



1. Project Data:		Date Posted : 09/22/2003	
PROJ ID: P008233		Appraisal	Actual
Project Name : Ve Jud.infra Dev	Project Costs (US\$M)	60	84.34
Country: Venezuela	Loan/Credit (US\$M)	30	25.50
Sector(s): Board: PS - Law and justice (100%)	Cofinancing (US\$M)		
L/C Number: L3514			
	Board Approval (FY)		93
Partners involved :	Closing Date	12/31/1997	10/31/2002
Prepared by :	Reviewed by :	Group Manager :	Group:
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2. Project Objectives and Components

a. Objectives

Ultimate Objective . To reduce the private and social costs of litigation and to improve the enabling environment for private sector development.

Immediate Objectives . To assist the Government in (1) improving the efficiency in the allocation of resources within its judicial sector; (2) improving the efficiency and productivity of the courts and public defender's offices; (3) strengthening the institutional capabilities of the Consejo de la Judicatura (Judicial Council) to perform its functions; (4) strengthening the institutional capabilities of the Escuela de la Judicatura (Judicial School) to perform its functions; (5) strengthening the capabilities of the judiciary personnel to perform their respective functions; and (6) improving the physical conditions of the courts .

Project objectives were refined during the implementation, in consultation with judges, judicial staff and NGOs . ICR does not explain which objectives changed and how .

b. Components

1. **Institutional Strengthening of the Consejo de la Judicatura** . The program consisted of: (a) the provision of technical assistance to carry out 16 different activities, ranging from determining the level of budgetary allocations for operational supplies of the courts to identifying priority areas in Procedural Law related to project objectives; (b) the provision of technical assistance to staff in nine different organizational units of the Consejo .

2. **Modernization of Court Administration** . The program consisted of: (a) the design, implementation and evaluation of the Organization Models in the selected courts and public defender offices; (b) the provision of legal reference materials and office equipment to all courts and public defenders offices; (c) the provision of technical assistance to review all laws, decrees, Consejo's regulations and other pertinent norms regarding court administration for purposes of developing a consolidated manual to be used by judicial personnel; (d) the extension of an Organization Model or Models to courts and or Public Defender Offices; (e) the provision of training to court personnel in utilization of software and hardware.

3. **Institutional Strengthening of the Escuela de la Judicatura** . The program consisted of: (a) the provision of technical assistance to carry out nine different activities, ranging from determining training needs and priorities of judges to organizing and executing regional and national conferences for judicial personnel; (b) the provision of training to the staff of the Escuela and to judiciary personnel in management and legal subjects; (c) the acquisition and utilization of instructional equipment required to develop and deliver training materials .

4. **Construction, Rehabilitation and Upgrading of Courts** . The program aimed at improving the physical condition and availability of court buildings and consisted of: (a) the execution of physical improvements in selected courts and public defenders offices; (b) the construction of 250 courts; and (c) the upgrading of approximately 350 courts.

c. Comments on Project Cost, Financing and Dates

At project appraisal total costs by component were: (a) Institutional strengthening of Consejo de la Judicatura (\$5.3 million); (b) Modernization of court administration (\$19.7 million); (c) Institutional strengthening of Escuela de la Judicatura (\$5.3 million); (d) Construction, rehabilitation and upgrading of courts (\$25.4 million); and (e) Project Implementation Unit (\$2.6 million). Total project cost was \$60 million, of which the Bank was to finance \$30 million.

At project closing, total costs by components were \$ 8 million for component 1, \$18.34 million for component 2, \$3 million for component 3, \$52 million for component 4, and \$3 million for project implementation unit. Total cost

reached \$84.34 million, of which the Bank financed \$25.50 million. After three extensions, the project closed in 10/31/2002, five years later than the original closing date of 12/30/1997.

3. Achievement of Relevant Objectives:

1. **Improving the efficiency in the allocation of resources within the judicial sector** . ICR brings little evidence to demonstrate that the objective was achieved but it informs on actions taken that could help in achieving it : (a) the Consejo de la Judicatura's personnel was reduced and new Directorates were structured according to the hierarchy of functions established by the new model; (b) an integrated financial management system was implemented at the central and regional office levels.

2. **Improving the productivity of the courts** . To help achieve that objective the following actions were taken : (a) One hundred fifty courts are operating with *Juris 2000*, 10 times the original number agreed to in the loan agreement . (b) A new organizational model for judicial circuits was applied as a pilot in the courts of Barcelona and Barquisimeto, and replicated in five criminal circuits and three civil circuits .

3. **Strengthening the institutional capabilities of the Consejo de la Judicatura** . The ICR provides insufficient evidence to demonstrate that the strengthening happened, but it informs on actions taken that could help achieve the objective: (a) the decentralization and delegation of the Council's functions were brought into effect with the creation of regional administrative directorates located in the courthouses of each state; (b) a strategic IT plan and an organizational and management model were developed for the central and regional offices of the Council .

4. **Strengthening the institutional capabilities of the Escuela de la Judicatura** . See Section 5 below

5. **Strengthening the capabilities of the judiciary personnel** . See Section 5 below.

6. **Improving the physical conditions of the courts** . The following actions were taken: (a) a new courthouse design allows all courts and judicial offices in medium sized cities to be in a single building . As a result, several centers have been constructed using that design . Also, a design for "Alternative Justice Centers" for criminal courts was developed and 22 of these have been constructed; (b) Under the Project, 26 buildings housing 378 courts have been constructed, surpassing the 250 courts agreed to in the loan agreement . Twenty two buildings operate as *Sedes Alternativas*, with 9 or 15 courts each, and four operate as *Palacios de Justicia*, with 30 courts each. Also, about 360 courts have been upgraded, higher than the 350 agreed to in the loan agreement. (c) The Consejo de la Judicatura was equipped with ICT equipment, structure ICT networks, equipment and furnishings and a modern building for the central office in Caracas. Staff from Consejo (540) received training in the use of the new ICT and the Organization Model.

4. Significant Outcomes/Impacts:

The organizational model and the case management system are now fully operational in eight criminal circuits and three civil circuits, with higher productivity . In Barquisimeto, where the system was implemented first, all case backlogs have been eliminated . Duration of cases for lease contract dispute has fallen from 247 days to 127 days in Barquisimeto and from 368 to 180 in Ciudad Bolivar. The duration of cases for collection of money disputes fell from 790 days to 237 days in Barquisimeto and from 744 days to 242 days in Ciudad Bolivar. The use of the software *Juris* has reduced the duration of criminal cases in the cities that have adopted it relative to those that have not adopted it; for example, in Barquisimeto, operating with *Juris*, the average duration of criminal cases in "tribunales de juicio" is about 60 days while in Maracay, without *Juris*, is about 275 days.

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

The project failed in its objective of converting the Judicial School into a Professional and Human Resources Development center for the judiciary . The studies financed under this component proved to be fruitless . Judicial ethics and public confidence in the system continue to be low .

The appraisal report expected construction and upgrading costs to be about \$ 25 million, but actual construction costs reached \$52 million. Although the construction and rehabilitation of courts exceeded the plan, the higher number does not seem to justify the doubling of costs .

6. Ratings:	ICR	OED Review	Reason for Disagreement /Comments
Outcome:	Satisfactory	Moderately Satisfactory	Project did not achieve objectives 4 and 5, and achieved objective 6 at twice the cost estimated at appraisal.
Institutional Dev .:	Substantial	Modest	Anecdotal reports and observations show the potential benefits of the project, but the project benefited a small part of the judiciary, and did not have the substantial impact on institutional development that the ICR claims. Also, indicators of impact are inappropriate, as the ICR notes: "it is lamentable that little was done to set yardsticks in these areas, and to begin to measure progress against them"

Sustainability :	Likely	Non-evaluable	The economic and political situation in the country makes it difficult to assign any probability to Government support for building new infrastructure and maintaining the existing one
Bank Performance :	Satisfactory	Satisfactory	Bank performed less than satisfactorily . Project started with notable deficiencies in preparation, forcing the Bank to redesign some project components and to look for Government ownership after project had become effective . Bank knew little about public sector institutions in Venezuela and failed to assess their capabilities when preparing the project . Only after project started, the Bank and Borrower agreed to have consultants diagnose the problems causing the deficiencies in judicial administration and to design a remedial approach.
Borrower Perf .:	Satisfactory	Satisfactory	Borrower performed less than satisfactorily . Borrower did not assess correctly the support for the project in the legislature, which approved it two years after Bank approval . Neither Borrower, nor Bank, had a suitable plan ready for the activities to be conducted . Delays in disbursing local counterpart funds and cost overruns over those planned in SAR increased total project costs by about 40 percent . Components 2 and 3 started in 1999, seven years after the project started.
Quality of ICR :		Satisfactory	

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

7. Lessons of Broad Applicability:

1. Bank should be ready to finance the construction of courts and other buildings in programs of judicial reform because it brings, at least, two benefits . First, construction would be subject to Bank procurement rules and procedures, probably reducing costs of construction below what they would be otherwise . Second, good physical infrastructure improves conditions at work and can help increase the operational effectiveness of the judiciary system.
2. Projects of judicial reform that aim to reduce the private and social costs of litigation need to develop indicators to evaluate the benefits of reforms and to calculate the savings in costs to individuals and enterprises arising from those reforms.

8. Assessment Recommended? Yes No

Why? As part of a cluster audit for projects of judicial reform in Latin America . Because this was the first project the Bank supported for judicial reform, it provides a good point of departure to compare with others that followed.

9. Comments on Quality of ICR:

OED rates the ICR as satisfactory . The ICR makes clear why the quality at entry was unsatisfactory and why the loan was inadequately prepared . The following shortcomings are noted .

1. ICR is not specific and detailed enough on outcomes and in comparing them to expected results . Some basic statistics would have helped to grasp the impact of the project on improving operations of the judicial system . For example, what proportion of judicial cases are being handled by new system? How much has speed of processing changed? How has this affected the costs of processing cases in Venezuelan courts? Some of the information reported in sections 3 and 4 above was provided to OED in an exchange of -emails. Because it is not specific enough, the ICR tends to claim benefits of project for the entire country when such benefits accrue, at best, only to those communities where change took place .
2. ICR should be consistent . In project outcome the ICR discusses implementation problems created by delays in disbursing counterpart funds, but it asserts in section on Borrower performance that "counterpart financing was generally not a problem".
3. Most lessons learned have little to do with the project itself .

