

**MODERNIZATION OF THE JURIDICAL SYSTEM  
(PROGRAM OF SUPPORT FOR JUDICIAL REFORM)**

(TC-94-07-35-6)

**EXECUTIVE SUMMARY**

**REQUESTER:** Supreme Court of Justice

**EXECUTING AGENCY:** PROJUSTICIA

**BENEFICIARY:** Republic of Ecuador

**FINANCING:** IDB: US\$2,000,000 (FSO)  
Local counterpart funding: US\$ 400,000  
Total: US\$2,400,000

**TERMS:** Execution period: 22 months  
Disbursement period: 28 months

**OBJECTIVES:** The general objective is to support the process of judicial reform in Ecuador, helping to strengthen judicial independence, improve the Judicial Branch's human resources and administration, and facilitate citizen access to justice.

**DESCRIPTION:** The program would include the following components:

(i) **legislative development**, intended to support constitutional, legal, and regulatory development that will facilitate the judicial reform process already under way;

(ii) **education, training, and the disciplinary system**, intended to strengthen the independence, impartiality, and competence of judges and judicial personnel by establishing and developing a permanent and decentralized training and education system linked with judicial career development and with an improved disciplinary system;

(iii) **administrative strengthening of the Judicial Branch**, designed to improve management by facilitating its incorporation into the Consejo Nacional de la Judicatura [National Judicial Council], enabling judicial authorities to concentrate exclusively on the administration of justice; and

(iv) access to justice and civil society, designed to support the initiatives of civil society organizations to lower the barriers to citizen access to justice by establishing and administering a special fund regulated so as to achieve this purpose.

**BENEFITS:**

The program would help to forge the consensus necessary to define and implement broad judicial reform, consistent with the current constitutional reforms and a referendum conducted on May 25, 1997. It would aim, *inter alia*, to promote Judicial Branch modernization and independence, consolidation of the judicial career system, and greater efficiency and reliability in the delivery of its services.

The program would also help to promote the development of projects and activities for citizen access to justice, with active community participation.

**RISKS:**

The main risk to the program stems from the lack of coordination and dialogue between the branches of government on the legislative reforms under the first component. The inability to develop a consensus and the political commitments necessary for final approval of the judicial reform proposals constitutes a risk that is being minimized by: (i) program emphasis on consensus building among the main players to identify the main thrust of the legislative reforms and thereby ensure support for them; and (ii) the establishment of a Comisión Nacional de Apoyo [National Support Committee].

This risk does not, however, relate to the program as a whole. The operation has been designed in such a way that the judicial training, administrative strengthening, and judicial access components can be implemented independently of the constitutional and legislative reforms.

**THE BANK'S  
COUNTRY STRATEGY:**

Within the framework of the Eighth Replenishment, the Bank considers it important to strengthen the rule of law and contribute to judicial and political stability and predictability as essential conditions for socioeconomic development.

This approach is consistent with the country strategy, whose objectives include modernization of the State, with positions taken by the current government, and with the country's efforts towards political reform as they relate to judicial reform. The proposed program is expected to improve the

functioning of the judicial system and thus create conditions favorable to democratic governance, raise the levels of public confidence in the justice system, and contribute to sustainable economic and social change.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

Prior to the first disbursement of financing, evidence satisfactory to the Bank must be provided that: (i) the Comisión de Modernización de la Función Judicial [Committee for the Modernization of the Judicial Branch] (CMFJ) has been established (paragraphs 5.2 and 5.4); and (ii) the program coordinator has been selected (paragraph 5.4).

Prior to the first disbursement of the legislative development component, evidence satisfactory to the Bank must be provided that the members of the National Support Committee (paragraph 5.3) have been designated.

Prior to the hiring of consulting services for the implementation and effective transfer of the judicial training system, evidence satisfactory to the Bank must be provided that the system design and financing mechanisms have been approved by the CMFJ (paragraph 3.5).

Before consulting services can be hired to implement the administrative system, and before equipment can be purchased, evidence satisfactory to the Bank must be provided that the design of the system and its financing mechanisms have been approved by the CMFJ (paragraph 3.7).

Before the projects defined in the access to justice and civil society component can be financed, evidence satisfactory to the Bank must be provided that: (i) the Project Approval Committee has been set up (paragraph 3.10); and (ii) the operating regulations have entered into force (paragraph 3.10).

**PROCUREMENT:**

The procurement of goods and services will be conducted in accordance with Bank procedures. International competitive bidding will be required for procurements exceeding US\$250,000. For smaller amounts, bidding will be subject to the current procedures agreed upon by Ecuador and the Bank on September 15, 1992.

## I. BACKGROUND

### A. General framework

- 1.1 In recent years Ecuador has been instituting structural and economic reforms encompassing macroeconomic, sectoral, and institutional adjustment measures, and political reforms that all sectors deem necessary to improve the effectiveness and stability of democratic governance. These efforts are not isolated from the judicial reform process also under way, which aims to strengthen the system for protecting rights recognized under the current legal system and thus contribute to economic stability and social peace.
- 1.2 Beginning in 1992, Ecuador has undertaken various constitutional reforms designed to strengthen judicial autonomy, modernize the administration of justice - to make it more flexible and efficient - and to give the judicial system the tools it needs to more effectively perform its role, through the establishment of the National Judicial Council. Constitutionally new institutions were created to protect citizen rights, such as the Constitutional Tribunal and the Defensor del Pueblo [Ombudsman]. The Fiscalía General de la Nación [Office of the Prosecutor General] was reorganized to give it autonomy and greater responsibility in criminal proceedings.
- 1.3 Legislation and regulations to follow up on these constitutional and legal reforms, particularly with regard to the Judicial Branch, were never implemented as planned for lack of agreement on the direction they should take, as well as technical difficulties in their implementation. Consequently, there has been no substantial change in the administration of justice. According to a national survey of September 1996 <sup>1/</sup>, 91% of the population does not believe that the country's justice system safeguards the interests of the ordinary citizen.
- 1.4 The current government is very interested in making progress with substantive political reform to lay the groundwork for improving the system of democratic governance, including modifications to the judicial system, which were supported by the majority of citizens in a referendum conducted on May 25, 1997. This referendum gave a mandate to the National Congress to incorporate the results of the referendum into the national legal system as soon as possible.
- 1.5 The judicial aspects covered in the referendum included provisions for the implementation of reforms to promote the modernization and independence of the Judicial Branch, particularly in relation to the system for appointing Supreme Court Justices, the duration of

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<sup>1/</sup> Opinion study on the perception of justice administration in Ecuador. PROJUSTICIA. September 1996. Research and publication supported by USAID.

their terms and the application of professional and career standards ensuring the impartiality of judges. Another issue covered concerned the final configuration of the National Judicial Council with regard to Judicial Branch administration, it being established that its members would be appointed by the Supreme Court.

B. The process of reforming the administration of justice

- 1.6 Aware that a legal system not offering sufficient individual and collective security reduces the possibilities for institutionalizing and implementing the various development programs, national authorities set up an interinstitutional working group in 1992, 2/ with a Supreme Court Justice presiding, entrusted with developing a national strategy for addressing the country's justice problems.
- 1.7 This working group prepared a document entitled "Comprehensive Reform Plan for the Administration of Justice in Ecuador" (hereinafter the Plan), which was presented by national authorities to several foreign governments and multilateral banks, to request financing support. This document constitutes a guidance tool for the various efforts under way in the sector.
- 1.8 The working group was able to draw on several earlier diagnostics and received support from the United States Agency for International Development (USAID), the International Bank for Reconstruction and Development (World Bank), the Latin American Institute for Crime Prevention and the Treatment of Offenders (ILANUD), and the Bank.
- 1.9 In August 1995, the Government of Ecuador issued Executive Decree 3029, establishing the coordination unit for the national program of support for reform of the administration of justice (PROJUSTICIA), placed under the authority of the Office of the Chief Justice of the Supreme Court. According to the decree establishing it, this unit is responsible for carrying out the Plan and coordinating and administering resources provided under existing agreements or bilateral or multilateral technical-financial assistance organizations, for the purpose of reforming and modernizing the administration of justice in accordance with

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2/ Represented in this working group were the Judicial Branch, the Procuraduría General del Estado [Office of the Attorney General], the Fiscalía General de la Nación [Office of the Prosecutor General], the Office of the President of the Republic, the Office of the Vice President of the Republic through the National Planning Department, the Ministry of Government, the National Police and nongovernmental organizations committed to strengthening the administration of justice in the country.

the provisions of the agreements concerned and applicable national laws.

- 1.10 The PROJUSTICIA unit began to operate in 1995 with project preparation funds from the World Bank. It is now beginning the execution of project IBRD/6044-EC, as well as activities stemming from agreements signed by the Government of Ecuador and USAID and between PROJUSTICIA and the United Nations Children's Fund (UNICEF). PROJUSTICIA would execute the present operation, and the Bank would contribute by helping to strengthen its project management capacity.

C. Problems in the administration of justice

- 1.11 According to the diagnostics, the main problems in the administration of justice concern the lack of independence, credibility, and impartiality of the Judicial Branch and its judges. According to the national survey of September 1996 mentioned earlier, 88% of the national population does not have confidence in the judges, and 94% does not believe that their decisions are impartial.
- 1.12 The institutional structure of the judicial system is characterized by material and human resource limitations that make it difficult for citizens to gain access to services, particularly in the case of low-income population groups. Administrative practices that are obsolete in relation to the current needs of the Judicial Branch constitute an obstacle to efficient budgetary and personnel management, burdening judicial authorities with activities that distract them from their fundamental responsibilities. The Plan also stresses that substantive, procedural, administrative, or material reforms will have no impact without a permanent system of training for those responsible for putting them into practice.
- 1.13 The administration of cases submitted to the tribunals requires substantially longer periods of time than stipulated in the law for completing the various types of trials. Administrative difficulties have resulted in a significant backlog of unresolved cases in nearly every judicial office (500,000 cases nationwide), which is particularly severe in the area of criminal law. The delivery of legal services is costly and relatively inaccessible; the public defender system is very restricted; disadvantaged members of society frequently do not know their rights; physical space is inadequate; and alternative conflict resolution mechanisms for small claims are insufficient.

D. Participation by international and bilateral support agencies

- 1.14 Various international organizations, such as UNICEF and ILANUD, are providing support for the Plan. At the current time, cooperation programs are being executed or prepared in the areas of family rights, the rights of minors, domestic violence, and criminal law.

In addition, bilateral cooperation has produced results in programs undertaken with USAID, Great Britain, and France.

- 1.15 The World Bank and the IDB agreed with the country to participate in its national judicial reform efforts by defining the purview of each institution and undertaking to act in coordination with the country to support implementation of the Plan.
- 1.16 It was decided that the Bank would support judicial reform by financing a nonreimbursable technical-cooperation operation for regulatory and institutional reforms designed to increase the independence of the judicial system, improve its operations, establish a training system linked to the judicial career system, improve the administration of the Judicial Branch, and conduct activities designed to lower the barriers to citizen access to justice. Judicial reform would be supported from a comprehensive perspective, which could lay the groundwork for an eventual second stage of investments in the sector.
- 1.17 In March 1997, the World Bank approved a loan operation in the amount of US\$10.7 million with local counterpart financing of US\$3.6 million. The operation consisted essentially of activities to improve judicial processing; alternative methods in addition to the tribunals; the financing of specific legal studies and projects to improve the justice system, including studies on the legal profession and law programs in the universities; and the provision of equipment and physical infrastructure. PROJUSTICIA is now beginning to implement the operation. Most of the terms of reference have been approved by the World Bank, and the invitation to tender for the case administration component has been published.

E. Strategy and experience of the Bank

- 1.18 Within the framework of the Eighth Replenishment, the Bank considers it important to support efforts to strengthen the rule of law and to create conditions favorable to legal and political stability and predictability, as an essential condition for socioeconomic development.
- 1.19 The Bank has taken part in the process of preparing the Plan, and has contributed to workshops to define strategies and priorities with specialized consulting firms. Also being implemented, with MIF resources, is the program for the establishment of centers for training in and dissemination of commercial dispute settlement alternatives (ATN/MT-5440-EC), with the Chambers of Commerce of the cities of Quito and Guayaquil. This project will help to clear the backlog in judicial processing of commercial disputes and help develop a more efficient system of specialized commercial dispute resolution for the private sector.
- 1.20 In recent years, the Bank has been gaining experience in designing justice sector operations in other countries of the region, but it

is still too early to evaluate the lessons learned from their execution. One recommendation that can be made, however, is that the reform process should involve all affected parties in developing the commitments and consensus necessary for sustainable solutions. The execution of such operations must be flexible and incorporate continuous evaluation and monitoring activities so that necessary adjustments can be made and the objectives accomplished.

- 1.21 These guidelines are in line with the country strategy, which includes the objective of modernizing the branches of government, and is consistent with positions taken by the current government and the country's political reform efforts impinging on judicial reform. The proposed program is intended to improve judicial administration and thus create a more favorable climate for democratic governance, restore public trust in the justice system, and promote sustainable economic and social change.

## II. PROGRAM OBJECTIVES

### A. General objective

- 2.1 The general objective is to support the process of judicial reform in Ecuador, helping to strengthen the independence and improve the human resources and administration of the Judicial Branch, and to facilitate citizen access to justice.

### B. Specific objectives

- 2.2 The specific objectives of the program are as follows:
- a. Support constitutional, legal, and regulatory development to facilitate the judicial reform currently under way.
  - b. Strengthen the independence, impartiality, and quality of judges and judicial personnel by establishing a permanent and decentralized system of training linked to a judicial career system and by strengthening and improving the disciplinary system.
  - c. Improve the administrative system of the Judicial Branch, by facilitating its incorporation into the National Judicial Council, so as to enable judicial authorities to concentrate exclusively on their responsibility of administering justice.
  - d. Support the initiatives of civil society organizations aimed at lowering the barriers to citizen access to justice.

### III. DESCRIPTION OF THE PROGRAM

#### A. Description

- 3.1 The program would include the following components:  
(i) legislative development; (ii) education, training, and the disciplinary system; (iii) the administrative development of the Judicial Branch; and (iv) access to justice and civil society.

##### a. Legislative development

- 3.2 This component would include:

- (i) financing of a group of consultants to: (a) develop technically viable alternative proposals and prepare the preliminary drafts for the corresponding constitutional reform, including the system for appointment of judges and magistrates, the duration of their terms, the judicial career system and the structure of the National Judicial Council; (b) develop technically viable alternative proposals and prepare preliminary draft implementing and regulatory legislation relating to the National Judicial Council; and (c) prepare draft reform proposals for the Basic Law on the Judicial Branch. These proposals will include quantitative analyses of the cost and financing required to put the proposed institutional and legal mechanisms in place;
- (ii) financing for a group of consultants, working in coordination with the Fiscalía General de la Nación [Office of the Prosecutor General], to perform a study on the latter's role within the criminal justice system of Ecuador, including concrete recommendations for the effective establishment of new institutional responsibilities and an analysis of the legal, regulatory, budgetary, and administrative framework;
- (iii) financing of a study, in coordination with the Supreme Court and the Defensoría del Pueblo [Office of the Ombudsman], to improve the operation of public defense, broaden its coverage, and lay the groundwork for institutional improvement programs; and
- (iv) implementation of extension, technical support, information, and consensus-building activities to gain approval and facilitate implementation of the proposals developed in the consultant groups.

3.3 To execute this component, consulting services will have to be hired and the activities listed in the indicator column in Annex I will have to be performed.

b. Education, training, and disciplinary system

3.4 This component would include:

- (i) design of the institutional structure for judicial career education and training (specialized initial education and ongoing training with emphasis on the development of skills and competencies), including the legal and regulatory framework required; definition of the structure, composition, and operation of the unit responsible for supervising training activities; definition of the activities to be carried out directly and those to be performed under contract (with universities, specialized agencies, training institutes, etc.), establishing the terms for such contracting; and mechanisms for certification, registration, and financing of the system;
- (ii) identification of training needs for judges and judicial personnel, including a definition of the profile of judges and judicial personnel, to serve as a basis for determining substantive curricula and teaching methodologies; development of proposed curricula, rules, and manuals for competitive evaluation and selection of candidates; development of evaluation and monitoring systems; organization of seminars and workshops for awareness-heightening and discussion of proposals; and development of concrete project management training activities for system management personnel;
- (iii) effective establishment of the system and implementation of the specific training and trainer-training activities during program execution, including specialized legal, regulatory, and environmental control training, as well as training in family law and women's rights; and
- (iv) evaluation of the disciplinary system, including the ethical conduct of judges and specific recommendations for improvement, with a workshop to build a consensus for implementation.

3.5 For the execution of this component, consulting services will have to be hired and the activities listed in the indicator column in Annex I will have to be performed. Before the consulting services are hired to implement and effectively transfer the judicial training system, evidence satisfactory to the Bank must be presented that the design of the system and its financing

mechanisms have been approved by the Committee for the Modernization of the Judicial Branch described further on.

c. Administrative strengthening of the Judicial Branch

3.6 This component would include:

- (i) design of a new administrative system, taking into consideration the proposals financed by USAID, facilitating its adoption by the National Judicial Council. This design should entail decentralization of the administrative system, reorganization of its current offices, reassignment of functions, adoption of new management methodologies, publication of operations manuals, development of modern physical, financial, and personnel planning systems; and improvement of information systems, including a computerization and statistical plan; and
- (ii) effective implementation of the system as planned, including personnel training, evaluation and monitoring, and computerization.

3.7 To evaluate this component, it will be necessary to hire consulting services and perform the activities listed in the indicator column in Annex I. Before hiring the consulting services for effective implementation of the system, and before purchasing the equipment, evidence satisfactory to the Bank must be presented that the design of the system and its financing mechanisms have been approved by the Committee for the Modernization of the Judicial Branch described further on.

d. Access to justice and civil society

3.8 This component would include:

- (i) establishment and regulation of a special fund to finance the execution of and evaluate progress on sustainable small projects designed and proposed by civil society organizations to improve access to justice;
- (ii) activities to promote awareness of the fund among civil society organizations;
- (iii) execution by civil society organization of projects for low-income population segments, and in particular women, families, children, indigenous communities, and ethnic minorities in areas such as legal defense, general public information on legal matters, and use of alternative dispute resolution mechanisms; and

- (iv) evaluation and monitoring of projects financed by the fund.

- 3.9 For execution of this component, consulting services will have to be hired and the activities listed in the indicator columns in Annex I will have to be performed, including the hiring of specialized consulting services for the design of operating regulations. These operating regulations will establish the mechanisms for fund operations and criteria for the selection of proposals. They will govern how applications from civil society organizations are processed and approved, and how small projects for citizen access to justice are executed and monitored, especially those targeting the groups mentioned in paragraph 3.8(iii) above.
- 3.10 Projects will be selected and approved by a Project Approval Committee to be composed of the Director of PROJUSTICIA, the program coordinator and three additional members selected by PROJUSTICIA in accordance with Bank procedures and the operating regulations of the fund. Establishment of the operating regulations mentioned in the preceding paragraph and setup of the Project Approval Committee will be conditions precedent to the financing of projects.

B. Cost and financing

- 3.11 Total program cost is estimated at US\$2.4 million equivalent. The nonreimbursable contribution of the Bank will be up to US\$2 million equivalent chargeable to the resources of the Fund for Special Operations. The counterpart contributions will be on the order of US\$400,000 equivalent, as shown in the following cost table (see Annex II, detailed budget):

Summary program budget (US\$000)

Judicial reform support program			
	BANK	LOCAL	TOTAL
1. Legislative development	410,500	68,800	479,300
2. Education, training and disciplinary system	432,200	53,000	485,200
3. Administrative development of the Judicial Branch	349,000	50,000	399,000
4. Access to justice and civil society	568,500	7,200	575,700
Subtotal	1,760,200	179,000	1,939,200
Coordination	125,400	176,000	301,400
General support	34,477	30,000	64,477
Contingencies	79,923	15,000	94,923
Total	2,000,000	400,000	2,400,000

#### IV. ENVIRONMENTAL QUALITY AND SOCIAL IMPACT OF THE PROGRAM

- 4.1 The program will seek to improve the protection of environmental rights, specifically as part of the education and training activities. In addition, the program has a significant social impact. Support for the judicial reform process should help to improve the quality of judicial services, while the regulated special fund will facilitate the financing of citizen access to justice activities intended to meet the needs of low-income families, children, women, indigenous communities, and ethnic minorities.

#### V. PROGRAM EXECUTION AND COORDINATION

##### A. Execution plan

- 5.1 The program would be executed by the PROJUSTICIA coordinating unit, which is attached to the Supreme Court. Bank financing would pay for a program coordinator, an assistant, and an accountant to assist PROJUSTICIA in executing the operation. The agreement would be signed with the Republic of Ecuador, beneficiary of the technical cooperation operation, represented by the Ministry of Foreign Relations. The Supreme Court would also sign the agreement. A special account would be opened in the Central Bank of Ecuador in the name of PROJUSTICIA for execution of the program.
- 5.2 A Committee for the Modernization of the Judicial Branch (CMFJ) would be established to oversee the program, with responsibility for ensuring proper execution and establishing general guidelines. The CMFJ would be headed by the Chief Justice of the Supreme Court and composed of representatives from each of the Court's areas of specialization (civil, labor, criminal, administrative, and fiscal). The Committee would designate an expert representative of the Judicial Branch to sit on the National Support Committee described below.
- 5.3 To execute the first component, legislative development, a National Support Committee would be set up, composed of expert delegates designated by each of the three branches of government. This committee would coordinate and approve judicial reform proposals from a technical standpoint, providing leadership and maintaining the coherence and continuity of the process. It would also act as liaison between the branches of government, providing technical support for efforts to build consensus on the legislative reforms proposed.

- 5.4 Formal creation of the CMFJ and selection of the program coordinator would be conditions precedent to the first disbursement of the operation. Formal creation of the National Support Committee would be a condition precedent to disbursement for the legislative development component.

B. Procurement and consulting services

- 5.5 The selection and hiring of services and the procurement of equipment and materials required for the program will be conducted in accordance with Bank procedures. The procurement of goods and services will also be in accordance with Bank procedures. International competitive bidding will be required for procurements exceeding US\$250,000. For smaller amounts, bidding will be conducted in accordance with the current procedures agreed upon by Ecuador and the Bank on September 15, 1992. Subject to nonobjection from the Bank, PROJUSTICIA would process the bids and respective contracts, sign the contracts, verify contractual compliance, and make payments. The terms of reference may be found in the technical files of the program.

C. Period of execution

- 5.6 The period of program execution will be 22 months, counting from the effective date of the technical cooperation agreement, with a disbursement period of 28 months.

D. Recognition of expenses

- 5.7 Given the rapid process of political reform taking place in the country, which includes some substantive judicial reforms, the legislative development activities described in paragraphs 3.2(i) and 3.2(iv) are expected to begin prior to approval of the program. These are:

- (i) Financing for a group of consultants to: (a) develop technically viable alternative proposals and prepare preliminary drafts for the corresponding constitutional reform, including the system of appointing judges and magistrates, the duration of their terms, the judicial career system, and the structure of the National Judicial Council; (b) develop technically viable alternative proposals and prepare preliminary draft implementing legislation with respect to the National Judicial Council; and (c) prepare preliminary draft reforms of the Basic Law on the Judicial Branch. These proposals will include quantitative analyses of the cost and financing required to put the proposed institutional and legal mechanisms in place; and
- (ii) implementation of extension, technical support, information, and consensus-building activities to gain

approval and facilitate implementation of the proposals developed in the consultant groups.

- 5.8 Expenses up to US\$80,000 equivalent are to be recognized for the activities mentioned in the preceding paragraph. Before recognition of such expenses can be considered, however, the National Support Committee referred to in paragraph 5.3 above must be set up.
- 5.9 These expenses would include the cost of hiring four local consultants from various disciplines and currents of opinion for two months each; two international consultants for one month each; and one local assistant to provide support for PROJUSTICIA for three months. Also covered would be the costs of holding the technical working meetings between the three branches of government, a workshop with the Judicial Branch, a seminar with the National Congress, and a national State-civil society forum for which three international experts would be hired for the various presentations over a total of nine days.

E. Special contractual conditions

- 5.10 Prior to the first disbursement of the financing, evidence satisfactory to the Bank must be presented that: (i) the CMFJ has been set up (paragraphs 5.2 and 5.4); and (ii) the program coordinator has been selected (paragraph 5.4).
- 5.11 Prior to the first disbursement of the legislative development component, evidence satisfactory to the Bank must be presented that the members of the National Support Committee have been designated (paragraph 5.3).
- 5.12 Prior to the hiring of consulting services for implementation and effective transfer of the judicial training system, evidence satisfactory to the Bank must be presented showing that the design of the system and its financing mechanisms have been approved by the CMFJ (paragraph 3.5).
- 5.13 Before the consulting services for effective implementation of the administrative system have been hired and before the equipment has been purchased, evidence satisfactory to the Bank must be presented showing that the design of the system and its financing mechanisms have been approved by the CMFJ (paragraph 3.7).
- 5.14 Prior to financing the projects defined in the access to justice and civil society component, evidence must be presented to the Bank showing that: (i) the Project Approval Committee has been set up (paragraph 3.10); and (ii) the operating regulations are in place (paragraph 3.10).

## VI. EVALUATION AND MONITORING

### A. Supervision and reports

- 6.1 **Follow-up meetings.** Evaluation meetings will be held to review progress with program execution every six months, counting from the initiation of project execution, based on the progress reports presented by PROJUSTICIA.
- 6.2 **Interim reports.** At the beginning of each semiannual program execution period, PROJUSTICIA is to present progress reports satisfactory to the Bank containing: (i) progress with planned activities; (ii) progress in effecting disbursements in relation to planned disbursements and outlays from the counterpart contribution; (iii) a summary of the hired consultants' recommendations and copies of their final documents; (iv) copies of the official documents enumerating the measures or resolutions adopted pursuant to the consultants' recommendations and reports; and (v) a detailed proposal for the plan of activities to be conducted during the following semiannual period.
- 6.3 **Final report.** Within three months after finalization of the program, PROJUSTICIA will present a final report with a summary of the activities conducted, the use of Bank and counterpart resources expended, the results achieved, the decisions resulting from program execution, and the results of implementation.

### B. Audit and control

- 6.4 **Financial reports.** The program accounts would be kept in a standard accounting format prepared by PROJUSTICIA, using Bank categories.
- 6.5 Within the first three months after the first year of program execution, and again upon completion of the program, PROJUSTICIA would present financial reports to the Bank on the use of program resources. The financial reports must be audited by an independent auditing firm acceptable to the Bank and hired by PROJUSTICIA. The auditing firm will consolidate the accounting information based on the reports presented by PROJUSTICIA.

## VII. BENEFITS AND RISKS

### A. Benefits

- 7.1 The program would help to promote the consensus necessary to define and carry out wide-ranging judicial reform consistent with the current constitutional reforms and the results of the May 25, 1997,

referendum. It would aim, *inter alia*, to promote the modernization and independence of the Judicial Branch, consolidation of the judicial career system, and greater efficiency and reliability in the delivery of its services.

- 7.2 The program would also help to promote the development of projects and activities for citizen access to justice with active community participation.

B. Risks

- 7.3 The main risk to the program stems from the lack of coordination and dialogue among the branches of government on the legislative reforms under the first component. The inability to obtain the consensus and political commitments necessary for final approval of the judicial reform proposals constitutes a risk that is being attenuated by: (i) program emphasis on consensus building among all the players involved as to the direction legislative reform should take to gain support; and (ii) the creation of a National Support Committee.
- 7.4 This risk does not, however, relate to the entire program. The operation has been designed so that the judicial, administrative strengthening, and access to justice components can be implemented independently of the constitutional and legislative reforms.

## LOGICAL FRAMEWORK

Ecuador

### Program of Support for Judicial Reform (TC-94-07-35-6)

<b>Component No. 1 Legislative Development</b>  <b>Objective:</b> To support constitutional, legal, and regulatory development facilitating judicial reform in line with the current constitutional reforms and the mandate of the May 25, 1997, referendum.			
ACTIVITIES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
1.1 Establishment of three multidisciplinary working groups for the preparation of regulatory reform proposals.	Working groups in operation. One month from program startup.	Proposals completed and approved.	– Establishment of the National Support Committee, composed of technical representatives designated by each of the three branches of government.  – Working groups of qualified professional and technical members representing various disciplines and viewpoints duly constituted.
1.1.1 Implementation of the constitutional reforms now under way and the mandate of the 5-25-97 referendum, with regard to the National Judicial Council, appointment of judges and magistrates and the basic law on the Judicial Branch.	Six consultants (four local and two international) hired within 30 days of program startup, local consultants for two months and international consultants for one month for the first phase; local consultants for three months and international consultants for two months for the regulatory phase.	Constitutional and legal reforms proposed, with concrete recommendations for implementation which include projects developed and approved by the National Support Committee (three months from program startup).  Regulatory reforms, including the respective texts, proposed (three months after approval of the constitutional and legal reforms by the National Congress).	Effective coordination and dialogue among the three branches of government.  The reform can be taken up as it stands at the time of program startup.  Adherence to the established timetables and successful hiring of the consulting services needed.  For the regulatory stage, appropriate legislation from the National Congress will be required.

Component No. 1 Legislative Development			
Objective: To support constitutional, legal, and regulatory development facilitating judicial reform in line with the current constitutional reforms and the mandate of the May 25, 1997, referendum.			
ACTIVITIES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
1.1.2 Study of the Office of the Prosecutor General and establishment of new institutional responsibilities, including development of the necessary regulatory, budgetary, and administrative framework.	Six consultants hired (three local and three international) or one specialized international agency employing national consultants within 180 days of program startup (three months of consulting services).	Study completed and approved (within 10 months of program startup).	Participation by the Office of the Prosecutor General.  Adherence to the established timetables and successful hiring of the consulting services needed.
1.1.3 Study on means to improve the operations of the Office of the Public Defender and expansion of its coverage.	Two consultants hired (one national professional and one international) within 90 days of program startup (two months of consulting services).	Study completed and approved (six months from program startup).	Participation of the Office of the Ombudsman.  Adherence to the established timetables and successful hiring of the consulting services needed.
1.2 Dissemination, technical support, information and consensus-building activities to gain approval and facilitate implementation of the proposals.	Distribution of the proposals approved by the Advisory Committee to the parties concerned. – three months for 1.1.1 – 10 months for 1.1.2 – six months for 1.1.3  Five international experts hired for the conferences (three days per consultant).  Additional consulting services considered necessary by both PROJUSTICIA and the Bank hired (up to a maximum of 10 consultant-months).	Events proposed have been held.      Studies and proposals have been developed and approved (within 18 months of program startup).	The necessary consensus will be achieved to implement the proposed reforms.      Additional initiatives are taken and technical assistance is requested by PROJUSTICIA.

<b>Component No. 1 Legislative Development</b>  <b>Objective:</b> To support constitutional, legal, and regulatory development facilitating judicial reform in line with the current constitutional reforms and the mandate of the May 25, 1997, referendum.			
ACTIVITIES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
1.2.1 Constitutional reforms and referendum.	Hiring of agency specializing in event organization (three months after program startup) for one Judicial Branch workshop; three regional civil society workshops; one National Congress seminar; and one State-civil society forum (six months after program startup).	<p>Reports prepared, containing conclusions, observations and amendments to the original proposals based on the consensus achieved (six months after program startup).</p> <p>Constitutional and legislative reform proposals presented to the National Congress (six months after program startup).</p>	<p>Effective participation by the main players in the process.</p> <p>The necessary consensus and political commitments have been obtained for final approval of the judicial reform proposals.</p>
1.2.2 Office of the Prosecutor General and Office of the Public Defender.	Hiring of agency specializing in event organization (10 months after program startup) to hold six regional involvement workshops; and one national forum (15 months after program startup).	<p>Reports prepared including agreed amendments to the original proposals (15 months after program startup).</p>	<p>Participation by the Office of the Prosecutor General and the Office of the Ombudsman.</p> <p>The necessary consensus and political commitments have been obtained to lay the groundwork for a process to strengthen the Office of the Prosecutor General and the Office of the Public Defender.</p>

<b>Component No. 2 Education, Training and Disciplinary System</b>			
<b>Objective:</b> To strengthen the independence, impartiality, and competence of judges and judicial personnel by establishing and developing a permanent and decentralized training and education system linked with judicial career development and with an improved disciplinary system.			
<b>ACTIVITIES</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p>2.1 (i) Design of the permanent institutional structure for judicial career education and training.</p> <p>(ii) Identification of training needs for judges and judicial personnel.</p> <p>(iii) Effective establishment of the system and implementation of the specific training and trainer-training activities during program execution, including specialized legal, regulatory, and environmental control training as well as training in family law and women's rights.</p>	<p>Hiring of a specialized international consulting firm within the first 180 days after program startup for three months (distributed over one year of work) for the study, participatory design, initial implementation, training, and supervision of the local firm, and subsequent evaluation of the system's functioning in the Judicial Branch.</p> <p>Hiring of a local consulting firm (12 months) as soon as the international firm is in a position to transfer to it the specific training tasks, initial administration of the system, and training for the Judicial Branch for final incorporation within 15 months after program startup.</p>	<p>System designed and approved by the National Committee for the Modernization of the Judicial Branch.</p> <p>System positively evaluated and incorporated, organizationally and in terms of the budget, in the Judicial Branch within 15 months after program startup.</p>	<p>Political will of the Judicial Branch and timely budget allocation.</p> <p>Selection and hiring of appropriate consulting services.</p> <p>Evidence is provided to the Bank that the system design and financing mechanisms have been approved by the Committee for the Modernization of the Judicial Branch.</p>
<p>2.2 Evaluation of the disciplinary system, including the ethical conduct of judges, and concrete recommendations for improvement, with a workshop to build a consensus for implementation.</p>	<p>Hiring of one international consultant for two months, within 10 months of program startup.</p> <p>Organization of one workshop with lawyers and judges (13 months after program startup).</p>	<p>Study completed and approved by the Committee for the Modernization of the Judicial Branch (14 months after program startup).</p>	<p>Establishment of the consensus necessary for implementation.</p>

<b>Component No. 3 Administrative Strengthening of the Judicial Branch</b>			
<b>Objective:</b> To improve the administration of the Judicial Branch, facilitating its placement under the National Judicial Board, enabling judicial authorities to concentrate exclusively on the administration of justice in accordance with the mandate of the May 25, 1997, referendum.			
ACTIVITIES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
3.1 Design and implementation of a new administrative system for the Judicial Branch, evaluating and taking into consideration existing proposals.	Hiring of national consulting firm(s) to design the new system with specialized international consulting services (six months); and in a second stage, for implementation of the system, personnel training, evaluation and monitoring (up to 12 months of consulting services three months after program startup).	New administrative system designed and approved by the CMFJ (six months after program startup).  New system in execution, including: decentralization, reorganization of current offices, reassignment of functions, adoption of new management methodologies, modern operations manuals, the creation of modern physical, financial, and personnel planning systems, and improvement of the information systems including a computerization and statistical plan (15 months after program startup).	Political will to change. Design approved and commitment to implementation and sustainability.  Prior to the second stage of consulting services, evidence provided to the Bank that the system design and financing mechanisms have been approved by the Committee for the Modernization of the Judicial Branch.
3.2 Computerization	Hiring of firms to provide the software and hardware, and staff training in its use (three months after the computerization plan has been designed and approved).	Equipment in operation (15 after program startup).	A computerization and statistical plan exists and has been duly approved and carried out in accordance with the previously established conditions.

<b>Component No. 4 Access to Justice and Civil Society</b>			
<b>Objective:</b> To support the initiatives of civil society organizations to lower the barriers to citizen access to justice.			
<b>ACTIVITIES</b>	<b>INDICATORS</b>	<b>MEANS OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
4.1 Establishment of a special fund for access to justice	<p>Hiring of one national consultant (one month) to establish and develop regulations for the special fund to finance execution and evaluation of sustainable small projects to improve access to justice (one month from program startup).</p> <p>Hiring of three national consultants for the Project Approval Committee (one month from program startup), to be paid as their participation is required in accordance with the operating regulations.</p> <p>Public information activities concerning the fund's existence directed toward civil society organizations (three months from program startup).</p>	Special fund established and operating regulations approved for execution of projects for low-income population segments, and in particular women, families, children, indigenous communities, and ethnic minorities in such areas as legal defense, legal awareness, and the use of alternative dispute resolution mechanisms (two months from program startup).	<p>A committee has been set up for project approval composed of the director of PROJUSTICIA, the coordinator of the program and three additional members to ensure transparency, objectivity, and the technical quality of the approved projects.</p> <p>Operating regulations in force.</p>
4.2 Administration of the fund.	Initial receipt and processing of applications from civil society organizations for the use of fund resources (five months from program startup).	Projects in execution and amount of funds allocated to finalization of the program (18 months from program startup).	<p>Applications have been approved for financing of sustainable projects.</p> <p>Proper application of the operating regulations.</p>
4.3 Monitoring and evaluation of projects financed by the fund.	Hiring of one national consultant for six months (four months after program startup). (Intermittent according to the projects under execution).	Performance and social impact evaluation reports on the projects, justifying continuation and/or replication (15 months from program startup).	Execution of projects.

**ECUADOR TC-94-07-35-6 ITEMIZED BUDGET**

<b>CATEGORY</b>	<b>BANK</b>	<b>LOCAL</b>	<b>TOTAL</b>
<b>1. Firms</b>			
1.2 Fees	<b>560,000</b>		<b>560,000</b>
a. international x 3 months	160,000		160,000
b. national x 12 months	250,000		250,000
c. national x 7 months	150,000		150,000
<b>2. Consultants</b>	<b>551,900</b>		<b>551,900</b>
2.2 Fees	<b>544,900</b>		<b>544,900</b>
a. International			
(US\$9,000 x 23 months)	207,000		207,000
b. National			
(US\$4,000 x 37 months)	148,000		148,000
(US\$3,500 x 28 months)	98,000		98,000
(US\$1,500 x 22 months)	33,000	76,000	109,000
(US\$700 x 22 months)	15,400	50,000	65,400
(US\$1,000 x 36 months)	36,000	50,000	86,000
(US\$1,500 x 5 months)	7,500		7,400
2.5 Travel	7,000		7,000
<b>3. Participants (workshops)</b>	<b>79,500</b>		<b>79,500</b>
3.2 Subsistence (US\$115 x 400)	46,000	145,800	191,800
3.5 Materials	9,500		9,500
3.9 Other	24,000		24,000
<b>6. General Support</b>	<b>228,677</b>		<b>228,677</b>
6.1 Local (workshops)	11,000		11,000
6.3 Equipment	150,000		150,000
6.4 Supplies (software)	51,500		51,600
6.6 Support staff	5,700	26,000	31,700
6.9 Other	10,477	30,000	40,477
<b>97 Fund</b>	<b>500,000</b>	<b>7,200</b>	<b>507,200</b>
<b>Subtotal</b>	<b>1,920,077</b>		<b>1,920,077</b>
98 Contingencies	79,923	15,000	94,923
<b>TOTAL</b>	<b>2,000,000</b>	<b>400,000</b>	<b>2,400,000</b>

PROPOSED RESOLUTION

ECUADOR. NONREIMBURSABLE TECHNICAL COOPERATION FOR THE EXECUTION  
OF THE PROGRAM FOR MODERNIZATION OF THE JURIDICAL SYSTEM  
(SUPPORT PROGRAM TO THE JUDICIAL REFORM)

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 with the República del Ecuador, 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 a nonreimbursable technical cooperation for a Program for Modernization of the Juridical System (Support Program to the Judicial Reform).
2. That up to the sum of US\$2,000,000, or its equivalent in other convertible currencies, 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.