

PROGRAM TO MODERNIZE THE ADMINISTRATION OF JUSTICE

(HO-0109)

EXECUTIVE SUMMARY

**BORROWER:** The Republic of Honduras

**EXECUTING AGENCY:** Supreme Court of Justice of Honduras

**AMOUNT AND SOURCE:** IDB: US\$7.2 million (SF)  
Local contribution: US\$0.8 million  
Total: US\$8.0 million

**TERMS AND CONDITIONS:** Amortization period: 40 years, including a 10-year grace period  
Disbursement period: 4 years  
Interest rate: 1% during the grace period and 2% thereafter  
Inspection and supervision: 1%  
Credit fee: 0.50%

**OBJECTIVES:** The overall objective of the program is to support the Government of Honduras in its efforts to modernize the administration of justice, with a view to creating a more efficient and reliable legal system that will strengthen the rule of law, facilitate access for all citizens, and improve the investment climate. The program will have the following specific objectives: (i) to assist the country in modernizing its current legislation; (ii) to improve the efficiency of the administrative structure of the Judiciary; and (iii) to facilitate access to justice, especially for those with limited resources.

**DESCRIPTION:** To accomplish the proposed objectives, the program will have three basic components:

Modernization of legislation: The program calls for the drafting and enactment of: (i) a new Law on Organization and Attributions of Courts; (ii) a new Law on Constitutional Jurisdiction; and (iii) a new Code of Civil Procedure. Legislation will also be drafted and enacted for the prevention and punishment of domestic violence, the new Code of the Child will be disseminated and enforced, and new legislation will be instituted to promote investment.

Institutional strengthening: Efforts will be made to improve the administrative efficiency of the Judiciary by strengthening its planning, human resources, and computer systems. Activities in this area include improvements to the Judicial School and the Public Ministry's training unit.

Access to justice: This component includes activities in three main areas: (i) strengthening the Public Defender's Office; (ii) pilot projects in conciliation and mediation in the legal aid offices of the National Autonomous University of Honduras (UNAH) and the Ministry of Labor; (iii) a pilot project in commercial arbitration in chambers of commerce; and (iv) an infrastructure subcomponent consisting in the construction of hearing rooms for oral proceedings and courthouses for justices of the peace in municipalities throughout the country.

A substantial portion of the program would be financed by nonreimbursable technical-cooperation funding (TC-95-04-06-1). This operation includes the entire institutional strengthening component, together with those activities of the third component for strengthening the Ministry of Labor, the UNAH's legal aid offices, and the Public Defender's Office.

The program would also receive financing from the Multilateral Investment Fund (MIF) for establishment of the commercial arbitration system referred to above, including preparation of the necessary legislation.

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee, at its meeting of February 1, 1995, classified this as a Category II operation.

**BENEFITS:**

The proposed program will support concrete efforts to improve the Honduran system of justice administration. It will also help to enhance the investment climate in the country, consolidate the rule of law, and strengthen the sector by increasing its independence and improving its operation. Moreover, the new mechanisms will help strengthen the administrative structure for planning, management and control, information systems, and human resources management. In addition, the financing to improve access to justice will support institutions dedicated to helping people with limited resources, a sizable number of whom are women. Alternative dispute resolution mechanisms will also be institutionalized. In infrastructure, the construction of courthouses for justices of the peace will help to assure access

to justice in municipalities throughout the country, while the building of hearing rooms is a response to legislation introducing oral proceedings, which will permit more transparent and efficient justice.

**RISKS:**

The primary risk with the program involves the legal reforms it proposes. Since the legislature has to enact these reforms, it may not prove possible to build a strong enough political consensus to move ahead with them. Moreover, the maintenance and personnel expenses needed for the courthouses for justices of the peace and the hearing rooms to be built represent an increase in the recurrent costs of the Judiciary. However, these risks are mitigated by the fact that: (i) the government has assigned high priority to improving the administration of justice; (ii) the opposition parties, the Bar Association, the law faculties, the private sector, and the other sectors of Honduran society have already expressed their support all actions aimed at improving the system; (iii) the Judiciary's budget record has been carefully analyzed, and it is estimated that the Judiciary can absorb the recurrent costs of the new buildings; and (iv) there is a willingness on the political front to allocate 3% of the national budget to the Judiciary in 1997, which will provide a solid budgetary basis on which to implement this program.

**POVERTY TARGETING:** Some 74% of Honduran families live in poverty, and 60% in extreme poverty. Given the features of the proposed program, in general it will target the entire population of Honduras, but also includes a number of components that directly target low-income groups. It qualifies as poverty-targeted, since over 50% of the beneficiaries are poor.

**THE BANK'S  
COUNTRY AND  
SECTOR STRATEGY:**

The Bank's strategy for Honduras is aimed at: (i) developing human capital by promoting social projects; (ii) enhancing the productivity of investment through support for privatization programs, promotion of private investment, improved government efficiency, export promotion, and training of the work force; and (iii) eliminating financial restrictions, by supporting programs to restore the government's creditworthiness. A modern and efficient system of justice administration has a crucial role to play in making this strategy a reality.

It is important to point out that in the Eighth Replenishment, the member countries of the Bank stressed the need to consolidate the rule of law as a condition for efficient operation of the economy.

Modernization of the State must therefore be comprehensive and embrace the entire institutional and regulatory environment that surrounds economic, social, and political activity. The Bank has been supporting the Government of Honduras in the modernization of the State as one of the central elements of its development strategy. In December 1995, the Bank approved the public sector reform program, as a first step in supporting the strategy. The proposed program, which supports modernization and strengthening of the justice system as part of the process of consolidating the rule of law, is thus consistent with the strategy of both the Bank and the country.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

Contractual conditions precedent to the first disbursement. The borrower must demonstrate that: (i) it has taken the necessary legal measures to transfer to the executing agency the proceeds of the Bank loan and the local counterpart funding, and that the executing agency has assumed the obligations incumbent upon it (see paragraph 3.1); (ii) the executing agency has signed coordination agreements with the Public Ministry, the Public Defender's Office, the National University of Honduras, the Ministry of Labor, and the National Board of Social Welfare (see paragraph 3.15); and (iii) the executing agency has created the program executing unit (see paragraph 3.19).

The loan contract will also include the standard clauses of the Bank on: auditing, inspection, maintenance, procurement of goods and services, and recognition of expenditures chargeable to the financing and the local counterpart funding.

Other special contractual conditions. One month before the end of each year of execution, the borrower will send the Bank a report indicating the extent to which the previous year's targets were met, as well as an annual work plan (AWP) for the next year. Approval of the AWP by the Bank will be a condition precedent to disbursement for the following year (see paragraph 3.23).

## I. FRAME OF REFERENCE

### A. Introduction

- 1.1 Honduras is one of the poorest countries in Latin America. In 1994, per capita income was estimated at US\$593. More than 50% of its 5.5 million inhabitants live in poverty, 80% live in rural areas, and about 32% of the adult population is illiterate. The economy is basically agricultural, the chief exports being coffee and bananas. In the last few years, however, the sectors that have grown more vigorously have been nontraditional exports, inbound assembly, and tourism.
- 1.2 In the last decade, the Honduran economy has been plagued by two factors: first, the population has been growing faster than the economy, and, second, it has had increasingly severe medium-term macroeconomic disequilibria. One of the main causes of these disequilibria has been pinpointed as the inefficiency of the public sector, which is also largely to blame for a sharp deterioration in the quality of the services provided to the people.
- 1.3 In 1990 the country began to take steps to liberalize foreign trade, reform the financial sector, and improve tax administration. Despite some early progress, the overall economic situation began to deteriorate in 1993 and worsened in 1994.
- 1.4 The administration which took office in 1994 resumed the efforts to move ahead with an adjustment program, with support from the multilateral lending agencies, and favorable results were posted. However, in order for the – so far only partial – progress to be consolidated, economic measures need to be bolstered by a wide-ranging program of public sector reforms.
- 1.5 If any reform strategy is to prove effective in modernizing the public sector it must possess at least two key features: (i) a redefinition of the roles to be played by the public and private sectors in the Honduran economy; and (ii) a substantial improvement in the operation and efficiency of the public sector based on those newly defined roles. In this connection, the Government of Honduras issued a legislative decree in 1992 establishing a Presidential Committee on Government Modernization [Comité Presidencial para la Modernización del Estado] (CPME) and giving it sweeping legal powers to coordinate the reform plan overall.
- 1.6 The CPME decided that a top national priority is to modernize and strengthen the system of justice, recognizing that an independent and efficient system is vital to sustainable economic and social development. In keeping with this principle, IDB's Country Paper stresses the importance of having a modern system of justice in creating a climate conducive to private investment.

- 1.7 The government's subsequent request to the IDB for a loan specifically designed to improve the justice sector, coupled with the establishment of a high-level committee to modernize the justice system, clearly reflects the high national priority assigned to this project. Accordingly, the ultimate objectives of (i) consolidating the rule of law and (ii) promoting the economic development and social welfare of the population constitute not only a government priority but also a precondition for the country to achieve its political, social, and economic development targets.

B. The justice system

- 1.8 According to the Constitution, Honduras has kept the traditional model of a state divided into three independent branches: Legislative, Executive, and Judiciary, with an autonomous electoral college (National Elections Board). The justice system comprises different interrelated institutions belonging to the various branches of the State. The most important of these are:
- (a) The Judiciary comprises the Supreme Court, 10 Appeals Courts, 67 Lower Courts, and 325 justices of the peace with varying powers. There are a series of administrative and technical bodies which support this basic structure. There are 440 judges, and 1,796 employees perform administrative, technical, and legal support duties. Within this structure, there is the Public Defender's Office, created in 1989 to defend the less affluent. The Judiciary also oversees the Registers of Real Estate and Commercial Property.
  - (b) The Ministry of the Interior and Justice is responsible for the penitentiary system. Through the Office of the Deputy Minister of Justice - established by the current administration - the ministry deals with applications for remissions and commutation of sentences and oversees the operation of the country's penal institutions.
  - (c) The Presidential Commission on Government Modernization brings together representatives of the leading political and social forces and is responsible for preparing and evaluating specific programs and projects in pursuance of its mandate. In 1994, this Commission established the High-Level Committee to Modernize the Justice System to promote efforts to reform the system.
  - (d) The Public Ministry created by Legislative Decree 228-93 of December 13, 1993, is a specialized professional agency independent of the government. Its main function is to represent, defend, and safeguard the general interests of society and to combat drug trafficking and corruption. It is empowered to move for prosecution in cases involving offenses by government action or in other circumstances defined in the legislation. It is also responsible for pursuing legal action against civil

servants and, in general, for overseeing the expeditious, proper administration of justice.

- 1.9 Human resources in the justice sector are drawn chiefly from two institutions: the Faculty of Law and Social Sciences of the National Autonomous University of Honduras (UNAH), and the Law School of the University of San Pedro Sula (USPS). The universities have organized legal aid offices where law students in their senior year provide free services to the public under the supervision of professors.
- 1.10 The country's legal professionals belong to the Bar Association, which has some 4,422 members. Membership in the Bar is a prerequisite for the practice of law (mandatory licensing).

C. Priority areas for Bank assistance

1. Outdated legislation

- 1.11 The country's outdated legislation hampers the proper functioning and efficient administration of justice. The legal system consists of obsolete codes and laws that urgently need to be brought up to date. For example, the Organic Law on Courts dates back to 1906.
- 1.12 The government is aware of the need to modernize parts of the current legislation and has already begun to do so by drafting a new Code of Criminal Procedures based on oral hearings. The bill was recently submitted to the Congress for consideration. Also, work is almost complete on a new Code of the Child, which, among other things, reforms the administration of justice for juvenile offenders, and on a new Labor Code; both codes are expected to be submitted to the Congress shortly.
- 1.13 Legislation in the area of constitutional jurisdiction is inadequate as a means both of guaranteeing the effectiveness and supremacy of the rules of the Constitution and of assuring harmonious relations between the branches of the State. There are frequently difficulties in enforcing the rights and guarantees stipulated in the Constitution as there is no mechanism that is effective in enabling citizens to appeal against government acts that infringe upon their constitutional guarantees. The Ley de Amparo (affording civil rights protections), which contains the provisions that regulate petitions for relief, personal appearance (habeas corpus), and unconstitutionality, dates back to 1936 and is not an effective instrument for protecting citizens' rights.
- 1.14 There are also serious legal and administrative shortcomings in the regulations governing investment and economic revitalization. The situation facing investors is all the more complex given the fact that the country's system of records is unreliable. There are laws which create registers in different institutions, resulting in

duplication. The precariousness of the regulations and the records system has an adverse effect on juridical certainty.

## 2. Administrative and human resources inefficiency

- 1.15 The Judiciary suffers from efficiency problems which prevent it from performing its functions properly. As it does not have a real cadre of operating executives, the different bodies operate more by individual inertia than out of a desire to meet clear objectives defined in advance. Managers run their departments with their own individual management style, but there is no institutional management culture shared by the institution as a whole.
- 1.16 Many of the Judiciary's administrative functions are carried out by the full Supreme Court of Justice (CSJ) - appointments, leave, individual transfers, buildings, etc. - which take up much of the time that the CSJ ought to be devoting to its jurisdictional duties. In addition, its work setting lacks efficient systems and procedures. For example, 90% of the administrative management of the Judiciary is done in longhand, except for accounting and payroll, while execution of the Judiciary's budget is centralized in the full Supreme Court, which causes unnecessary delays in the procurement of goods and services.
- 1.17 There is no responsive and transparent system for managing human resources, which makes it difficult to develop proper career paths for the Judiciary. It has not been possible, for various reasons, to implement the Judicial Career Path system adequately, nor to implement an objective system for the appointment, promotion, and removal of judges and other justice sector personnel. All this has spawned a variety of entrenched interests, which in turn is being reflected in a high turnover of officials and is undermining the independence of the Judiciary.
- 1.18 A proposed constitutional amendment that has the backing of the CSJ and is designed precisely to bolster the Judiciary's independence has been submitted to Congress and is expected to be enacted this year. At the request of the Supreme Court, the IDB has agreed to finance a seminar at which magistrates and congressmen can study the scope of this amendment and help build the necessary consensus for its passage.

## 3. Inadequate access

- 1.19 In the present state of affairs of the Honduran justice system, access to justice is extremely difficult. In relation to the country's area and population, there are too few judges and courts. The number of judges per capita (one to every 12,416 inhabitants), the small number of courts (403), and their location (mostly in the west central region of the country) are out of all proportion in a country that has a population of 5,463,000 and an area of 112,492 square kilometers.



- 1.20 Legal services are particularly hard to come by for people of limited means. Coordination of public defender services for low-income groups is still poor, and the legal aid offices in the Faculties of Law are merely a palliative that is not equal to the magnitude of the problem. Most poor people cannot even read or understand the laws or cannot afford the services of professionals to defend their interests.
- 1.21 It is often hard for these groups even to pay for stamped paper, stamp duty, experts, etc. In surveys conducted by the International University of Florida in 1986, 86% of those interviewed who were being held in custody believed that lack of financial resources was the basic reason they did not have the services of legal professionals at their disposal to defend them.
- 1.22 Nor has much headway been made in Honduras in institutionalizing alternative methods of settling disputes. There is a need for less costly, faster, more effective, and less formalistic mechanisms (negotiation, conciliation, mediation, arbitration, etc.) that can at the same time alleviate the incoming caseload of the formal system of justice.
- 1.23 One concern facing foreign investors in Honduras is that there is no tradition of commercial arbitration and no institutionalized mechanisms to which they can readily submit their disputes. Arbitration is treated as civil legislation, but in practice the procedure has been little used. However, in response to pressure for a more responsive body for revolving disputes, the Chamber of Commerce of Cortés has now established a Court of Commercial Arbitration, and the Tegucigalpa Chamber of Commerce is to follow suit.
- 1.24 Honduras is currently undergoing a critical overhaul of its system of justice for minors on both legal and institutional fronts. The Congress recently passed a new Code of the Child based on the doctrine of "integral protection." This new legislation spells out the rights of minors and the obligations of the State to provide appropriate social conditions and institutions for dealing with juvenile offenders. However, this new code will need strong support if it is to be disseminated and implemented.

#### 4. Infrastructure needs

- 1.25 Closely related to the problems outlined above is the substandard situation of the physical infrastructure, which has a considerable impact on operation of the Judiciary. Evidence of this situation can be seen in the deterioration of facilities, the severe overcrowding, the haphazard layout of the physical space, the lack of security for keeping court files, the shortage of space for storing physical evidence, and the large number of rented premises.
- 1.26 Compounding these problems are two important factors: on the one hand, the need to remove the vast majority of the justices of the

peace from the premises they currently occupy in municipal town halls; and, on the other, the urgent need to streamline and modernize the system of justice by incorporating the procedure of oral or public hearings.

- 1.27 The situation is particularly problematic with respect to the justices of the peace. It used to be mandatory for all municipalities in the country to provide space to house the justice of the peace for their particular locality, but this obligation was done away with by the new law on municipalities. It is now up to the Judiciary to provide space for these courts. In terms of the infrastructure required to hold oral hearings, and as a result of the new Code of Criminal Procedures, there are no appropriate courthouses for this purpose. Hence the need for a plan to construct suitable courthouses in every region of the country.

D. Programs supported by other donors

- 1.28 In 1987, USAID lent the Government of Honduras US\$18.33 million to fund a bilateral project to strengthen democratic institutions, a portion of which was earmarked for improvements in the administration of justice. This project, which will be completed in 1997, has provided partial funding for a number of different activities.
- 1.29 Some of the main activities include: (i) the introduction of instruments needed to implement career paths in the Judiciary; (ii) the development of programs for use by Public Defenders, Prosecutors (pending establishment of the Public Ministry), accredited justices of the peace, and Supernumerary Justices; 1/ (iii) the creation and inauguration of the Judicial School; (iv) administrative reorganization of the Judiciary, including the purchase of a computerized management system and an on-line jurisprudence service; and (v) opening the new office of Inspector General of Courts.
- 1.30 USAID supported the creation of the Public Defender's Office in 1989, and the number of Public Defenders has since doubled (to 105), with the cost of these positions now being funded by the budget of the Judiciary. Moreover, in 1993, the Public Ministry was separated from the Judiciary to become a specialized professional agency with functional, administrative, and budgetary autonomy. The number of prosecutors rose from 19 to 189 between 1992 and 1995.
- 1.31 At the present time, the USAID project is focused on: (a) supporting constitutional reforms to depoliticize the appointment of Supreme Court justices; (ii) training justice sector professionals

---

1/ These are justices assigned to criminal courts cases that have a heavy workload, to speed up the issuance of court decisions, especially for persons being held in custody.

in the new procedures based on oral hearings; (iii) helping to establish anti-corruption mechanisms in the Public Ministry; and (iv) strengthening the country's institutions for investigating and combating environmental, economic, and domestic violence offenses.

- 1.32 With funding from the UNDP, the International Labour Office (ILO) has been providing technical advice to the Ministry of Labor and Social Welfare on rewriting the Labor Code and drafting a new version consistent with current labor needs. The new draft code is almost finished.
- 1.33 The new Code of the Child was prepared with support from the United Nations Children's Fund (UNICEF). With UNICEF funds and technical-cooperation funding from the IDB, the structure, functions, and powers of the proposed Family and Child Institute [Instituto del Niño y la Familia] (INFA) were defined. If the INFA is established by act of Congress, it would replace the National Board of Social Welfare [Junta Nacional de Bienestar Social] (JNBS). Both documents propose a new direction for the State's social policy on children.

#### E. Lessons learned

- 1.34 During preparation of this program, the Bank and USAID worked together very closely to ensure that their efforts in the sector would complement each other and to capitalize on the experience of the agency that had become most conversant with the justice sector in Central America and particularly in Honduras.
- 1.35 With regard to legal reform, USAID focused on the criminal area, where its efforts led to the new Code of Criminal Procedures. With the implementation of the code, the new procedure of oral hearings was introduced and has won broad support from all institutions in the justice sector and the Legislature. This result was achieved through USAID's strategy of consensus-building at each stage of the process. The IDB program proposes to incorporate this experience, which was confined to the criminal sector, and to apply it to the other areas in need of legal reform.
- 1.36 Moreover, without an appropriate legal framework, for example one guaranteeing an independent Judiciary, and without adequate institutional support, there would be no capacity to absorb the external resources efficiently and thereby assure the sustainability of a program such as the one proposed. USAID's experience bears out this premise, since the efforts made in the area of institutional strengthening and the introduction of new systems, equipment, and procedures were not preceded by the right kind of legal framework. As a result, these activities under the USAID program did not produce the expected results in terms of assimilation and enhanced efficiency. The IDB program provides for the drafting of a new Organic Law on Courts, and the proposed institutional strengthening activities will build on the experience of USAID.

F. The Bank's strategy in Honduras

- 1.37 The proposed program is consistent with the strategies which the Bank defined for Honduras in the Country Paper (document GN-1876 of June 13, 1995). These strategies are aimed at: (i) developing human capital, to assist which it will promote far-reaching reform of the education and health sectors and their related institutions, and will support poverty alleviation programs; (ii) raising the productivity of private and government investment, to which end it will support programs for privatization, promotion of private investment, improvements in government efficiency, export promotion, and manpower training; and (iii) removing the financial restrictions which are limiting government action, for which it will support programs to restore the country's creditworthiness and help the government to shape a strategy for managing external debt.
- 1.38 Within the framework of these strategies, the Bank has undertaken to support the efforts being made by the local authorities to modernize and increase the efficiency of the public sector and to enhance the productivity of investment. Accordingly, the Bank's 1995-97 lending program includes projects which support the plan to modernize the government and involve all three branches of government. The most important of these is the public sector reform program approved by the Bank's Board of Executive Directors in December 1995, which seeks to modernize the public sector and remove the structural problems that are causing recurrent fiscal imbalances. This program is being supported, in particular, by the energy sector project and the water and sanitation sector project.
- 1.39 In the social sectors, the Bank will support reforms in health and education, and in the financial sector, support is also being provided through the multisector credit loan. Rounding out these actions, in May 1995 the Bank's Board of Executive Directors approved a technical-cooperation project for reform of the tax administration, to improve collection capacity and lower the incidence of tax evasion.
- 1.40 The proposed program is responsive to the needs identified as having high priority by the Honduran authorities, who participated actively in its design. In November 1994, the areas proposed for Bank action were analyzed in a national forum sponsored by the Bank, in which more than 100 people from different institutions within the justice sector participated.
- 1.41 The proposed program will help both to increase people's access to justice and to enhance the efficiency of the judicial system as a whole. It will also assist in creating a climate of juridical certainty conducive to investment and to the country's socioeconomic development. To function efficiently, a market economy must have a solid rule of law and conditions of economic, juridical, and political stability and predictability to stimulate the process of

productive medium- and long-term investment. Government modernization should therefore be comprehensive and include the entire institutional and regulatory climate surrounding economic, social, and political activity.

## II. THE PROGRAM

### A. Objective and purposes

- 2.1 The overall objective of the program is to improve the administration of justice in Honduras, assisting the justice system to progress toward the realization of the ideals of juridical certainty, efficiency and accessibility. The purposes of the program are: (i) to assist the country to modernize its current legislation, toward the end of creating clear laws that contribute to contractual certainty, respect for fundamental guarantees, an improved climate for investment and the strengthening of the rule of law; (ii) to improve the efficiency of the administrative structure of the Judiciary and the technical capacity of the human resources of the justice sector; and (iii) to facilitate access to justice, especially for those with limited resources.

### B. Description

- 2.2 On the basis of the purposes outlined above, the program is divided into three components:

#### 1. First component: law reform

- 2.3 The purpose of this component is to assist the country to modernize its current legislation, toward the end of creating a climate of legal certainty and clarity that create conditions favoring the respect for fundamental guarantees, the rule of law and increased investment.

- 2.4 This component will result in: (i) a revised Law on Organization and Attributions of Courts, (ii) a revised Law on Constitutional Jurisdiction, (iii) a revised Civil Procedure Code, (iv) legislation to protect against domestic violence, (v) public education and training of justice sector personnel in the new Code of the Child; and (vi) in a parallel project to be financed by MIF, new commercial arbitration legislation.

#### a. Preparation and implementation of a new Law on the Organization and Attributions of Courts

- 2.5 The Law on the Organization and Attributions of Courts regulates the internal functioning of the Judiciary. This law dates from 1906 and is badly in need of revision, in that it contains numerous provisions that no longer reflect current Honduran reality. Revision of this law will allow the Judiciary and other actors of the justice system to adopt a new organizational structure, one that would separate the deliberative function of judges from court management and administration. If the constitutional amendment now being debated in Congress should pass, then the new Law on

Organization and Attributions of Courts would need to reflect the provisions of the amended Constitution: new mechanisms for selection of justices, and a career track for judges that establishes procedures for their promotion or removal.

- 2.6 The draft law would be written by a drafting committee composed of two local consultants (6 months each) with the assistance of an international consultant (55 days). This committee will receive input from justice sector officials and users of the justice system, in that the drafting process will begin with a seminar for participants from the Judiciary, Congress, the Public Ministry, the Bar Association, Faculties of Law, and members of the private sector (80 participants in total, for 3 days). Once the committee has completed a proposed draft law, it will convoke another seminar (80 persons, 3 days) in which the proposed draft law will be analyzed and criticized. The final draft law will include recommendations resulting from this seminar.
- 2.7 Once the law is approved by Congress, the program provides funds for its printing and distribution to justice sector officials. The distribution will be accompanied by workshops to inform judicial personnel about the new law (8 courses, 60 persons each, 3 days).

b. Preparation and implementation of new legislation on constitutional jurisdiction

- 2.8 There is now before Congress for its consideration a constitutional reform measure that would create a Fourth Chamber in the Supreme Court charged exclusively with hearing constitutional cases. This amendment to the Constitution is proposed on the understanding that, if the rights guaranteed under the Constitution are to be made real to citizens, there must be an effective mechanism by which they can bring cases challenging the constitutionality of actions by government officials. At present, the mechanism for bringing constitutional challenges in Honduras is considered formalistic and affords only limited access. The establishment of a constitutional jurisdiction in order to provide a more agile and effective judicial review of constitutional cases is one of the goals of the plan for modernization of the State.
- 2.9 Should this constitutional amendment be passed, the program would support the drafting of a complementary law establishing a Supreme Court Chamber that would have exclusive jurisdiction over constitutional cases. The program would finance the establishment of a drafting committee composed by two local consultants (6 months each) assisted by two international consultants (25 days each). The drafting process will be the same as that described in paragraph 2.6, above, including seminars that ensure that input from all stakeholders is taken into consideration. The program would finance printing and distribution of the new law, and training for those involved in putting the new law into practice. The program would also finance equipment for the new Constitutional

Chamber and the acquisition of a basic library in constitutional material.

c. Preparation and implementation of a new Code of Civil Procedure

- 2.10 The Code of Civil Procedure of Honduras dates from 1906, and establishes procedures that appear, in the context of the 1990s, to be overly complicated and formalistic. Civil procedures are those that regulate the way in which all non-criminal cases are processed by the Judiciary. Very formalistic procedures, written in dense or specialized language, create a barrier to access to justice and to effective enforcement of the law, and thus tend to diminish juridical clarity and contractual certainty. Expeditious civil procedures, therefore, are fundamental to establishing a climate propitious to economic development.
- 2.11 The program will finance a drafting committee and seminars to assure that this committee receives necessary input from justice sector officials and the private sector, in the same process as used for all of the law reform components, described in paragraph 2.6, above. The seminars for the drafting of a new civil procedure code will include participation from experts of countries that have implemented oral proceedings in civil cases, so that Honduran officials can consider whether oral proceedings would be appropriate or desirable in their country. The program would also finance printing and distribution of the new Code if it is approved by Congress, and courses in training in the new Code.

d. Preparation of legislation regarding domestic violence

- 2.12 Honduran law does not, at present, consider domestic violence to be a crime. The Criminal Code stipulates that inflicting wounds that incapacitate the victim for a minimum of 10 days constitutes a crime. Since many of the wounds caused in the context of domestic violence do not result in incapacitation for more than 10 days, however, domestic violence is rarely prosecuted as a crime. It is possible to charge a person who has committed domestic violence with a fine for a misdemeanor (the equivalent of approximately US\$9), but the Fiscalía de la Mujer reports that a woman who goes through the process of getting this fine levied by the justice system is often exposed to much greater violence in its wake.
- 2.13 Honduran authorities have identified domestic violence as an area in which it is important to review the role of the Justice System. There are indications that domestic violence is a problem in the country of sufficient magnitude that it should be more strictly controlled by law. In the nine months in which the Fiscalía de la Mujer has existed, many of the complaints filed have been against perpetrators of domestic violence; these complaints are presented in the main by women of limited economic resources. To date, more



than 350 domestic violence cases have been opened in the Fiscalías' office.

- 2.14 The program would seek to complement efforts that have been undertaken by the Fiscalía de la Mujer and USAID in the area of domestic violence, financing an initial diagnostic of the problem and presenting proposals for how it might best be addressed by the legal system. The document produced by this diagnostic would be discussed in a two-day workshop in which judges, prosecutors, public defenders, attorneys, and representatives of NGOs specialized in women's issues would participate. The program would finance preparation of a draft law based on the conclusions resulting from the workshop, prepared by a drafting committee comprising an international consultant, a local consultant, the Fiscal de la Mujer and a representative of the Congressional Commission on Women. Once the legislation is drafted, a seminar would follow including participants from the justice system, congressional delegates, the Bar Association, universities and NGOs. The program would also finance printing and distribution of the new law, as well as training for justice sector officials in its implementation.

e. Implementation of the New Code of the Child

- 2.15 A study carried out in Tegucigalpa in 1993 indicated that in that city alone there were 5,400 street children, of whom 37% were under 10 years of age, and more than half under 14 years of age. The Institutional Coordinator for the Rights of Children (COIPRODEN) estimates that there are, in Honduras, 300,000 children who work and approximately 4,000 institutionalized in 66 centers and orphanages. Approximately 700 of those in institutions have been sent there by Juvenile Courts for violations of the law. <sup>2/</sup> In response to this situation, the new Code of the Child was drafted to establish the rights of minors, the obligation of the State to provide social conditions and institutions for the fulfillment of those rights, and new procedures for treatment of juvenile delinquency.
- 2.16 The program will support efforts to implement the new Code of the Child by providing resources to design and implement a training program for juvenile justice system officials, and will finance printing and distribution of the new Code and Law.

---

<sup>2/</sup> CONAPRODEH, AMC, COHEP, UNICEF, "Los hondureños, sus problemas y esperanzas," 1993, cited in SECPLAN, UNICEF, Análisis de la situación de la Infancia, Mujer y Juventud, Honduras, 1995, pp. 63-64.

f. Legislation favoring investment and economic growth

- 2.17 In parallel to this program, an operation will be presented for consideration of the Donor's Committee of the MIF, which will propose financing of legislation on commercial arbitration and conciliation. This will accompany the commercial arbitration centers described in 2.35.

2. Second component: institutional strengthening of the Judiciary

- 2.18 This second component of the program will be funded by a parallel nonreimbursable technical cooperation which has been designed to be executed in conjunction with the activities funded by the loan, and which will function as an integral part of the overall Program to Modernize the Justice System of Honduras. Because the technical cooperation is an essential part of the program, a brief description of it follows. The operation is described in detail in Annex I.
- 2.19 The purpose of this component is to strengthen the planning, management, control, and information systems of the Judiciary, and strengthen training and management of human resources in the Judiciary and the Public Ministry, with the aim of improving the efficiency of the justice sector.
- 2.20 This component will result in: (i) administrative reorganization of the Judiciary; (ii) installation of administrative management systems (including automated information, planning and human resource management) in the Judiciary; (iii) enhancement of FOLIO VIEWS (an on-line jurisprudence service); (iv) consolidation of the Judicial School; and (v) consolidation of the Training Unit of the Public Ministry.

a. Organizational assessment and restructuring of the Judiciary

- 2.21 Many of the administrative functions of the Judiciary are centralized in the Supreme Court. With the support of USAID, a planning system was designed for the Court, but the strategies and plans resulting from this system have not been fully integrated into the planning or budget process of the Judiciary. USAID also financed the purchase and installation of an automated management system called MUNIS, a system for generating accounting functions, payroll lists, budgets, purchase orders, payment orders, etc. MUNIS has not been fully installed, and the approach of utilizing an integrated system for all personnel budget and payroll needs has not been accepted by the judicial personnel. FOLIO VIEWS, an automated databank of judicial decisions, is not fully used because there are software mechanics which are not user friendly and users are not properly trained in its use.

2.22 USAID and the Judiciary have concluded that MUNIS and FOLIO VIEWS are not working as well as they might in large part due to the administrative structure and functioning of the Judiciary. If the Judiciary employed better mechanisms of planning and control, exercised within a rational structure, it would make better use of the existing information systems and of its scarce financial resources. Thus, the technical cooperation would fund hiring of a firm specialized in organizational analysis, planning and management, to examine the existing situation in detail and formulate concrete recommendations with respect to the organizational structure of the Judiciary, the necessity to create or fuse departments or to move administrative functions from the Supreme Court justices to the Administrator of Courts, redefinition of position descriptions, the number of personnel, decentralization of functions, privatization of certain services and identification of laws that would need to be modified to implement administrative changes.

b. Implementation of an integrated human resources/  
administrative management system

2.23 The TC operation will fund an evaluation of MUNIS in order to ascertain that this is an appropriate system for the Court's needs in its revised structure. If the resulting recommendations encourage the continued use of MUNIS then financing will be provided for the necessary software and hardware enhancements, and comprehensive training for court staff to fully utilize the system. If the recommendation does not favor the continued use of MUNIS, then a new system will be proposed and installed, and the corresponding training carried out.

c. Enhancement of automated jurisprudence system (FOLIO VIEWS)

2.24 The technical cooperation would finance enhancement of FOLIO VIEWS to make it more user-friendly and an efficient working tool for the judiciary staff and would fund a comprehensive program of training for users.

d. Strengthening of the Judicial School

2.25 In order to improve the capacity of those working for the Judiciary, to carry out the training of justice sector employees needed to permit the implementation of legal reforms, and to carry out an administrative reorganization of the Judiciary, the Judicial School will need to be able to provide training for justice sector personnel in these areas. The TC operation would strengthen the school to make this possible, financing consultancies to propose a better organization of the school and a revised curriculum. The TC operation would also finance basic equipment for the production and copying of documents, as well as a small specialized library and a system for followup on and evaluation of courses and instructors.

e. Strengthening of the training unit of the Public Ministry

- 2.26 The TC operation would finance strengthening of the training unit of the Public Ministry, to help it to achieve a more efficient organization and define a curriculum based on occupational profiles and the specific needs of the ministry's personnel.

3. Third component: access to justice

- 2.27 The purpose of this component is to facilitate access to justice, especially for those of limited means, through: (i) strengthening the Public Defender's Office and legal aid offices; (ii) promoting the institutionalization of alternative dispute resolution; (iii) providing the Judiciary with space for oral proceedings and public hearings; and (iv) constructing courthouses for justices of the peace in municipalities throughout the country.
- 2.28 As previously mentioned, the technical-cooperation operation will finance an important part of the activities described in this component. The details of these activities are described below.
- 2.29 This component will result in: (i) better-trained public defenders, working in offices having basic equipment and library materials necessary for functioning; (ii) a pilot project establishing mediation services in legal aid offices of the National Autonomous University of Honduras; (iii) more systematic conciliation carried out by the Ministry of Labor and Social Welfare; (iv) implementation of the new Code of the Child; (v) pilot projects in commercial arbitration in the Chamber of Industry and Commerce of Tegucigalpa and Cortés (MIF-financed); (vi) construction of hearing rooms for public, oral judicial proceedings; and (vii) construction of infrastructure to permit Justices of the Peace to carry out their functions in approximately 80 municipalities throughout the country.

a. Strengthening of public defenders

- 2.30 The Public Defender's Office was created in 1989, with assistance from USAID, under the auspices of the Judiciary. Public defenders are selected by competition on the basis of merit, and are responsible for representing indigent defendants in criminal cases. Public defenders are appointed by the court for each defendant who cannot afford private counsel, and their services are also sometimes requested on behalf of inmates, by prison officials, or by friends and family of imprisoned individuals. Though the number of public defenders is small in terms of the country's needs, it has doubled in the last year: in 1994 there were 55 public defenders; in 1995, there were 105.
- 2.31 The work of the public defenders has been hampered by lack of continuing education, and lack of adequate office space and basic office equipment. The TC operation will thus include financing for

the implementation of a program of continuing education for public defenders, financing for a specialized library and basic office equipment, and financing for the printing and distribution of brochures that explain to the public what services the public defenders offer and how to find and use those services. The training would be carried out by the Judicial School, which will coordinate its programs with the Office of the Public Defenders and the Supreme Court Justice who is Coordinator of the Public Defense.

b. Alternative dispute resolution

- 2.32 The availability of dispute resolution through mediation and arbitration tends to make it possible for more people to solve more disputes more promptly, and remove cases from court dockets, thus tending to reduce backlog and improve the efficiency of the formal justice system. Arbitration is available in Honduras only through the Chamber of Commerce in San Pedro Sula; mediation and conciliation are not widely available.
- 2.33 The TC operation would finance a comprehensive program to support a pilot project for the university in alternative dispute resolution. The operation would provide training for law students in their last years of study at the Universidad Nacional Autónoma de Honduras (UNAH), in conciliation and mediation techniques for civil and family law disputes. There would also be support to the addition of mediation services to the legal counseling performed in the legal aid offices of the university, which serve a stable low-income clientele. Additionally, the operation includes a case-tracking system to determine whether conciliated and mediated decisions are considered satisfactory by parties to them, and whether those decisions are honored in practice (the system would disaggregate information by gender and socioeconomic situation of parties), basic office equipment for the legal aid offices, and basic library materials in mediation and conciliation. The UNAH Law Faculty will introduce a course on alternative means of conflict resolution in its curriculum.
- 2.34 The TC operation will also support work in labor conciliation being carried out in the Ministry of Labor and Social Welfare, seeking to improve the efficiency and geographic coverage of the services the Ministry is presently offering. Additionally, the TC will finance training of 50 officials of the Secretariat in techniques of labor conciliation, installation of a case-tracking system, improvement of office equipment, and acquisition of basic library materials in labor conciliation.
- 2.35 A parallel project to be presented to the Multilateral Investment Fund would fund the establishment of commercial arbitration centers in the Chambers of Commerce and Industry of Cortés and Tegucigalpa.

c. Courtrooms for oral hearings and public proceedings

- 2.36 The draft Criminal Procedure Code now before the Congress in Honduras would require oral hearings that are open to the public in criminal cases. Studies carried out as part of the preparation of this program indicate that the Judiciary does not have physical space within which to hold public oral proceedings. Thus, the program would finance construction of four courtrooms adjacent to the main building of the Judiciary in Tegucigalpa. This location guarantees easy access by the public, and the hearing rooms would be shared by trial and appellate court judges, as well as Supreme Court Justices. The construction of these courtrooms will only resolve the immediate problem in Tegucigalpa. The Judiciary will be developing a plan of construction to respond to the needs for oral proceedings in other parts of the country.
- 2.37 Preliminary designs for the four courtrooms in Tegucigalpa have been prepared. The program will finance preparation of final designs, construction and basic equipment for each of the courtrooms.

d. Construction of courthouses for justices of the peace

- 2.38 There are 325 justices of the peace in Honduras. For the majority of Hondurans, the only contact with the Judiciary is through the justices of the peace. Justices of the peace operate as first-level trial courts for civil and criminal matters, handling most of the day-to-day conflicts in the communities they serve. Those cases that they cannot resolve through conciliation or sentence, they send to the trial courts. Justices of the peace have been working in difficult physical conditions in Honduras for many years: they have not had adequate office or hearing space, and have had to travel long distances, as some of the communities they serve do not have a place for a judge to live or even to room for a night. This makes it difficult for the Judiciary to attract qualified candidates to the positions of justice of the peace. This situation has become critical with the enactment of the new Law of Municipalities. This law has eliminated the obligation, long imposed on municipalities, to provide office and hearing space for the justice of the peace assigned to each town. Many municipalities now provide no space for justices of the peace, since they are pressed for space to house other official, municipal, services. In many cases the Judiciary is renting space from the municipalities which in general is inadequate for the needs of the judges and the efficient resolution of cases. The Judiciary began a plan of construction to respond to this need and at this point in time has constructed courthouses for justices of the peace in Amapala, Sabana Grande, Buenaventura, and Arenal.
- 2.39 The program would finance construction of courthouses for justices of the peace in at least 80 municipalities throughout the country. There are two models for courthouses which respond to the

PROGRAM COST PER COMPONENT

Component (in thousands of US\$)	IDB/FSO 5,187	TC 1,500	TOTAL 6,688
<b>Modernization of legislation</b>	1,006	0	1,006
Legal reforms	216	0	216
Training	596	0	596
Dissemination and publications	194	0	194
<b>Access to justice</b>	4,181	455	4,636
Strengthening of Public Defenders' Office	0	169	169
Pilot projects for dispute resolution	0	286	286
Works and equipment	4,181	0	4,181
Construction of courthouses for justices of the peace	3,800	0	3,800
Construction of rooms for oral proceedings	240	0	240
Furnishings and equipment	141	0	141
<b>Strengthening of Judiciary</b>	0	1,045	1,045
Reorganization of Judiciary	0	220	220
Administrative management system	0	191	191
Strengthening of Law School	0	331	331
Strengthening of Public Ministry	0	302	302

- 2.42 The first component, law reform, will be funded by the proposed loan operation. The second component, institutional strengthening of the judiciary, includes activities which are clearly within the scope of technical assistance, therefore this component will be fully funded by the proposed parallel nonreimbursable technical cooperation. The third component, access to justice, includes both technical-cooperation activities and infrastructure; thus the infrastructure will be financed through the proposed loan and the other activities through the proposed TC.
- 2.43 The size of the components reflects the cost of addressing the most pressing needs in each of the areas described relevant to law reform, institutional strengthening and access to justice. With regard to the dimensioning of the infrastructure subcomponent, the proposed financing will cover at least one third of the most needed constructions. This presents a sizeable number of constructions for the Judiciary to begin addressing its infrastructure needs and will allow the Supreme Court staff involved in project implementation to be fully versed in project execution and procurement skills, facilitating a second stage of construction in the future.

D. Cost and Financing of the Program

TOTAL COST AND FINANCING OF THE PROGRAM (in thousands of US\$) FSO Loan								
	CATEGORY	IDB/FSO	Local contribution	Total	%	TC	Total	%
I	ENGINEERING AND ADMINISTRATION	1,514	48	1,562	19.5	0	1,562	16.44
	1.1 Executing unit	909	29	938	11.7	0	938	9.87
	1.2 Monitoring and ex post	126	4	130	1.6	0	130	1.37
	1.3 Studies and designs	283	9	292	3.6	0	292	3.07
	1.4 Supervision of	196	6	202	2.5	0	202	2.13
II	DIRECT COSTS	5,027	161	5,187	64.8	1,500	6,687	70.39
	2.1 Works and equipment	4,051	130	4,181	52.3		4,181	44.01
	2.1.1 Construction of	3,682	118	3,800	47.5		3,800	40.00
	2.1.2 Construction of rooms for justices	233	7	240	3.0	0	240	2.53 %
	2.1.3 Furnishings and equipment	137	4	141	1.8	0	141	1.48
	2.2 Modernization of	975	31	1,006	12.6	0	1,006	10.59
	2.3 Access to justice	0	0	0		455	455	4.79
	2.4 Strengthening of Judiciary	0	0	0		1,045	1,045	11.00
III	RECURRENT COSTS	0	548	548	6.9	0	548	5.77
	Subtotal	6,540	758	7,298	91.2	1,500	8,798	92.61
IV	UNALLOCATED	419	0	419	5.2		419	4.41
	4.1 Escalation	368	0	368	4.6		368	3.87
	4.2 Contingencies	517	0	51	0.6		51	0.54
V	FINANCE CHARGES	241	42	283	3.5	0	283	2.98
	5.1 Interest	169	0	169	2.1		169	1.78
	5.2 Credit fee	0	42	42	0.5		42	0.44
	5.3 Inspection and supervision	72	0	72	0.9		72	0.76
	TOTAL	7,200	800	8,000	100	1,500	9,500	100.00

2.44 The estimated total cost of the program is the equivalent of US\$9.5 million. The Bank would lend the equivalent of US\$7.2 million from the FSO and would furnish the equivalent of US\$1.5 million in nonreimbursable technical-cooperation funding to pay for the consulting services envisaged in the plan of operations attached as Annex I. The terms and conditions of the loan are



shown in the executive summary at the beginning of the proposal. The terms and conditions of the technical cooperation funding are provided in the aforementioned plan of operations. The equivalent of US\$0.8 million in local counterpart funding would be supplied by Honduras from the budget of the Judiciary. The above table shows the allocation of funds by cost category and source of financing. A more detailed budget for the program is provided in Annex II-1.

### III. INSTITUTIONAL FRAMEWORK AND EXECUTION OF THE PROGRAM

#### A. Borrower and executing agency

- 3.1 The borrower will be the Republic of Honduras. The executing agency of the program will be the Supreme Court of Justice, acting through a program executing unit (PEU). The government would assume responsibility for servicing the debt associated with the loan and would sign transfer-of-funds agreements with the executing agency, which would have to be submitted to the Bank as a condition precedent to the first disbursement. It is recommended that, as a condition precedent to the first disbursement, the borrower demonstrate its commitment to contribute the counterpart funds needed for project execution.

#### B. The Judiciary in Honduras

##### 1. Legal framework

- 3.2 The essential framework of the Judiciary is set forth in the Law on Organization and Attributions of Courts. Its central structure is made up of: (i) one Supreme Court, composed of nine regular and seven alternate justices and divided into three Chambers (Civil, Criminal, and Labor), each comprising three justices; it has the power to appoint all the country's judges and other officials of the Judiciary, as well as to organize and direct the administration of justice; (ii) 10 Appeals Courts; (iii) 67 lower-court judges divided into eight judicial sections; and (iv) 325 justices of the peace with varying powers.
- 3.3 This basic structure receives administrative support from the administrative and technical departments of the Supreme Court. These include the Department of Planning, Budget, and Financing; the Administrative Department; the Department of Personnel Management; the Council on Career Paths in the Judiciary; the Committee on Judicial Reform; Auditing; Cashier's Office; the Judicial School; the Public Registers of Real Estate and Commercial Property; the Inspectorate of Courts; and the Public Defender's Office.

##### 2. Administration

- 3.4 Many of the Judiciary's administrative functions have been performed by the full Supreme Court (appointments, leave, personnel transfers, buildings, etc.). However, in January 1995 a Court Administrator was appointed through a competition supervised by USAID. The administrator is responsible for general matters related to administration of the Supreme Court and has accordingly been taking over many of the administrative tasks previously handled directly by the Supreme Court Justices.

- 3.5 Under the institutional strengthening component of the program, which will be financed under the technical-cooperation project, support will be provided for the efforts already begun by USAID to overcome the shortcomings in the administrative management of the Judiciary. These activities will lead to a more efficient planning and budgeting system, better trained personnel, and computerized systems that will speed up processing.
- 3.6 The CSJ's Office of Administration and Engineering, headed by the Court Administrator, relies for support on engineering and administrative professionals. During preparation of the program, this office worked closely with the Bank and the consultants hired to do the design work. Based on the knowledge gained from this experience, the office will support the PEU in all activities involving infrastructure, drafting of legal reforms, and institutional strengthening.

### 3. Financial resources

- 3.7 The Judiciary is part of the country's public sector and, as such, is governed by the laws, rules, and procedures established for public administration.
- 3.8 The Comptroller General of the Republic exercises oversight before and after execution of the Judiciary's budget. The annual budget is prepared by the branch's budget department, based on 18 subprograms covering the different activities of the Judiciary. The full Supreme Court then approves the draft budget and submits it to the Ministry of Finance for consideration and execution.
- 3.9 The budget allocated to the Judiciary in the last five years (1990-94) was executed in full, as shown in the table below (in millions of December 31, 1994 dollars):

YEAR	ALLOCATED AND EXECUTED	% CHANGE PLUS (MINUS)
1990	2.6	3.4
1991	2.7	3.8
1992	3.2	18.5
1993	3.7	15.6
1994	5.8	56.7

- 3.10 The budget allocated for 1995 is US\$9.9 million, a 70.7% increase over 1994. Preliminary information suggests that the Supreme Court has spent 100% of the budget allocated for that year.

- 3.11 In 1995, the resources allocated to the Judiciary began to be calculated as a percentage of the country's overall budget (excluding funds from external financing sources). Accordingly, in 1995 the Judiciary was allocated 2.1% of that budget; for 1996 it will be allocated 2.5%, and, starting in 1997, the percentage is to rise to 3%. The latter figure is the percentage mandated by the Constitution to be allocated to the Judiciary annually.
- 3.12 Analysis of forecasts of the Judiciary's revenues and expenditures indicates that, from year three of execution onward, its regular budget would be sufficient to cover the roughly US\$189,000 in recurrent costs arising from program execution.
- 3.13 The Judiciary has an internal auditing department reporting directly to the Comptroller General of the Republic. This department would assist the executing unit in overseeing and monitoring the program and establishing the administrative and financial procedures to be followed for program execution.

C. Execution and institutional framework

1. Supreme Court of Justice

- 3.14 The Supreme Court of Justice will be the executing agency of the program. It will act through a program executing unit (PEU), which will have the requisite managerial, technical, and financial capacity to properly carry out, on a timely basis, each of the activities described in the program, including both the proposed loan and the parallel technical-cooperation project.
- 3.15 To facilitate execution of the components financed under the technical-cooperation project, the Court will sign agreements with the participating institutions responsible for their execution (Public Ministry, Public Defender's Office, UNAH, Ministry of Labor, and JNBS). These documents will stipulate among other things, the terms that are to govern the operational aspects of the program, as well as the obligations and responsibilities of the parties. The execution timetables, targets, and budget will be attached to the agreements, which will be negotiated with the beneficiary institutions and reviewed by the Bank's project team. Their signature will be a condition precedent to the first disbursement.

2. High-Level Committee to Modernize the Justice System

- 3.16 The High-Level Committee will be the advisory body for the PEU on technical aspects of the program. The Committee will be composed of the President of the Supreme Court of Justice, who will act as chairman, the Minister of the Interior and Justice, the Attorney General, and the Minister of the President's Office (Executive Secretary of the Commission on Government Modernization). The

Committee will have no responsibility for any administrative or financial aspects of the program.

3. Executing unit

- 3.17 The PEU will be headed by an executive director, who will assume full responsibility for program execution and oversight and will report to the President of the Supreme Court. The PEU director will be assisted by two support units: (i) a technical unit responsible for supervision and technical advice; and (ii) an administrative and financial unit, with responsibility for administering the program resources and the local counterpart funding, as well as all administrative and logistical matters. In addition, in each participating institution, one person will be assigned responsibility for executing the components and coordinating them with the PEU.
- 3.18 The PEU director will also be supported by the consultants funded by the program to assist in its execution, monitoring, and evaluation. In all, it is estimated that the PEU will have approximately 10 employees. Annex III-1 presents details of the PEU's organizational structure and a breakdown of costs. As part of the preparation of this program, a detailed listing of the PEU's responsibilities was drawn up, together with the profiles and qualifications of the personnel required.
- 3.19 Prior to the first disbursement, the Supreme Court must establish the PEU and recruit its staff, with advice from the High-Level Committee.

D. Mode of execution

- 3.20 The actions required to modernize the justice sector are varied in nature (legislative, institutional, budgetary, etc.) and highly dynamic. The traditional format of setting rigid, predetermined targets should therefore be replaced by a system that allows changes to be made with the necessary swiftness. The program will thus have a flexible execution procedure whereby the PEU and the Bank will agree each year on an annual work plan to be carried out the following year, based on the experience gained by the PEU, monitoring activities, and periodic evaluations.
- 3.21 A detailed work plan was drawn up jointly with the government authorities for year one of program execution, covering the activities to be carried out during that period (see Annex III-2). The activities, targets, and budgets for the following three years have been identified, but there are built-in mechanisms to allow for changes (for example, expenses for disseminating new laws and for associated training will not be incurred until the laws have been passed; resources will not be invested in administrative strengthening of the Judiciary until the proposal for administrative

reorganization has been approved). The timetables and budgets for those years should therefore be considered tentative.

- 3.22 The AWP's will be prepared with the active participation of the representatives of each institution participating in the program. The targets to be met and activities to be carried out must not only be consistent with the overall objectives of the program but must also incorporate the experience acquired to date. Attention will be paid to the sequence of proposed activities, expected results, indicators of success, budget allocated, timetable set, and the terms of reference for the consulting services.
- 3.23 One month before the end of the first year of activities, the PEU must send the Bank a report showing the extent to which the targets for the first year of the program have been met, together with an AWP for the next year (a procedure to be followed in subsequent years). Each AWP must have as an attachment the respective financial plan, broken down by component and activity, using the charts of accounts previously agreed upon with the Bank. Approval of the AWP by the Bank will be a condition precedent to disbursement for the next year.

E. Coordination and supervision

- 3.24 The PEU will be responsible for ongoing coordination with the justice system institutions targeted by the program activities. It must, in addition, draw up a timetable for periodic meetings with other international agencies that are financing activities in the sector so as to avoid any duplication of efforts and resources.
- 3.25 Supervision of the program will be entrusted to the Bank's Country Office in Honduras, assisted by the project team. Continuous monitoring will be carried out from the time that program execution begins. These activities will be supported by consulting services provided for in the program.

F. Timetable for execution

- 3.26 The program execution period is estimated at four years. During preparation of the program a tentative timetable was drawn up for activities under the project, which will serve as a basis for determining the annual work plans.

G. Timetable for disbursements

- 3.27 The tentative timetable for disbursements is shown in the table below:

TIMETABLE FOR DISBURSEMENTS (in thousands of US\$)					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	TOTAL
IDB	1,975	2,782	1,901	542	7,200
LOCAL	112	238	247	203	800
TOTAL	2,087	3,020	2,148	745	8,000
Percentage	26%	38%	27%	9%	100%

H. Procurement of goods and services, and awarding of construction contracts

3.28 The PEU will be responsible for conducting the calls for bids for the procurement of goods, the awarding of construction contracts, and the selection of consulting services for the program, and for preparing the terms of reference and other technical specifications. It will also coordinate the procedures for the awarding and signing of construction contracts. At each stage it will follow the respective Bank procedures, which will be part of the loan contract.

1. Civil works

3.29 For construction of the courthouses for justices of the peace and hearing rooms for oral proceedings, it is recommended that the works be put up for bid in packages to ensure that domestic contractors are interested and there is competition. Goods will be procured and construction contracts awarded in accordance with the procedures stipulated in Annex B to the loan contract. International competitive bidding (ICB) will be compulsory for construction contracts of over US\$1 million. Where the construction packages are between US\$250,000 and US\$1 million, domestic competitive bidding (DCB) will be required. Works costing less than US\$250,000 will be carried out through private calls for bids, with at least three contractors being invited to bid. In remote rural areas, direct contracting will be allowed for contracts of less than US\$100,000. Given the nature of the works, neither prequalification nor registration of bidders will be required under the bidding procedures for the awarding of construction contracts.

2. Equipment and materials

3.30 International competitive bidding will be mandatory for the procurement of goods in amounts over US\$250,000. For the purchase of goods costing between US\$150,000 and US\$250,000, DCB procedures

will be followed. For the purchase of goods costing less than US\$150,000, private bidding procedures will be followed, with invitations going to at least three suppliers. Private bidding and DCB procedures will be open to international suppliers.

3. Consulting services

- 3.31 Consulting services will be hired in accordance with Annex C to the loan contract. International competitive bidding (ICB) procedures will be followed for contracts for more than US\$200,000. Contracts for between US\$100,000 and US\$200,000 will be handled in accordance with domestic competition (DCB) procedures. Consulting services for less than US\$100,000 may be contracted by private competitions, with at least three consulting firms invited to quote. Private competitions or direct invitations, as well as DCB procedures, will be open to international consulting firms.

4. Prior review by the Bank

- 3.32 The Bank's Country Office will review the first five contracts for civil works, regardless of their amount, and all supporting documentation for contracts for civil works and goods for amounts equivalent to or greater than US\$250,000. All the other contracts will be subject to ex post review by Country Office personnel by random sampling.

I. Advance of funds and recognition of previous expenditures

- 3.33 It is recommended that, in accordance with Bank rules, expenditures prior to loan approval but after September 30, 1995, be recognized up to a maximum of US\$300,000, to cover expenses incurred by the CSJ for (i) final designs and studies for the construction projects to be financed, (ii) preparation of bidding documents, and (iii) establishment of the PEU. In view of the nature of the program and its anticipated pace of execution, it is recommended that advances of funds equivalent to 10% of the loan to cover 120 days' expenditures be authorized.

J. External auditing

- 3.34 The financial statements of the program will be examined annually by a firm of external auditors acceptable to the Bank, in accordance with the applicable rules and procedures. These statements must be submitted during the execution period within 120 days after the end of the year in which execution began.

K. Evaluations

- 3.35 During program execution, the PEU will submit semiannual progress reports to the High-Level Committee and the Bank, giving appropriate details on the execution of the program components, goals achieved, the procedures followed in using the proceeds of



the loan, any corrective measures that may have been necessary, and the progress of activities.

- 3.36 Concurrently, the program will undergo annual external evaluations. During the first year of execution, the PEU will hire a consultant to design success indicators and evaluation and impact criteria for each program component, as well as a suitable monitoring and evaluation system. The Logical Framework drawn up during program preparation will serve as the basis for this exercise (see Annex III-3).
- 3.37 The evaluations are to be carried out by experts from different disciplines, whose profiles must be consistent with the work to be implemented under the program. Each program component includes funds earmarked for these annual evaluations. The evaluations of all the different components must be conducted at the same time, which will necessitate teamwork by the various evaluators. The final evaluation must be full and interdisciplinary. This will make it easier not only to make adjustments in individual components but also to fine-tune the program as a whole to achieve the planned objectives. It will also ensure that the program remains a cohesive whole and that the components complement each other.

#### IV. FEASIBILITY AND RISKS

- 4.1 The program is straightforward and self-contained, with clearly defined objectives and outcomes that are feasible within the time frame envisaged for execution. The components are predicated on adequate diagnostic and technical studies, and draw on the experience of other agencies which have carried out projects in the sector; they are tailored to the technical capacities of the institutions involved in the program, so that the objectives set can be attained; and the program includes the technical and financial support needed to ensure its execution. The components of the program consist of activities which will build on the work and/or reforms already begun with funding from other donors, which have so far shown positive results and achievements.

##### A. Feasibility of the program

###### 1. Institutional feasibility

- 4.2 To administer the program, the Supreme Court of Justice will have an executing unit responsible for technical, administrative, and financial management. The operating expenses of the executing unit will be financed from the proceeds of the loan. In addition, it will be supported by specialized consulting services and assisted by the High-Level Committee to Modernize the Justice System, on which the main elements of the justice sector are represented.
- 4.3 During the analysis of the program, the operational and technical responsibilities of each level of project execution were reviewed and defined, together with the organization and reporting relationships of the executing unit and the overall procedures for financial administration of program funds. In addition, the capacity of the Supreme Court to execute the program has been strengthened by the experience it gained preparing and executing projects financed by USAID.

###### 2. Financial feasibility

- 4.4 The financial feasibility of the program was established by assessing the executing agency's capacity to provide the counterpart funds and to absorb the budgetary impact of the incremental recurrent costs stemming from the program.
- 4.5 The local counterpart funds amount on average to US\$200,000 a year. They will be included each year in the Judiciary's budget, and the loan contract will stipulate conditions for ensuring that these funds are made available in a timely manner. Given the high priority which the Government of Honduras has assigned to this program and the fact that the counterpart contribution represents a very modest percentage of the Judiciary's overall budget (about 2%

a year), the funds are expected to be available as needed during program execution.

- 4.6 The additional recurrent costs were calculated on the basis of the costs of maintaining the buildings to be constructed (courthouses for justices of the peace and hearing rooms) and of the associated equipment. These costs will be incurred starting in 1997, the second year of execution, at the rate of US\$189,000 a year, or 1.9% of the Judiciary's total budget projected for that year.
- 4.7 The budget of the Judiciary for 1995 amounted to US\$9.9 million. Allowing for the fact that from 1997 onward the Judiciary is to be allocated 3% of the overall national budget, and with GDP growth projected at 3.9% for 1995 and 1996, there is every confidence that the Judiciary will easily be able to absorb the incremental costs of the project.

### 3. Political feasibility

- 4.8 The program is part of the joint efforts which the different social sectors of the country have been making to modernize the administration of justice and which, with varying degrees of intensity, have been shared by at least the last three administrations. These efforts were recognized by the CPME when it singled out modernization of the justice system as a national priority and pushed for the creation of the High-Level Committee to Modernize the Justice System in 1994. They included interinstitutional coordination and a consensus which had begun to gain momentum in 1985 when support was given to creation of the National Commission on Legal Reform and the Judicial School. The consensus was further solidified at the national forum "Strategy for Improving the Administration of Justice in Honduras," sponsored by the Bank in 1994.
- 4.9 The program's components reflect the conclusions and strategies that grew out of the national forum. During project preparation, very close liaison was maintained with the High-Level Committee to Modernize the Justice System, with a view to ensuring a transparent process and a program with broad government support. The project also includes activities that will promote consensus-building and political cooperation in the preparation and approval of new legal reforms. One aspect of the program will accordingly be to preserve and intensify the political consensus that has been achieved regarding the need to modernize the sector and what direction this modernization should take.

### B. Sustainability

- 4.10 The proposed program is designed to be sustainable through the institutionalization of the reforms being implemented under the program. It represents one more stage in the process of modernizing the judicial system on which the country embarked in 1987. The program complements and consolidates the reforms supported by

other donors and represents the continuation of a long-term process. It stands apart from the earlier stages of reform on account of its activities and its financing of efforts to facilitate access to justice, its emphasis on strengthening institutions within the justice system, by improving their planning and management capacity, and the fact that it provides for both dissemination of and training in the new laws. These strengthening elements should ensure that the reforms launched become institutionalized. Moreover, the government has stated its willingness to allocate the necessary resources to the Judiciary's budget in order to continue the projects that have been started or expanded under the program. It has acted on this commitment by increasing this allocation for 1996 to 2.5% of the country's overall budget.

C. Sizing of the investment in infrastructure

- 4.11 In some municipalities, the serious deterioration in the situation of the justices of the peace who hold court in their buildings, coupled with the lack of water and sanitation facilities, is an issue that unquestionably calls for immediate attention. Most justices do not have access to physical facilities, mainly hearing rooms, in which to hold the oral hearings instituted under the new Code of Criminal Procedures. Supporting the sector with adequate infrastructure thus marks an important step toward the goal of enhancing the credibility of the system, making its procedures transparent, and giving dignity to those responsible for dispensing justice.
- 4.12 The investment in construction was sized on the basis of (i) the architectural studies of the space required to allow the justices to operate and (ii) an analysis of average building costs per square meter. Two kinds of courthouses would be constructed, depending on the demand for services and the population density of the area to be served, measuring either 140 m<sup>2</sup> or 220 m<sup>2</sup>, at an average cost of US\$200 per m<sup>2</sup>. Estimates were also made of the number of courthouses that should be built in the initial phase, bearing in mind the facilities provided by the municipalities and the available building sites.
- 4.13 In deciding whether or not to build courthouses for justices of the peace, an analysis was conducted of the alternative of renting, either from the same municipalities where the justices are currently sitting or from other establishments offering facilities similar to those planned for the courthouses, 3/ taking particular account of sites which municipalities might donate for

---

3/ For this purpose, account was taken of the rents that municipalities have begun to charge, and local specialists were brought in to estimate rental prices, for those localities where establishments are available and in case third parties might be interested in investing in premises for rent.

such buildings. Allowance was also made for the savings on other costs involved in the rental option, such as travel, furniture, and alterations needed in the rented premises.

D. Environment

- 4.14 The Environment Committee classified the program as a Category II operation since no environmental impact is foreseen. Nevertheless, the final engineering and architectural designs include provision for an environmental analysis which will take into account environmental measures consistent with the country's current regulations on the environment and natural resources.
- 4.15 In addition, the technical cooperation project associated with the program includes training activities in environmental issues, which will be incorporated into the training curricula and programs of the Judicial School, the Public Ministry, and the Public Defender's Office.

E. Impact on women and children

- 4.16 Legislation on domestic violence. The legislative reform component includes the drafting of appropriate legislation against domestic violence, which is an endemic problem in Honduras affecting all social strata, but mainly low-income women. The program will seek to support the efforts of the Fiscalía de la Mujer and USAID in this field, through the activities described in chapter II. The program is expected to result in suitable legislation and the necessary training to enable the justice sector to respond effectively to a problem which directly affects women throughout the country.
- 4.17 Code of the Child. The program will support the entry into force of the new Code of the Child. Prepared with strong support from UNICEF, the code draws on the principles of the International Convention on the Rights of the Child and the doctrine of integral protection. This is a very important achievement for Honduras and reflects major changes in the policy of dealing with juvenile offenders. The program will also arrange for dissemination of the new code to justice sector officials and those of related institutions, as well as the necessary training.

F. Risks

- 4.18 The primary risk with the program stems from the legal reforms that will need to be implemented in order to satisfactorily accomplish some of the objectives described in the respective components. Since the legislature has to enact those reforms, it may not prove possible to build a strong enough political consensus for them to be ratified in time. This would delay execution of other activities under the program - for example, training in and dissemination of the new legislation. However, this risk is mitigated by

the fact that: (i) the government has assigned high priority to improving the administration of justice, which is reflected in the priorities set in the plan of the Commission on Government Modernization; (ii) the creation of the High-Level Committee to Modernize the Justice System, for the purpose of pushing reforms in the sector; and (iii) the opposition parties, the Bar Association, the law faculties, the private sector, and the other sectors of Honduran society have already expressed their support for all actions aimed at improving the system of justice.

- 4.19 A second risk relates to the infrastructure subcomponent, where the maintenance and personnel expenses needed to operate the court-houses for justices of the peace and the hearing rooms to be built represent an increase in the recurrent costs of the Judiciary as a whole. This risk is lessened by the following considerations: (i) the Judiciary's budget record has been carefully analyzed, and was determined that the judiciary could absorb these recurrent costs; and (ii) there is a national commitment to improving the administration of justice, which has led to a willingness on the political front to allocate 3% of the national budget to the Judiciary in 1997, which will consolidate its budget situation.

**PLAN OF OPERATIONS**  
**NONREIMBURSABLE TECHNICAL COOPERATION FOR THE INSTITUTIONAL STRENGTHENING**  
**OF THE JUDICIARY AND TRAINING, TECHNICAL ASSISTANCE FOR THE JUSTICE**  
**SYSTEM**

(TC-95-04-06-1)

**EXECUTIVE SUMMARY**

**BENEFICIARY:** The Government of Honduras

**EXECUTING AGENCY:** The Supreme Court through the executing unit for project HO-0109

**AMOUNT AND SOURCE:** US\$1,500,000 (SF)

**TERMS:** Execution Period: 48 months  
Disbursement Period: 52 months

Basis: Nonreimbursable

**RESPONSIBILITY:** The Country Division of Regional Operations Department 2 and the IDB's Country Office in Honduras.

**OBJECTIVES:** This Technical Cooperation will be executed concurrently with the Program for Modernization of Justice Administration (HO-0109), under which financing is to be provided to the Judiciary in an amount up to \$7.2 million.

The objective of the Technical Cooperation operation is to improve the efficiency of the judiciary and to increase citizen access to justice through support of the following: (i) institutional strengthening of the judiciary; (ii) training for the Public Ministry; (iii) training for the Public Defenders; and (iv) support for Alternate Dispute Resolution (ADR) systems in the Universidad Nacional Autónoma de Honduras (UNAH) and Ministry of Labor.

**DESCRIPTION:** The objective and purposes will be achieved by carrying out the activities comprising the Operation's two components:

**Institutional Strengthening.** The purpose of this component is to strengthen the planning, management,

control and information systems of the Judiciary, and strengthen training and management of human resources in the judiciary and the Public Ministry, with the aim of improving the efficiency of the justice sector. The expected results are (i) administrative reorganization of the Judiciary; (ii) systems (including automated/information systems) of administrative management, planning and human resource management in place in the Judiciary; (iii) FOLIO VIEWS (an on-line jurisprudence system) in function; (iv) consolidation of the judicial school; and (v) consolidation of the Training Unit of the Public Ministry.

**Access to Justice.** The purpose of this component is to facilitate access to justice, especially for those of limited means, through: (i) strengthening the Public Defenders Office and legal aid offices; and (ii) promoting the institutionalization of alternative dispute resolution. This component will result in: (i) better-trained public defenders, working in offices having minimum equipment and basic library material necessary for functioning; (ii) a pilot project establishing mediation services in legal aid offices of the UNAH; and (iii) more systematic conciliation carried out by the Ministry of Labor and Social Assistance.

**BENEFITS:**

Every aspect of the program is designed to improve access to justice particularly for lower income groups. The program will improve the efficiency and effectiveness of the Judiciary which will translate into a more cost effective and responsive administration. Support for training programs for the Public Defenders and the Public Ministry will strengthen the legal services available to the public. Support for the mediation and conciliation efforts of the UNAH and Ministry of Labor will provide direct benefit to those citizens unable to pay for the services of a private lawyer.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

As a condition precedent to the first disbursement, the borrower shall submit, to the satisfaction of the Bank: (i) the name of the individual or individuals that may represent it in all acts connected with the execution of the coordination agreements; and (ii) evidence that the conditions precedent to the first disbursement of the loan for the justice administration program have been fulfilled.



## I. Objectives and Justification

- 1.1 The objective of the technical-cooperation program is (i) to strengthen the administrative/management efficiency of the judiciary and therefore the effectiveness of the Supreme Court and the entire judicial sector and (ii) support national programs and agencies which contribute to ensuring access to justice for citizens of all income levels.
- 1.2 A comprehensive program for the improvement of administration of justice must include activities which will improve judicial management, provide for the training of judges and other judicial officers and initiate efforts in projects which will present alternative systems of dispute resolution. The Program for Justice Administration Modernization for Honduras would be incomplete without this Technical Cooperation operation which complements and strengthens the activities to be financed with the loan for project HO-0109.

## II. Project Description

### A. Activities

- 2.1 This Technical Cooperation operation has two principal components: (i) institutional strengthening and (ii) Access to Justice. These two components will support strategic programs in the National Agencies and Departments carrying out important work in the Honduran Judicial sector: Supreme Court, Public Ministry, Public Defender's Program, the Law School of the "Universidad Nacional Autónoma de Honduras" (UNAH), and the Labor Ministry.
- 2.2 The Terms of Reference for the contracts required to carry out the activities proposed for each component can be found in Appendix B of this document. It has been decided with the beneficiaries of the technical-cooperation operation that the estimates of professional requirements (numbers, qualifications, etc...) included the terms of reference are only a first reference and may change according to the Work Plans developed in conjunction with the executing unit (UEP). Any amendments will be agreed upon between the beneficiary, the Bank and the Director of the executing unit.
  1. Institutional strengthening
- 2.3 The institutional strengthening of the Judiciary will involve the use of consulting services in the areas described below:
  - (a) **Organizational Efficiency.** An international firm specialized in management systems and organization will carry out an

organizational assessment of the Judiciary which will include the review of current planning, budgeting, human resources and information systems. The end result should be a proposal to implement activities which will provide solutions to administrative bottlenecks, maximize the available human resources, analyze the possibilities of privatizing certain services and provide a reorganization plan for the Supreme Court.

- (b) **Integrated Human Resources, Payroll and Information Systems.** The current automated management system (MUNIS) of the Judiciary does not seem to be facilitating the day-to-day work, and the subsequent programming and planning that is necessary. This system and its appropriateness to the needs of the Judiciary will be analyzed and the design and implementation of an effective integrated, system of personnel and administrative management will be recommended and installed.
- (c) **Automated Jurisprudence System.** This system (FOLIO VIEWS) currently requires technical adjustments, enhancements and some additional hardware to provide more user-friendly services. This will also be accompanied by proper training and manuals for all users.
- (d) **Judicial School.** The consulting firm described in (a) above will carry out a basic organizational analysis of the Judicial School and present recommendations for a more appropriate structure. This will be accompanied by the development of academic curriculum based on defined occupational groups covering judges, support staff, auxiliary and administrative personnel. To ensure effectiveness of the improved structure, an advisory group will be formed and the needed materials and equipment will be purchased.
- (e) **Strengthening of Training Capacity in the Public Ministry.** The current training unit will be reorganized to achieve a more efficient resource center. The academic curriculum will be defined based on job descriptions and the needs of occupational groups. Modular courses will be designed and the appropriate reading materials and office equipment will be purchased. Training will be provided through the financing of the curriculum developed and an evaluation system will be implemented.

## 2. Access to justice

2.4 The activities directly supporting this component involve the use of consulting services in the areas described below:

- (a) **Public Defender's Program.** As part of the USAID initiative the number of Public Defenders in Honduras doubled to 105 in 1995. An intensive training effort will be undertaken involving the

programming and implementation of 16 specialized courses during a three-year period in different regions of the country. Information pamphlets, describing the role of the Public Defender and how to access this assistance, will be prepared and distributed to the public. Basic office equipment and a specialized library will be acquired to support and ensure the sustainability of the training efforts.

**(b) Alternative Mechanisms for Dispute Resolution**

- (i) Pilot Project in Mediation and Conciliation - UNAH. The activities in this area will train law students in their final year of study who plan to work in the UNAH Legal Clinics, in mediation and conciliation mechanisms. Specialized international consultants will conduct two courses per semester for a three year period. An automated case tracking system for use in the clinics will be designed and implemented. Basic office equipment and furniture will be purchased for the Legal Clinics servicing the public.
- (ii) Labor Conciliation in the Ministry of Labor. The program will finance activities to increase the efficiency and geographic coverage of the labor conciliation currently being carried out. An International Consultant will train groups of 50 for three days in labor conciliation methods. A case tracking system will be developed and implemented and basic office furniture and equipment will be purchased for new regional offices that will be conducting labor mediation and conciliation.

**III. Organization and Execution**

- 3.1 This technical-cooperation operation will be executed by the beneficiary directly through the executing unit established in the Supreme Court for execution of the Program for Modernization of Administration of Justice (HO-0109) in the Supreme Court, by mutual agreement and in accordance with the IDB's procedures.
- 3.2 The executing unit (UEP) has two Technical Coordinators, one responsible for the activities pertaining to Institutional Strengthening of the Judiciary, and the other responsible for activities described in the Access to Justice component. Each institution participating in the program will assign one person to be responsible for execution of the activities to be financed with the technical-cooperation operation, who serve as the counterpart of the Coordinator in the UEP during the technical-cooperation program's execution period. This same person within each

institution will be responsible for ensuring the execution of each area of work.

- 3.3 The consulting services for institutional strengthening of the judiciary are interrelated and will require careful coordination. The consulting services can be divided into two categories: (a) those which can be begun simultaneously and somewhat independently; and (b) those which have to be coordinated in agreement with a strict timetable, given that the results of one set of services will have implications for the ones to follow. Each Technical Coordinator within the UEP will be responsible for ensuring that the consulting services are carried out in the needed sequence.
- 3.4 The consulting services for the projects in the Component of Access to Justice can be carried out simultaneously given that they involve separate institutions and the activities are not interrelated. For example the projects in mediation and conciliation can be carried out simultaneously with the program for training of the Public Defenders. The Technical Coordinator for this component will establish the timetable for implementation of each project in coordination with the counterpart assigned from each institution.
- 3.5 As part of the process of awarding consulting services contracts, prospective consultants will be asked to submit comments on the terms of reference for the work for which they have been invited to submit bids. This will allow the Technical Coordinator for the institutional strengthening component to ensure that the prospective consultants have clearly grasped the objectives, tasks, and output required in the various areas of consulting.

#### Monitoring and Evaluation

- 3.6 Responsibility for supervising and evaluating this operation will rest with the Country Division of Regional Operations Department 2 and the IDB's Country Office in Honduras.

#### Time Frame

- 3.7 The program will be executed in coordination with the activities of the loan for the proposed project HO-0109. Therefore, the program is to be executed within 48 months after the technical cooperation is approved by the Bank. The deadline for final disbursement will be up to 52 months from the same date.

### **IV. Budget**

- 4.1 The total cost of the operation is US\$1,500,000, according to the breakdown shown in Table I. The Bank's contribution chargeable to

the Fund for Special Operations (FOE) will be US\$1,500,000 on a nonreimbursable basis. Local counterpart funds will be allocated "in-kind", primarily for the administration and execution of the operation's activities. This includes financing of personnel who will support the execution of the operation's activities, office space and operation and maintenance of offices and equipment.

- 4.2 Bank funds will be disbursed in accordance with the Bank's procedures, either from IDB headquarters or through the Bank's Country Office in Honduras.
- 4.3 The budget for the project will be executed in accordance with the following categories:

Detailed budget  
(equivalent in US\$)

DESCRIPTION	IDB	Local <u>1/</u>	Total
<b>A. Administration and Execution</b>		200,000	200,000
<b>B. Institutional Strengthening</b>	1,044,600		1,044,600
- Organizational Assessment and Proposal	170,000		170,000
- Implementation of Reorganization	50,000		50,000
- Evaluation of <u>MUNIS</u> (integrated human resources, budget and administrative management information system)	5,000		5,000
- Implementation of new system or upgrading MUNIS	50,000		50,000
- Training	4,000		4,000
- Enhancement <u>FOLIO VIEWS</u> (Jurisprudence System)	20,000		20,000
- Preparation and transcription of data	50,000		50,000
- Training	4,000		4,000
- Equipment for MUNIS and FOLIO VIEWS	58,400		58,400
- <u>Judicial School</u> Strengthening (Proposal)	20,000		20,000
- Curriculum development	10,000		10,000
- Strengthening Advisory Council	5,000		5,000
- Equipment, supplies, publications and library	36,000		36,000
- Implementation/execution of training programs	260,000		260,000
- Strengthening Training Unit of the <u>Public Ministry</u>			
- Proposal development and design of academic curriculum	20,000		20,000
- Design of a training program based on modular courses	10,000		10,000
- Creation and implementation of an Advisory Council	5,000		5,000
- Publications and Reference library	35,000		35,000
- Implementation/execution of training programs	232,200		232,200
<b>B. Access to Justice</b>	455,400		455,400
- Strengthening of the <u>Public Defenders</u>	86,000		86,000
- Training	65,500		65,500
- Equipment and Library	17,500		17,500
- Public Information Pamphlets			
- Pilot Projects in <u>Alternative Dispute Resolution</u>	48,000		48,000
- Training Law school students (UNAH)	10,000		10,000
- Implementation of Case Tracking system	59,200		59,200
- Office equipment	5,000		5,000
- Reference Library			
	100,000		100,000
- Training staff in Ministry of Labor	10,000		10,000
- Implementation of Case Tracking system	49,200		49,200
- Office equipment	5,000		5,000
- Reference Library			
<b>TOTAL</b>	1,500,000		1,500,000

1/ "In-kind".

## V. Reports

- 5.1 The consultants or consulting firms hired to perform the tasks described in this plan of operations, the terms of reference for which are summarized in Annex A & B of this document, will submit their reports in spanish to the Director of the UEP, who in turn will forward them to the Bank and the beneficiary institutions. The reports will be reviewed by the beneficiary and the Coordinator in the UEP responsible for each component, and approved by the Bank.
- 5.2 The Director of the UEP must submit the following reports to the Bank and the beneficiaries:
- a. A detailed work plan containing a complete program of the activities and expenditures included in this operation. The plan must be based on this plan of operations and contain a detailed timetable for the execution of the activities. This work plan will include: (i) a proposal with respect to the organization, administration, and scheduling of the activities to be carried out; (ii) coordination and supervision issues involved in the implementation of the program; (iii) requirements and conditions for selecting consultants; and (iv) plan for the methodology to be used for the periodic evaluation of the activities and for the final evaluation of the operation.
  - b. Mid-term reports (every six months) containing detailed descriptions of the work done during the period in question. These reports must also give a concise description of the work to be carried out in the following period, as well as recommendations concerning course of action that should be taken and changes that should be introduced into the implementation of the operation.
  - c. Final Technical Report: Based on the progress reports submitted to the Bank, and during the month following completion of the execution of the technical cooperation operation, the UEP Coordinator will submit a final report summarizing the results of the operation and the extent to which the proposed goals of the operations have been achieved.

## VI. Consultancy Objectives

- 6.1 The Consultancy Objectives described below provide an overall description of the purpose of each activity to be financed through this Technical Cooperation Operation as detailed in Table II of this document. The specific Terms of Reference are found in Annex A & B of this document. Annex A provides a Summary Table of

Consultants and working days required, both international and national, activities to be carried out and outputs expected. Annex A provides narrative descriptions of the consultancies and specific terms of reference describing academic qualifications and professional expertise required.

1. Institutional Strengthening of the Judiciary

a. Organizational assessment and restructuring of the Judiciary

**Objective:** To undertake a thorough organizational assessment of the Judiciary in terms of management systems and policies in the areas of personnel management, budget preparation and administration, purchasing, information systems and general administration with the objective of maximizing resources by re-defining work loads and staff requirements, decentralization of certain functions, out-sourcing specific services, and the review of legislation which should be updated to implement the changes that will lead to a more efficient administration. The recommendations resulting from the assessment should present a plan for an administrative reorganization accompanied by a description of costs and benefits and should contemplate the transfer of administrative functions from the Supreme Court Magistrates to an appropriate administrative body. Once the reorganization is approved by the Supreme Court Magistrates, funds will be made available to develop the management systems and implement the changes recommended in the assessment.

b. Integrated, human resources, budget and administrative management information system

**Objective:** To evaluate the current system of administrative and personnel management (MUNIS), in order to ascertain the benefits of enhancing and supporting training in this system or proposing the purchase or design of a new system aptly suited for the needs determined by the organizational assessment. The evaluation should include a detailed cost benefit analysis of the proposed alternatives.

c. Enhancement of automated Jurisprudence System (Folio Views)

**Objective:** To evaluate the automated system of judicial decisions (FOLIO VIEW) and determine what will help make it more user friendly and of real value to judicial sector users. This may require adaptation of the system to spanish and a transcription of all the data. The assessment should include a detailed description of the work carried out within the last two years on the system and a training plan to ensure full utilization of the system by its users.



d. Strengthening of the Judicial School

**Objective:** To evaluate the current functioning of the school and develop a proposal to improve its organization and efficiency in order to respond to the training needs of the judiciary. The proposal should include the development of a new curriculum for the school based on occupational profiles and on the concept of modular courses. Policy guidelines with regard to the functioning of the Judicial Council, the advisory body for the Judicial School, should be reviewed and updated.

e. Strengthening of the Training Unit of the Public Ministry

**Objective:** To carry out an organizational evaluation of the Public Ministry's Training Unit and propose a structure which will better respond to the needs of its rapidly increasing staff. The proposal will also include the development of a curriculum based on occupational profiles and the concept of modular courses. Finally, recommendations should be provided for the establishment and functioning of an advisory body for the newly organized training unit.

2. Access to Justice

a. Strengthening of Public Defenders

**Objective:** To develop a training program and curriculum which will ensure the timely and effective training of the current 105 Public Defenders across the country. The consultancy will also be required to develop pamphlets describing the services provided by Public Defenders and how the Public can access these services. This should also include a plan for distribution of the pamphlets to ensure the largest coverage possible.

b. Pilot Projects in Alternative Dispute Resolution

**UNAH Legal Clinics. Objective:** To develop an effective program of training for last year Law students which will transfer the essential knowledge and skills required for mediation and conciliation. The consultancy will also develop a case tracking system, which will measure the results of the mediation and conciliation processes undertaken, allowing the information to be accessed by gender and differing income levels.

**Ministry of Labor. Objective:** To develop training programs for approximately the 50 staff members of the Ministry who work directly in conciliation of labor cases throughout the country. This training program needs to take into consideration the differing educational levels of the Ministry staff working in this area and the fact that the training will include staff for

new offices outside the Tegucigalpa, San Pedro metropolitan areas. The consultancy will also establish a case tracking system which will measure the results of the conciliation efforts and provide information by gender and socio-economic levels.

ANNUAL WORK PLAN: YEAR 1

ACTIVITIES	QUARTER			
	1	2	3	4
<b>C1. Legislative reform component</b>				
1.1.1 Establish a drafting committee for the new Organic Law on Courts			X EU	X⇒ EU
1.2.1 Establish a drafting committee for the new regulations on Constitutional Jurisdiction	X EU	X EU	X EU	X⇒ EU
1.3.1 Establish a drafting committee for the new Code of Civil Procedure	X EU	X EU	X EU	X EU
1.4.1 Design a training program with modular courses for the new Code of the Child				X JS UCPM
1.4.2 Dissemination and training: Print new code and organize courses for justice sector officials	X JB, LB	X JB, LB	X JB, LB	X⇒ JB, LB
1.5.1 Conduct diagnostic study on the situation in the field, in preparation for drafting legislation on domestic violence	X EU			
1.5.3 Establish a drafting committee for new legislation on domestic violence		X EU	X EU	
1.5.4 Consensus-building to promote new law on domestic violence				⇒
1.6.1.1 Establish a drafting committee for the new law to promote investment	X CHEP	X CHEP	X CHEP	X⇒ CHEP
1.6.3 Studies and draft laws to promote investment				

ACTIVITIES	QUARTER			
	1	2	3	4
<b>C2. Institutional strengthening of the justice sector component</b>				
2.1.1 Prepare a proposal with alternative options for optimizing resources, redefining position descriptions and staffing, and decentralizing functions; examine possibility of privatizing services and evaluate laws which need to be amended to bring about ideal implementation. This analysis should pay special attention to the Judicial School.				
2.1.3 Execution of the proposal in 2.1.1				
2.2.3 Equipment needed to run MUNIS and FOLIO VIEWS				
2.4.1 Analyze structure, organization, and functioning of the Judicial School	X JB,PM IC	X JB,PM IC	X JB,PM IC	
2.4.2 Draw up a proposal to improve the efficiency and coverage of the Judicial School				X PM,IC
2.4.3 Devise an academic curriculum based on the occupational profiles of justice sector personnel (judges, legal assistants, and support personnel)			X JB,LB,PM, PD	X⇒ JB,PM, PD
2.4.4 Design and implement a training plan based on modular courses to strengthen the Judicial School			X EU,IC	X⇒ EU,IC
2.4.5 Form an advisory group for the Judicial School			X EU	X⇒ EU
2.4.8 System for monitoring the training program			X	X⇒
2.5.1 Analyze the structure, organization, and functioning of the training unit	X PM,JB	X PM,JB	X PM,JB	X PM,JB
2.5.2 Draw up a proposal to strengthen the Public Ministry's training unit			X EU	X⇒ EU
2.5.3 Devise an academic curriculum based on the occupational profiles of the Ministry's personnel			X PM,JB	X⇒ PM,JB
2.5.4 Design and implement a training plan based on modular courses for Public Ministry officials				X⇒ EU,IC
2.5.5 Form an advisory group for the training unit				X⇒ PM,JB IC

ACTIVITIES	QUARTER			
	1	2	3	4
<b>C3. Access to justice component</b>				
3.1.1 Training of defenders as part of the effort to strengthen the public defense function		X JS,PD MCDP	X JS,PD MCDP	X⇒ JS,PD MCDP
3.1.2 Equipping of offices of Public Defender's Office	X EU,PE	X EU,PE	X EU,PE	X EU,PE
3.2.1.1 Training for students at the legal aid offices in techniques for conciliating and mediating disputes		X JS	X JS	X⇒ JS
3.2.1.3 Equipping of the offices in which the pilot project is to be carried out			X EU,PE	X⇒ EU,PE
3.2.2.1 Training of Ministry of Labor officials in labor conciliation techniques		X EU,ML	X EU,ML	X⇒ EU,ML
3.2.2.3 Equipping of the offices in which the experiment is to be conducted			X EU,PE	X EU,PE
3.3.1 Publicizing of the service		X EU	X EU	X⇒ EU
3.3.2 Training of arbitrators				
3.3.4 Design, planning, and tendering of courthouses for justices of the peace	X EU	X EU		
3.4.3 Design, planning, and tendering of hearing rooms	X EU	X EU		
3.4.4 Construction of courthouses for justices of the peace			X EU	X⇒ EU
3.5.2 Evaluation of the component			X CAN	X⇒ CAN
<b>Execution of the program</b>				
Executing unit				

## ANNUAL WORK PLAN: PERIOD 0

ACTIVITIES	QUARTER	
	1	2
<b>Engineering and administration</b>		
Functioning of the executing unit, the body in charge of administering, coordinating, and supervising project execution	X	X
<b>Schedule of costs</b>		
Equipping of the EU	X CB,DCB	X CB,DCB
Purchase of furniture for the EU	X CB,DCB	X CB,DCB
Computer equipment	X CB,DCB	X CB,DCB

## KEY TO ABBREVIATIONS

CAN	High Level Committee*
CB	Competitive bidding
CHEP	Honduran Private Enterprise Council
CPMD	Coordinating Magistrate in the Public Defender's Office
DCB	Domestic competitive bidding
EU	Executing unit
IC	International consultant
JB	Judicial Branch
JS	Judicial School
LB	Legislative Branch
ML	Ministry of Labor
PD	Public Defender's Office
PE	Private enterprise
PM	Public Ministry

## Key to symbols

⇒ Denotes that the activity continues the following year.

\* The High-Level Committee is the advisory body to the EU, composed of the President of the Supreme Court of Justice, the Attorney General, the Minister of the Office of the President, and the Executive Secretary of the Commission on Government Modernization.

## LOGICAL FRAMEWORK

## 1. LEGISLATIVE REFORM COMPONENT

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL:</b> To modernize the legislation so as to improve the climate of judicial certainty, promote investment, and strengthen the rule of law	That the country has new laws which contribute to the rule of law, judicial certainty, and a favorable investment climate	Publication of those laws in the Official Gazette	Political consensus to enact the bills developed under the program in a reasonable time frame in accordance with the action timetable presented
<b>PURPOSE:</b> To produce, within a period of 4 years, basic legal instruments to modernize the work of the Judiciary, constitutional jurisdiction, and civil procedures, to improve the status and jurisdictional treatment of minors, to afford protection against domestic violence, and to create a favorable investment climate	<ol style="list-style-type: none"> <li>1. Rules and regulations for the Judiciary that will enable it to function appropriately and that provides, among other things, for:               <ul style="list-style-type: none"> <li>- Separation of administrative from jurisdictional functions</li> <li>- Delegation of powers to the Judiciary so that it can determine how many judges and courts the country needs</li> <li>- Decentralization of functions</li> <li>- Depoliticization of the appointment and tenure of judges and justice sector officials</li> </ul> </li> <li>2. Straightforward and expeditious procedure for filing petitions for relief, habeas corpus, and unconstitutionality</li> <li>3. Increase in petitions filed for habeas corpus, relief, and unconstitutionality</li> <li>4. Speedy civil proceedings</li> <li>5. Reduction in length of proceedings in civil matters</li> <li>6. Jurisdiction of minors operating in accordance with the provisions of the Code of the Child</li> </ol>	<ul style="list-style-type: none"> <li>- Submission of the bills to Congress</li> <li>- Publication of the laws in the Official Gazette</li> <li>- Skills-building seminars held according to program goals</li> <li>- Investment statistics from chambers of commerce and other private sector organizations</li> <li>- Statistics from the Constitutional Chamber showing a positive ratio between petitions filed and ruled upon</li> <li>- Statistics from the Judicial School and the Public Ministry</li> </ul>	Approval by Congress of the laws proposed under the program

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<ul style="list-style-type: none"> <li>7. More judges, prosecutors, and defenders working full-time on issues affecting minors</li> <li>8. Inclusion of issues affecting minors and domestic violence in the curriculum of the Judicial School and the Public Ministry's training unit</li> <li>9. Specialized legislation on domestic violence providing for a comprehensive approach to the problem</li> <li>10. Existence of prosecutors and defenders specializing in resolving cases of domestic violence</li> </ul>		
<b>EXPECTED OUTPUTS:</b> <ul style="list-style-type: none"> <li>1. New Organic Law on Courts</li> <li>2. New Law on Constitutional Jurisdiction</li> <li>3. New Code of Civil Procedure</li> <li>4. Legislation on domestic violence</li> <li>5. New Code of the Child in operation</li> </ul>	<ul style="list-style-type: none"> <li>- Bills drafted by special committees</li> <li>- Enactment of laws by Congress (if the laws are not passed, it is not possible to continue with subsequent activities)</li> <li>- Printing and dissemination of new laws</li> <li>- Training of justice sector administrators in the new laws</li> </ul>	<ul style="list-style-type: none"> <li>- Official Gazette</li> <li>- Official statistics on the judicial system</li> </ul>	Political support to move ahead with enactment of the laws mentioned



## 2. JUSTICE SECTOR STRENGTHENING COMPONENT

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL:</b>  To improve the efficiency of the administrative structure of the Judiciary and the technical capacity of the justice system's human resources	Improved utilization by the Judiciary of its human and financial resources  Stable human resources skilled in the performance of their duties  1. Effective operation of administrative procedures and systems; systems and organization manuals implemented; manual procedures fully automated	Systems and organization manuals implemented	
<b>PURPOSE:</b>  Within a period of 4 years, to strengthen the planning, management, and control systems, the information systems, training, and human resources management	2. Judiciary and Public Ministry have better trained and stable human resources to ensure efficient and transparent management of the Judiciary's business	External evaluations  Reports on the work of the Judiciary and the Public Ministry	Willingness of the Judiciary to implement changes suggested and to follow the procedures recommended  Support from the Judiciary and the Public Ministry for the Training School and training unit of the Public Ministry
<b>EXPECTED OUTPUTS:</b>  1. Administrative reorganization of the Judiciary  2. Administrative management, planning, and human resources management systems in operation  3. FOLIO VIEWS (Jurisprudence data base) operational  4. Consolidation of the Judicial School  5. Consolidation of the Public Ministry's training unit	Consulting services completed and suggested recommendations implemented (new structure)  Systems functioning as recommended  Strengthening of the Judiciary's capacity to prepare and execute its own budget  Human resources selected for individual Judiciary career paths by a technically organized human resources office  System operational with full transcription of rulings and in use by judges  Judicial School and Public Ministry's training unit have a continuous and ongoing program of training courses	External evaluations  Reports on the work of the Judiciary and the Public Ministry's training unit	Willingness of the full Court to delegate administrative tasks, enforce the Judiciary career pathing system, and implement reforms

## 3. ACCESS TO JUSTICE COMPONENT

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL:</b>  To facilitate access to justice, especially for people of limited means	More people of limited means assisted by legal aid services  Extent to which the justice system offers better facilities in terms of the availability of justices of the peace throughout the country, and of simplifying legal processes	Statistics on the Public Defender's Office and legal aid offices  Reports on the work by the Judiciary  External evaluations	Political desire to strengthen these services
<b>PURPOSE:</b>			
Within a period of 4 years, to strengthen the system of public defenders and legal aid offices for people of limited means, and to promote the institutionalization of alternative dispute settlement mechanisms; also to promote access to justice by building hearing rooms for the new oral proceedings and courthouses for justices of the peace in municipalities throughout the country.	<ol style="list-style-type: none"> <li>1. Increase in caseload handled by the Public Defender's Office in relation to the claims filed</li> <li>2. Stable, trained public defenders in the system</li> <li>3. Reduction in prisoners awaiting sentencing</li> <li>4. Increase in cases handled by legal aid offices through conciliation and mediation with a 70% success rate</li> <li>5. 70% of UNAH's senior law students trained in conciliation and mediation</li> <li>6. Increase in cases handled by the Ministry of Labor and Social Welfare through labor conciliation with a 70% success rate</li> <li>7. 90% of officials in the Ministry of Labor and Social Welfare trained in labor conciliation</li> <li>8. 4 hearing rooms and 20 courthouses for justices of the peace built in the first year</li> <li>9. 30 courthouses for justices of the peace built in the second year and 30 in the third</li> </ol>	Statistics on the Public Defender's Office  Reports generated by the case tracking systems installed in the Public Defender's Office and the Ministry of Labor  Supervision reports on construction work  External evaluations	

NARRATIVE SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	10. Increase in workload at the courthouses built for justices of the peace  11. Reduction in duration of criminal proceedings as a result of oral hearings  12. Appointment of licensed justices of the peace at the courthouses built  13. Continuous or periodic presence of prosecutors and defenders at the courthouses built for justices of the peace		
<b>EXPECTED OUTPUTS:</b>  1. Offices of the Public Defender have a staff of trained personnel, equipment, and the basic bibliographical material needed to operate  2. Pilot project in conciliation and mediation in the legal aid offices of the National Autonomous University of Honduras  3. Strengthening of labor conciliation in the Ministry of Labor and Social Welfare  4. Construction of Hearing Rooms for oral proceedings and Courthouses for justices of the peace	Consolidation and strengthening of the Public Defender's Office          Institutionalization of alternative dispute resolution mechanisms at UNAH and the Ministry of Labor          Construction of 4 hearing rooms in Tegucigalpa; construction of at least 80 courthouses for justices of the peace in municipalities throughout the country	Statistics from the Public Defender's Office and external evaluations          Reports generated by the case tracking systems installed and external evaluations.          Supervision report on construction work by the Judiciary	Judiciary backing for the Public Defender's Office          UNAH backing for the pilot project          Continuous Ministry of Labor support for the pilot project

PROPOSED RESOLUTION

HONDURAS. LOAN /SF-HO TO THE REPUBLICA DE HONDURAS  
(Justice Administration Modernization Program)

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the República de Honduras, as Borrower, for the purpose of granting it a financing to cooperate in the execution of the Justice Administration Modernization Program. Such financing will be for the amount of up to US\$ 7,200,000, or its equivalent in other currencies, except that of Honduras, which are part of the resources of the Fund for Special Operations of the Bank, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" of the Executive Summary of the Loan Proposal.

PROPOSED RESOLUTION

HONDURAS. NONREIMBURSABLE TECHNICAL COOPERATION FOR THE INSTITUTIONAL  
STRENGTHENING OF THE JUSTICE SYSTEM

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreements as may be necessary and to adopt such measures as may be pertinent for the execution of the plan of operations referred to in Document AT-\_\_\_\_\_ with respect to nonreimbursable technical cooperation with the República de Honduras for the Institutional Strengthening of the Justice System.

2. That up to the sum of US\$1,500,000, or its equivalent, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.