0
B. Administrative Strengthening																
Local Consultants /d	Staffmonth	12	24	24	24	12	-	96	2	24.0	48.0	48.0	48.0	24.0	-	192.0
Workshop on Evaluation and Strategic Planning	workshop	1	-	1	-	1	-	3	25	25.0	-	25.0	-	25.0	-	75.0
Internal visits for Supervision	visit	12	24	24	24	12	-	96	0.5	6.0	12.0	12.0	12.0	6.0	-	48.0
Informatics: Computers /e	Unit	45	-	-	-	-	-	45	2.5	112.5	-	-	-	-	-	112.5
Informatics: Printers /f	Unit	45	-	-	-	-	-	45	0.5	22.5	-	-	-	-	-	22.5
Informatics: Router and Half (1 each) /g	2 units									35.0	-	-	-	-	-	35.0
Informatics: Software /h	Amount									150.0	-	-	-	-	-	150.0
Informatics: Maintenance contract /i	Amount									30.0	-	-	-	-	-	30.0
Project Officer	Staffmonth	6	12	12	12	6	-	48	2.5	15.0	30.0	30.0	30.0	15.0	-	120.0
Local Executive Assistant	Staffmonth	6	12	12	12	6	-	48	1.5	9.0	18.0	18.0	18.0	9.0	-	72.0
Subtotal Administrative Strengthening										429.0	108.0	133.0	108.0	79.0	-	857.0
C. Coordination between State and Civil Society																
Forum with Public Sector and Poder Judicial	workshop	1	1	-	-	-	-	2	10	10.0	10.0	-	-	-	-	20.0
Workshop with Labor-professio-----	workshop	1	1	-	-	-	-	2	15	15.0	15.0	-	-	-	-	30.0
Study Tours	trip	2	2	2	2	2	-	10	3.6	7.2	7.2	7.2	7.2	7.2	-	36.0
Subtotal Coordination between State and Civil Society										32.2	32.2	7.2	7.2	7.2	-	86.0
D. Public Campaign and Diffusion																
Local Contract on Design of Materials/Translation	Amount									110.0	-	-	-	-	-	110.0
Diffusion in Spanish/native language	Amount									50.0	50.0	-	-	-	-	100.0
Regional Workshops	forum	6	6	6	6	6	-	30	3	18.0	18.0	18.0	18.0	18.0	-	90.0
Local Contract on Opinion Survey and Evaluation	survey	-	1	-	1	-	-	2	25	-	25.0	-	25.0	-	-	50.0
Subtotal Public Campaign and Diffusion										178.0	93.0	18.0	43.0	18.0	-	350.0
Total										650.7	310.2	184.7	235.2	119.2	-	1,500.0

\a NOTE: IMPORTANT. Aggregated to separate DP Legal Accounts !
 \b Help define competency of DP; 11/97 & 11/99 biannual with travel.
 \c For business, public sector, or academia. April each year.
 \d Organization, structure and procedures.
 \e By LIB method.
 \f By LIB method.
 \g To be grouped together, by LIB method.
 \h By LIB method.
 \i By LIB method.

PERU
JUDICIAL REFORM PROJECT
Table 910. Project Coordination Unit (PCU)
Detailed Costs
(US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost						Totals Incl				
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total	1997	1998	1999
I. Investment Costs																			
A. Project Unit Staff																			
PCU Coordinator	Staffmonth	12	12	12	12	12	-	60	4	48.0	48.0	48.0	48.0	48.0	-	240.0	50.8	51.8	53.1
Project Officers (2)	Staffmonth	24	24	24	24	24	-	120	3	72.0	72.0	72.0	72.0	72.0	-	360.0	76.2	77.7	79.6
Executive Assistants (2)	Staffmonth	24	24	24	24	24	-	120	2	48.0	48.0	48.0	48.0	48.0	-	240.0	50.8	51.8	53.1
Subtotal Project Unit Staff										<u>168.0</u>	<u>168.0</u>	<u>168.0</u>	<u>168.0</u>	<u>168.0</u>	<u>-</u>	<u>840.0</u>	<u>177.9</u>	<u>181.4</u>	<u>185.7</u>
B. Incremental Equipment Needs /a																			
Computers	Unit	-	-	-	3	-	-	3	2.5	-	-	-	7.5	-	-	7.5	-	-	-
Printers	Unit	-	-	-	3	-	-	3	0.5	-	-	-	1.5	-	-	1.5	-	-	-
Copier	Unit	-	-	-	1	-	-	1	2.5	-	-	-	2.5	-	-	2.5	-	-	-
Subtotal Incremental Equipment Needs										-	-	-	<u>11.5</u>	-	-	<u>11.5</u>	-	-	-
C. Unit Staff Training and Seminars																			
Domestic Visits to Project Areas	Amount									2.0	2.0	2.0	2.0	2.0	-	10.0	2.1	2.2	2.2
Overseas Missions on training and workshops	Amount									<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	<u>12.0</u>	-	<u>60.0</u>	<u>12.7</u>	<u>13.0</u>	<u>13.3</u>
Subtotal Unit Staff Training and Seminars										<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	<u>14.0</u>	-	<u>70.0</u>	<u>14.8</u>	<u>15.1</u>	<u>15.5</u>
Total Investment Costs										<u>182.0</u>	<u>182.0</u>	<u>182.0</u>	<u>193.5</u>	<u>182.0</u>	-	<u>921.5</u>	<u>192.7</u>	<u>196.5</u>	<u>201.2</u>
II. Recurrent Costs /b																			
A. Operating Costs																			
Supplies	Amount									6.0	6.0	6.0	6.0	6.0	-	30.0	6.1	6.2	6.3
Total Recurrent Costs										<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	<u>6.0</u>	-	<u>30.0</u>	<u>6.1</u>	<u>6.2</u>	<u>6.3</u>
Total										<u>188.0</u>	<u>188.0</u>	<u>188.0</u>	<u>199.5</u>	<u>188.0</u>	-	<u>951.5</u>	<u>198.8</u>	<u>202.7</u>	<u>207.5</u>

\a By local shopping method.

\b By straight-line 20% Bank financing; local counterpart, 80%.

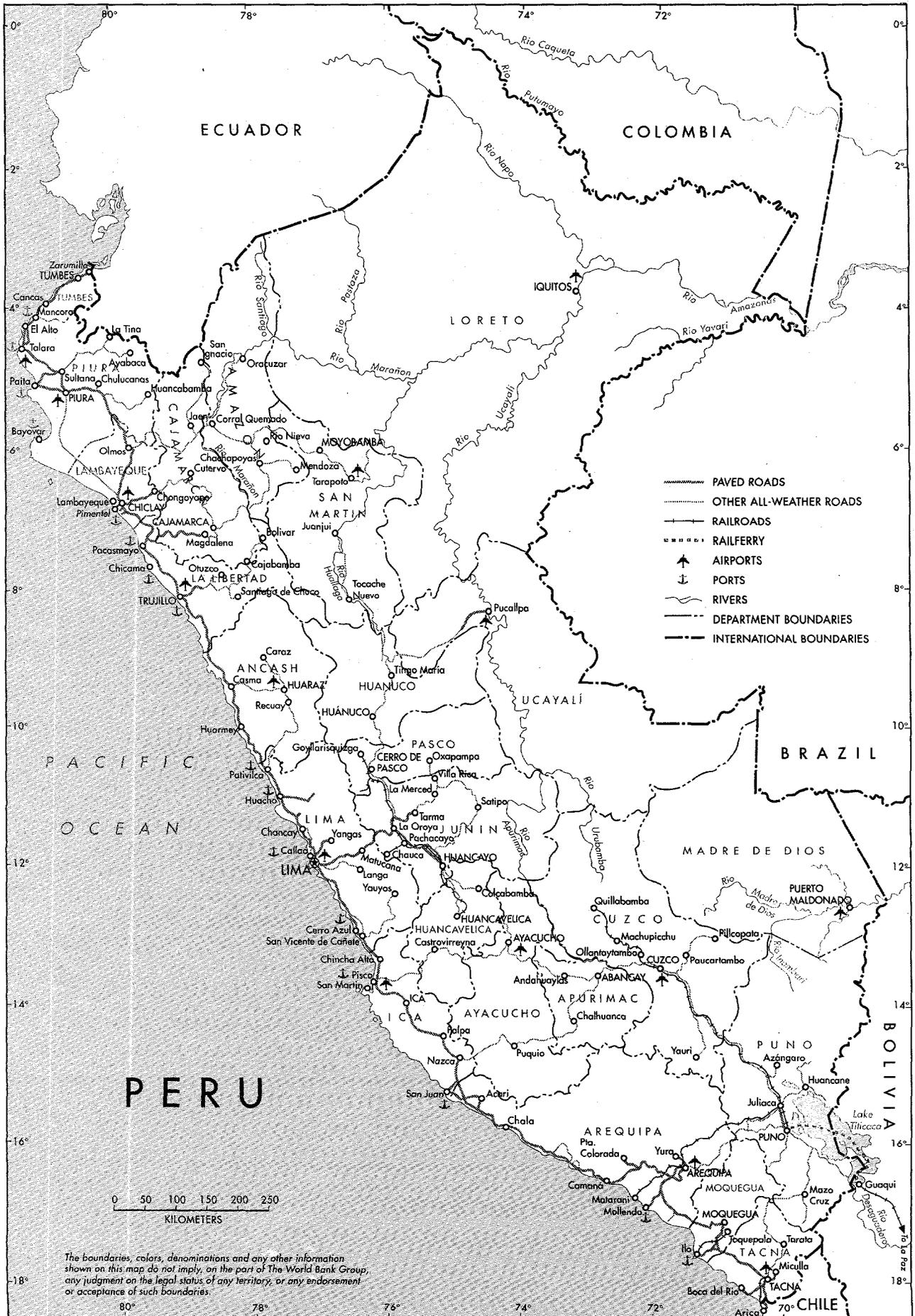
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PERU
 JUDICIAL REFORM PROJECT
 Table 920. Project Management
 Detailed Costs
 (US\$ '000)

	Unit	Quantities						Unit Cost	Base Cost								
		1997	1998	1999	2000	2001	2002		Total	1997	1998	1999	2000	2001	2002	Total	1997
I. Investment Costs																	
A. Consultants																	
Short-term International Consultant	Staffmonth	2	2	2	2	2	-	10	15	30.0	30.0	30.0	30.0	30.0	-	150.0	31.8
Short-term Local Consultant	Staffmonth	2	2	2	2	2	-	10	4	8.0	8.0	8.0	8.0	8.0	-	40.0	8.5
Subtotal Consultants										38.0	38.0	38.0	38.0	38.0	-	190.0	40.2
B. Planning, Evaluation and Audit																	
Project Launch, Mid-term and Final Workshop	workshop	1	-	1	-	1	-	3	30	30.0	-	30.0	-	30.0	-	90.0	31.8
Financial Audit	audit	1	1	1	1	1	-	5	25	25.0	25.0	25.0	25.0	25.0	-	125.0	26.5
Subtotal Planning, Evaluation and Audit										55.0	25.0	55.0	25.0	55.0	-	215.0	58.2
C. Management Fees																	
UNDP Administration Fees /a	Amount									350.0	175.0	175.0	150.0	150.0	-	1,000.0	350.0
Total										443.0	238.0	268.0	213.0	243.0	-	1,405.0	448.5

\a Govt decided to employ UNDP for ALL procurement in this project. The mission informed the authority that this is NOT a requirement of the Bank's financing.

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IMAGING

Report No.: 17137 PE
Type: SAR