

MODERNIZATION OF THE HONDURAN CONGRESS

(HO-0123)

EXECUTIVE SUMMARY

Borrower:	Republic of Honduras	
Executing agency:	The Congress of Honduras through the project executing unit	
Amount and source:	IDB (FSO):	US\$2,600,000
	Local:	US\$ 650,000
	Total:	US\$3,250,000
Financial terms and conditions:	Amortization period:	40 years
	Grace period:	10 years
	Disbursement period:	4 years
	Interest rate:	1% for the first 10 years 2% for the next 30 years
	Inspection and supervision:	1%
	Credit fee:	0.5%
Objectives:	The general objective is to strengthen congress's legislative, oversight and representation functions by improving its technical and material apparatus.	
	The specific objectives are to: (a) institutionalize technical support for congressional committees to improve the quality of law-making; (b) improve legislative procedures to make the work of members of congress more efficient; (c) establish new channels for dialogue and participation between congress and civil society; (d) upgrade congressional human resources; and (e) introduce information systems for legislative work.	
Description:	Subprogram A: Strengthening the legislative function (US\$1.5 million)	
	This subprogram will finance the following components: (1) creation of a technical advisory system for congressional committees; (2) modernization of legislative procedures; (3) creation of mechanisms for citizen participation and public information about legislative activities; (4) upgrading for congressional human	

resources and (5) technical assistance in drawing up a proposal for institutional reforms in congress.

Subprogram B: Modernization of information systems (US\$1.2 million)

The following components will be financed: (1) creation and start-up of a legislative information system for congress; (2) expansion and upgrading of congress's technical platform; (3) introduction of a computer training system; and (4) strengthening of the technology function of the Legislative Information and Studies Center (CIEL).

The Bank's country and sector strategy:

The country paper establishes the following priorities for Honduras under the master plan for national reconstruction and transformation: (i) faster economic growth and poverty alleviation; (ii) sustainable management of natural resources; and (iii) consolidation of democratic participation through complementarity between the State and civil society.

Environmental and social review:

The Committee on Environment and Social Impact considered this project at its meeting on 29 September 2000, and found that it had no environmental impact.

Benefits:

The project will help to consolidate the country's democratic institutions, seeing as how smooth operation of congress is essential for channeling citizen participation and achieving the social consensus needed for the legitimate formulation of public policies. The project will also facilitate knowledge of current legislation, public information on the work of the legislature and an improved and more dynamic law-making process.

Risks:

The project's success largely depends on its assimilation by the country's legislative community and political/legislative consensus in supporting its implementation. The project will mitigate that risk by establishing a Modernization Committee, as an all-party mechanism to ensure that the process of modernizing congress will have broad support. In addition, the speaker of the legislature, its officers and other senior officials have formally committed their support for the project and have been working together with the project team from the start of project preparation. Another key factor in reducing risks is that the operation does not depend on legal reforms or reforms to internal congressional rules that could pose difficulties in reaching the legislative consensus necessary for its approval.

Special contractual clauses:**Conditions precedent to the first disbursement (see paragraph 4.18)**

- a. Evidence that an agreement to allocate funds has been reached between the executive branch, through the Department of Finance, and congress.
- b. Preparation and approval of the project's operating regulations.
- c. Contracting of a permanent information systems manager for the Legislative Information and Studies Center.
- d. Contracting of a national project coordinator and establishment of the executing unit.
- e. Establishment of the congressional Modernization Committee.

Conditions precedent to disbursements for each subcomponent (see paragraph 4.19)

- a. The subcomponent to create the position of technical secretary for legislative committees: Approval of an internal resolution proposed by the speaker of congress to create the position of technical secretary and the Directorate of Technical Assistance for Congressional Committees.
- b. The subcomponent to install an electronic attendance and voting system: Amendment to articles 62 and 64 of the congressional rules to allow for introduction of the new system.

Poverty-targeting and social sector classification:

This operation does not qualify as a social equity enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704). Furthermore, this operation does not qualify as a poverty-targeted investment (PTI).

Exceptions to Bank policy:

None.

Procurement:

The goods and consulting contracts necessary for the project will be procured in accordance with Bank procedures and policies. Goods costing US\$250,000 and over will be procured through international competitive bidding. The project will finance technical assistance and consulting services for technical advice, training, studies and designs and the start-up of a plan to modernize information systems. International competitive bidding will be held for consulting contracts costing more than US\$200,000.

I. BACKGROUND

A. Introduction

- 1.1 Legislatures are fundamental institutions of the democratic system. Their smooth operation is essential for consolidating the rule of law and channeling citizen participation, sovereignty and the people's will into the formulation and coordination of public policies. Efficient legislatures lay the groundwork for the legal security and predictability that is necessary for the effective functioning of a market economy. Improvements in legislative management are also necessary to foster citizen participation and social equity, making for more direct and transparent linkage between collective interests and political interests.
- 1.2 The Honduran Congress participates in the process of formulating, overseeing and evaluating public policies only to a limited degree, largely because it does not have sufficient technical support. This situation needs to be gradually remedied in order to improve the balance of functions and tasks performed by the branches of government, which is necessary to sustain the country's democracy and its economic and social development. There is a need to strengthen congress's legislative, oversight and representation functions, and to improve its management and credibility.

B. The legislative function

- 1.3 In practice, the legislative function consists of three complementary but different functions.
- 1.4 The **legislative function** consists of framing and evaluating laws (drafting, passing, interpreting, amending and repealing laws). The timeliness, merit and durability of laws and their quality clearly hinge on complex and specialized technical analysis during their preparation and it is here that international cooperation can play a part. The process is basically carried out through legislative committees and should involve an open and effective exchange between a given group of legislators, the rest of society and government authorities.
- 1.5 The **oversight and control function** consists, on the one hand, of demanding information and documentation from the executive branch through formal avenues and, on the other, of using that information in legislative procedures. As the main guarantee of democratic governance, this function involves responsible selectivity, subject to adequate rules and procedures, that permit controls to be developed in a technically and politically suitable manner.
- 1.6 The **representation function** is based on safeguarding and acting in the public interest, which requires effective channels of communication between the legislative community and the citizenry.

C. Legal and institutional framework of the Honduran Congress

- 1.7 The Honduran Constitution devotes Chapters I and II of Title V to the legislative branch. Article 205 stipulates that congress has the powers of framing, passing, interpreting, amending and revoking laws. Article 213 gives the initiative in legislative matters, in general, to the members of congress and to the country's president, through the government ministries. The Supreme Court and the National Electoral Tribunal also have special powers of initiative in their spheres of competence.
- 1.8 Articles 222 and 232 stipulate that the Office of the Comptroller General and the Administrative Ethics Directorate are auxiliary organs of the legislative branch. The Office of the Comptroller General is responsible for ex post examination of the actions of the Public Treasury, while the Office of the Attorney General represents the State and may bring civil or criminal suits pursuant to the findings of the Comptroller General.
- 1.9 Congress's organization and functions are established in its internal regulations. Legislative power is exercised by members of congress elected by universal suffrage for a four-year term. At present there are 128 representatives who meet in regular and special sessions. The officers of congress are the speaker, two deputy speakers, two clerks and two assistant clerks. The speaker is elected for a four-year term and the other officers are elected for two years. The speaker and the officers bear final responsibility for the congressional administrative apparatus.

D. Justification of the project

- 1.10 Congress **does not have an organized system for specialized internal advisory services or the funds to obtain external advisory services**. This has a negative impact on the preparation, review and/or passage of laws. The complexity and volume of issues that must be dealt with by legislatures in modern societies has led to a marked division of labor between the house sitting as a whole and the congressional committees. The committees conduct a detailed and more technical discussion of issues and the full house carries out a more general and more political debate. But this division cannot work unless the committees have an administrative structure to support them and unless the media have access to their deliberations. The committees in the Honduran legislature do not fulfil either of these requirements. For example, the status of committee advisors is confused, since not all committees have one, and the criteria for their appointment do not appear in any legislative text.
- 1.11 Legislative management is also weakened by the **absence of a suitable information and documentary support system**. Not enough information is available, making it impossible to clearly identify which laws would be affected by a new bill or which part of a law would be revoked under a new bill. There is no Congressional Record

to report members' comments during debates in the house, and the official Legislative Bulletin, which should publish all relevant legislative acts, thereby ensuring publicity and transparency in the legislative function, has not been revived. The continuous process of amending laws and the lack of dissemination of congressional decisions constitute an unsatisfactory situation which, if remedied, would be beneficial for the legislature's work. There are no systems for daily tracking of the status of bills and there is no electronic system to record the attendance or count the votes of members, which hampers the efficiency and transparency of congressional operations.

- 1.12 As for dialogue between the legislative branch and civil society, the existence of additional systems to communicate legislative activity would increase congress's credibility, particularly citizen confidence in the work of the legislators. This, coupled with a formal vehicle to link congress to the country's media, would help to reduce the negative impact on public opinion, which is often formed on the basis of insufficient information.
- 1.13 From the standpoint of information systems, **congress does not have a comprehensive computer-based information system that compiles, processes and gives access to the legislative information generated by the institution.** Some information is available on the legislative cycle in congress, but it is largely processed manually, making for a rudimentary information system that is very tenuously supported by modern technology.
- 1.14 With respect to the rules governing legislative activity, certain functions could benefit from institutional reform of congress. However, reform of the house rules is a political decision that depends solely on the sovereign will of congress and the expected outcomes of the Bank project are not dependent on such reforms. Nonetheless, law making could be streamlined if debate in the house focused on examining and amending the texts presented by the congressional committees. Congress's oversight function could be strengthened through instruments for exercising control over the executive branch that are not provided for in the house rules, such as written questions for submission to the executive or appearances by the executive before committees. The efficiency of congress's financial and budgetary functions could be improved through specific procedures, which do not exist at present, for budget approvals and for stronger control over budget performance.

E. Bank experience

- 1.15 The Bank has approved loans and technical-cooperation projects to strengthen the legislative branches in Brazil, Colombia, Ecuador, Peru, Costa Rica, Guatemala, Panama and the Dominican Republic. In each case, legislatures have received assistance in the areas of institutional strengthening, modernization of information systems and documentary support. The lessons learned from these projects,

although recent, point to the need to obtain a broad consensus on the scope of the project from senior congressional officers and support from the main political parties represented in congress.

- 1.16 USAID supported the Honduran Congress by establishing a Legislative Information and Studies Center (CIEL) in 1990. At the end of 1998, the UNDP approved a project for institutional and technical support for the center, in order to make management of this specialized congressional unit more dynamic.

F. The Bank's country strategy

- 1.17 The Bank's actions in Honduras are intended to support the government in strengthening and modernizing government entities by improving their management and efficiency, with a view to facilitating execution of the country's programs for economic and social reform.
- 1.18 The country paper establishes the central objective of supporting the reconstruction and transformation process in Honduras. The Bank has the following priorities for Honduras under the master plan for national reconstruction and transformation: (i) faster economic growth and poverty alleviation; (ii) sustainable management of natural resources; and (iii) consolidation of democratic participation through complementarity between the State and civil society. To achieve these goals, policies and programs must be designed to respond to the most pressing needs of Hondurans and to remove legal fetters on certain basic economic activities. The announced political agenda requires that legislation be passed to support the government's broad program for economic and social reforms. A congress that functioned better could assure the conditions needed to strengthen democratic governance and spur the reform process.

II. OBJECTIVES

- 2.1 The project is intended, on the one hand, to improve the Honduran Congress as an organization, upgrading its human resources, information systems and the expertise at its disposal. The project is also designed to improve congress as an institution by providing criteria, knowledge and appropriate experience to lay the groundwork for enhancing its legislative function.
- 2.2 The general objective of the project is to strengthen the legislative, oversight and representation functions of congress, by improving the technical and material apparatus for managing the institution.
- 2.3 The specific objectives are to:
 - a. institutionalize technical support for congressional committees to improve the quality of law-making;
 - b. improve legislative procedures to make the work of members of congress more efficient;
 - c. establish new channels for dialogue and participation between congress and civil society;
 - d. upgrade congressional human resources; and
 - e. introduce information systems for the legislature as a means of contributing to the efficiency and quality of congressional work, by providing timely and relevant information on the issues under debate, and involving citizens more closely in the process of legislative decision making.

III. PROJECT DESCRIPTION

A. Subprogram A. Strengthening the legislative function (US\$1.5 million)

1. Component 1. Creation of a technical advisory system for congressional committees (US\$ 593,000)

Institutional advisory services: Establishment of the position of technical secretary for congressional committees (US\$443,000)

- 3.1 The project will support establishment of the position of technical secretary for congressional committees, who will provide permanent and strictly-technical institutionalized advisory services. The posts will be filled by highly-qualified staff linked to congress by a stable professional services relationship. Creation of these positions is compatible with current congressional rules, although the house will have to approve an internal resolution proposed by the speaker creating the position of technical secretary and the Directorate of Technical Assistance for Congressional Committees.¹
- 3.2 A three-step process will be followed in selecting the technical secretaries: (i) a public announcement will be made inviting applications; (ii) selected applicants will undergo an examination, and (iii) preselected candidates will take an intensive three-month course on legislative technical assistance. One of the responsibilities of the project's Modernization Committee (see paragraph 4.6) will be to select the technical secretaries of the committees, which will report – through the director for parliamentary assistance – to the General Directorate of the Legislative Information and Studies Center (CIEL). The director for parliamentary assistance will oversee the technical secretariats of the committees and will supervise their work.
- 3.3 This subcomponent will finance: (i) contracted technical advisory services to assist congress in the process of selecting and training 13 technical secretaries; and (ii) 70% of the technical secretaries' salaries, which will be fully absorbed into the congressional budget after the project is completed. The project will also make more documentary support available for members of congress and the technical secretaries, by building up the congressional library. This subcomponent will finance a basic corpus of specialized modern bibliography for the library.
- External advisory services for congressional committees (US\$150,000)*
- 3.4 The project will support a formalized procedure that will facilitate access by congressional committees to the external advisory services they need to carry out their tasks, particularly drafting legislation. Management of the funds for

¹ The functions to be carried out by the technical secretaries and the Technical Assistance Directorate are established in the draft resolution which can be consulted in technical file number 1.

contracting these services will be regulated by the specific procedures that can be consulted in technical files 2 and 3.

- 3.5 This subcomponent will finance contracts for consulting services, studies and other external advisory services for the congressional committees.

2. Component 2. Modernization of legislative procedures (US\$408,000)

Installation of an electronic attendance and voting system (US\$250,000)

- 3.6 This subcomponent consists of installing an electronic attendance and voting system in the house which will make it possible to automatically verify whether there is a quorum present and to count the votes cast. It is intended to improve the efficiency, transparency and prestige of congress, simultaneously strengthening the representation side of the legislative mandate. The improvement in efficiency will stem directly from the considerable time saved, since it will no longer be necessary to read the list of names to check attendance, which is now done at the beginning of every session, and because votes will be counted almost instantaneously. Introduction of the system will also improve transparency in congress by making the exact results of each vote known.
- 3.7 The system to be financed under this subcomponent includes: (i) two screens for presenting the results; (ii) two computers; (iii) a control panel to be installed in the speaker's office; (iv) operating software; (v) response buttons for the 150 members' desks; and (vi) wiring and installation.

Official congressional publications. Congressional Record and Legislative Bulletin (US\$158,000)

- 3.8 This subcomponent consists of establishing two official congressional publications. The first, the Congressional Record, will fully reproduce all remarks, decisions and incidents during the sessions of congress and its standing committee which, under the internal rules, are public in nature. The second, the Legislative Bulletin, will publish the texts and documents that have been or are being processed by congress or its committees. It will also include other documents, except for those discussed in closed sessions, that members of congress should be aware of for better performance of their legislative duties.
- 3.9 The availability of these publications and access to them by all legal operators will facilitate an improvement in judicial security. They will also make it possible for all members of congress to have access to the texts and documents being debated which, apart from making decisions more accurate and facilitating their monitoring, will streamline congress's plenary sessions by doing away with the need for the clerks to read them all aloud. By making these documents accessible to the public, both physically and electronically over the Internet, the work of congress will be made more transparent and visible to society. This will undoubtedly increase the

prestige of congress and its members and boost citizen confidence in that institution.

- 3.10 The subcomponent will finance: (i) a sound system for congress; (ii) technical assistance in designing the Congressional Record and publishing 500 copies of it biweekly; (iii) technical assistance in designing, printing and distributing 1,000 copies of the Legislative Bulletin once a month; (iv) reproduction equipment for the assistant clerk's office; and (v) technical support for the transcription of plenary sessions.

3. Component 3. Creation of mechanisms for citizen participation and public information on the work of congress (US\$243,000)

Creation and start-up of a National Legislative Assistance Center in congress (US\$83,000)

- 3.11 This subcomponent consists of establishing a National Legislative Assistance Center (CANAL) in congress, that will perform a dual function: (i) attending to citizen requests for information on congressional activities and work; and (ii) serving as a channel for initiatives, complaints or suggestions that citizens wish to make to congress, directing them to the appropriate parties. The purpose of this activity is to improve communications between congress and the citizenry, fostering dialogue between representatives and voters and promoting the leadership function that Honduran society should play in congress.
- 3.12 CANAL will have an office in the legislature itself, open to the public on weekdays during hours to be determined. The office will have computers with touch screens, especially designed to facilitate their use by as many citizens as possible. The computers will give users access to legislative information (bulletins, congressional records, legislation, session agendas, etc.) and allow them to send their initiatives, complaints, suggestions, comments or requests to congress by e-mail, addressing them specifically (to the congressional officers, the speaker, committees, parties, individual members), as some of the options offered by the system. To permit all citizens, without distinction, to use CANAL, the office will have a core staff to provide personal assistance for people unable to use electronic means to communicate with congress.
- 3.13 This subcomponent will finance: (i) physical preparation of the office in the legislature; (ii) personal computers and the furniture necessary for CANAL's operation; (iii) publicity for CANAL's services in the printed press and other media; and (iv) 70% of the salaries of the two assistants who will operate the center, with the salaries being absorbed fully into the congressional budget after the end of the project.

Creation and start-up of an information program for legislative reporters (US\$36,000)

- 3.14 This subcomponent will provide reporters and communicators who cover congress with the means of learning more about its organization and internal operations, the rules and procedures governing it and the difficulties it faces in its day-to-day work. It is intended to raise the quality and quantity of information about congress in Honduras, in view of the crucial role played by the media as a vehicle for maintaining communications between representatives and voters. This activity will be governed by specific operating regulations to ensure objectivity in the selection of journalists, the selection of trainers and the information provided. The operating regulations are available in technical file number 6.
- 3.15 This subcomponent will finance 10 information courses for legislative reporters, offered by national and foreign instructors.

Strengthening for congress's Public Relations Directorate (US\$124,000)

- 3.16 This subcomponent will improve the Public Relations Directorate's material infrastructure, providing sound and video recording equipment for congressional sessions and computers that can be used by journalists covering congress. The directorate is a key entity for supporting and improving the image and prestige of the legislative branch and for enhancing the transparency and credibility of its work and decisions.
- 3.17 The main benefit is that congress will be able to provide television stations with images of the most relevant moments in its debates, which will increase its presence in every household in the country. This is highly important, not just because of the extraordinary capacity of television to reach the public, but also because of the greater fidelity in the transmission of messages that exists when citizens can see and hear speeches directly, avoiding distortions that might creep in through second-hand reporting. Another side benefit of the proposed activity is that it will permit congress to establish a videolibrary or audiovisual file of its sessions which, apart from being a living history of its activities, can be used to resolve doubts that might arise about what actually happened during its debates and votes.
- 3.18 This subcomponent will finance: (i) four highly-mobile cameras with zoom lenses, operated by remote control; (ii) five monitors for the control room and the Office of the President of the Congress; (iii) two tape recorders; (iv) training for the directorate's personnel in using the new equipment; and (v) computers for legislative reporters.

4. Component 4. Strengthening of congressional human resources (US\$202,000)

Introduction of a technical training plan for members of congress (US\$150,000)

- 3.19 This subcomponent is intended to enable members of congress to acquire knowledge and skills to improve the quality and effectiveness of their work. The goal is to allow members to develop two types of skills: general skills that are common and necessary for all the work performed in congress and others directed to specific legislative tasks. Semiannual training plans will be prepared and approved, governed by specific operating regulations which can be consulted in technical file number 5.
- 3.20 The subcomponent will finance: (i) technical seminars on general and specific topics;² and (ii) workshops on special topics that are particularly important for congress's legislative agenda.

Determination of needs and introduction of a technical training plan for congressional staff (US\$52,000)

- 3.21 This subcomponent will produce a detailed classification of the staff positions that currently exist in congress, accompanied by a detailed description of the profiles of the people occupying each of them. It will also prepare and introduce stage one of a general plan for comprehensive training for all congressional employees.
- 3.22 The subcomponent will finance: (i) technical assistance services to assess and classify positions and methods of organizing the work of CIEL and congressional staff;³ and (ii) workshops and courses to train CIEL and congressional staff, with the specific subject matter being determined on the basis of the results of the preceding activity.

5. Component 5. Technical assistance in preparing a proposal for future institutional reforms in congress (US\$73,000)

- 3.23 This component will provide congress with the knowledge, criteria and tools to enable it to perform an in-depth examination of its institutional strengths and weaknesses, its formal and informal rules of the game, its procedures, its basic operating guidelines and the means by which it relates to the other branches of government. The objective is to suggest ideas for streamlining the process of

² General topics are related to techniques for organizing work and to representation and social leadership. Specific topics are related to the knowledge and techniques needed for good legislative performance.

³ The activity will also include adjusting the current staffing plan to present and future congressional needs, making recommendations for restructuring offices and services, as necessary, including staff reassignments under the restructuring.

making laws, strengthen congress's oversight function and improve the process of approval and control of the nation's budget.

- 3.24 The component will finance technical assistance services to perform a normative and prescriptive analysis of the following aspects: (i) strengthening and modernization of the process currently followed by congress in drafting laws, in order to make its work more effective and transparent; (ii) new mechanisms to monitor the political and administrative activities of the other branches of government and the potential for improving the performance and effectiveness of existing instruments; (iii) definition of criteria to improve the effectiveness, quality and reliability of the work performed by congressional committees and to strengthen their monitoring and oversight of the activities of the executive branch; and (iv) introduction of measures to improve congressional financial and budgetary functions. The terms of reference for the consulting services to modernize the internal regulations of congress can be found in technical file number 7. The component will also finance two working seminars on the content of the proposed reforms for the country's legislative community and representatives of organized civil society, the private sector, the academic community and external cooperants interested in congress.

B. Subprogram B. Modernization of the information infrastructure (US\$1.2 million)

1. Component 1. Creation and start-up of a legislative information system for congress (US\$410,000)

- 3.25 This component will support the creation, development and introduction of a single, integrated information system for all legislative activities, providing the different congressional users with the information they require for their activities.
- 3.26 The component will finance the design and introduction of six key modules for the legislative information system (LIS), i.e.: (i) a module for a legislative databank that will permit congress to manage, control and follow up on legislative initiatives, including general registration of documents by the office of the assistant clerk, management of legislative business and the composition and activities of all congressional organs; (ii) a module for legislative activity that will facilitate consultation and retrieval of information on all legislative activities; (iii) a module for compilation of current legislation that can be used by legislators, advisors and the general public; (iv) a module for official publications that will provide an information platform for the different official congressional publications, concretely the Legislative Bulletin and the Congressional Record; and (v) a module for dissemination, that uses Intranet for internal consultations for exclusive use by congress and the Internet for public consultations.

- 3.27 Each model in the LIS will be developed in the following stages: analysis and design of the system's basic technical functions (storage, communication and data retrieval); construction and testing of the computer programs and systems; preparation of users' manuals, rules and security procedures; conversion of basic data; and establishment of the system.

2. Component 2. Expansion and improvement of the technical platform (US\$623,000)

- 3.28 This component consists of the hardware and software licenses necessary to introduce the LIS in congress.

Hardware (US\$478,000). The component will finance: (i) expansion of the congressional database; (ii) procurement of telephone equipment for congress; (iii) computers and printers; and (iv) specific imaging equipment.

Software licenses (US\$145,000). The component will finance the following licenses: (i) database management system; (ii) language and development tools; (iii) operating systems; and (iv) special legislative software for congress.

3. Component 3. Start-up of a computer training program (US\$100,000)

- 3.29 This component includes training on two different levels: general training and technical training.

- 3.30 **General training (US\$40,000).** Will finance training for congressional users, including elected representatives and staff, in basic information tools which will enable them to handle the most common computer programs. They will be taught how to use personal computers, word processors, spreadsheets, e-mail and the Internet.

- 3.31 **Technical training (US\$35,000).** Will finance training for information specialists in the tools and platforms needed to develop the LIS. They will be taught information project management, project development, management of the database and platform, programming and development tools and specific legislative software. The component will also finance minimum physical adaptations to the congressional training room.

- 3.32 **Traineeships in information systems (US\$25,000).** Will finance six short traineeships for CIEL information specialists in other Latin American legislatures whose information systems are more modern and highly developed. The purpose will be to provide the trainees with practical know-how for managing information applied to the legislative function.

4. Component 4. Strengthening the information function of the Legislative Information and Studies Center (CIEL) (US\$80,000)

- 3.33 This component consists of upgrading CIEL's information systems staff so that the center can provide appropriate development and technical support for the congressional information system. The goal is to enable CIEL to satisfactorily cover the needs of the congressional units that produce and process the raw material – legislative information – that congress uses in its work.
- 3.34 The component will finance two technicians in systems and communications and two program analysts and database managers, plus software for the legislative information system. The project will finance 70% of their salaries, which will be fully absorbed by congress after the program ends.

C. Cost and financing

- 3.35 The project will cost an estimated US\$3,250,000, with the Bank making a reimbursable loan from the FSO for US\$2,600,000 of that amount. The remaining US\$650,000 will be furnished by congress as the local contribution to financing project execution and part of the recurrent expenditures.

**Consolidated budget by subprogram
(US\$ thousands)**

Budget category	IDB/FSO	Counterpart	Total	%
Subprogram A:				
Strengthening the legislative function	1,323	197	1,519	46.8%
1. Consulting services	349		349	10.7%
2. Equipment	375		375	11.5%
3. Training	217		217	6.7%
4. General support and services	382	197	579	17.8%
Subprogram B:				
Modernization of information systems infrastructure	1,163	51	1,214	37.3%
1. Consulting services	409		409	12.6%
2. Equipment	624		624	19.2%
3. Training	100		100	3.1%
4. General support and services	30	51	81	2.5%
Program management and administration		346	346	10.7%
1. Consulting services		158	158	4.9%
2. Equipment		30	30	0.9%
3. Training				
4. General support and services		158	158	4.9%
Unallocated	88		88	2.7%
1. Contingencies	58		58	1.8%
2. External auditing	30		30	0.9%
Subtotal	2,574	593	3,167	97.5%
Financial costs		82	82	2.5%
1. Interest		47	47	1.4%
2. Credit fee		10	10	0.3%
3. I&S	26		26	0.8%
General Total	2,600	650	3,250	100.0%
% of Total	0.80	0.20		

IV. INSTITUTIONAL AND OPERATING ASPECTS

- 4.1 The borrower will be the Republic of Honduras, which will also be responsible for debt service and will transfer the loan proceeds on a nonreimbursable basis to the executing agency. The Honduran Congress will execute the project through an executing unit (EU) that will be located in the Legislative Information and Studies Center (CIEL) during the project.

A. Project execution

1. The Legislative Information and Studies Center

- 4.2 CIEL is a specialized congressional unit with technical and administrative autonomy that provides congress with technical support. It is organized as a directorate with four sections – administration, information systems, research and documentary analysis and consultations. Under the project, CIEL will have the following functions: senior project management and supervision; management of project resources; receipt of progress reports, project evaluation and coordination of the necessary adjustments; and actions for the smooth development of the project.

2. Project executing unit

- 4.3 An executing unit (EU) will be established for the project, which will report to CIEL. It will exist only for the duration of the project.
- 4.4 The EU will be composed of a general coordinator or project director, an expert in administration and finance, an expert in information systems and an assistant. It will have the following functions: to draw up the project's work plan and detailed activities; to act as interlocutor with the Bank; to present disbursement requests to the Bank; to supervise bidding and awards; to select consultants and approve consulting contracts; to monitor execution and present progress reports to CIEL and the Bank; to authorize expenditures and other service contracts; to perform on-going evaluations and attend information meetings with the Bank's Country Office; to oversee compliance with the conditions of the loan contract; and to present progress reports on the project to the Bank, including financial statements audited by an independent firm of public accountants acceptable to the Bank.
- 4.5 CIEL's Information Systems Office will act as coexecutor of the technology component of the project. It will have the following functions: (i) to assist the specialized consulting firm in the design, construction and start-up of the components in the LIS; (ii) to assist the EU in ensuring that the LIS functions properly; and (iii) to assist the EU in ensuring that the training programs for system users and LIS technicians and managers run smoothly.

3. Modernization Committee

- 4.6 A Modernization Committee will be established to serve as a channel for institutional communications between the EU and the legislative community. The committee will have the following members: the Speaker of congress or the elected member he designates, who will chair the committee during the first period, a member of congress from governing party, two members from opposition parties and an expert with a distinguished academic reputation as an honorary member chosen by consensus by the other committee members. The chair of the committee will rotate each quarter. The chair will call the meetings of the committee and play a leadership role in interaction with the executing agencies.
- 4.7 The Modernization Committee will have the following functions: to select the technical secretaries of the committees; to make recommendations to the EU and CIEL on project execution; to serve as a focus for permanent feedback between the direct beneficiaries of the project, congressional representatives and the EU; to help maintain consensus and political support for the project to ensure that it will be sustainable after the execution period; to ensure the inclusive nature of the process of modernizing congress, through a diversity of information, information agents and information procedures.

4. Users Committee

- 4.8 A Users Committee will be established to give opinions on the design and operation of the information system to be built under the project, to ensure that the viewpoints of congress's legislative and administrative users are taken into account in information solutions. Users should provide feedback during the project to the EU and the program's Modernization Committee.

B. Project administration

1. Project supervision

- 4.9 The project will be supervised by CIEL. The EU will present semiannual reports on the physical and financial execution of the project, with input from the Modernization Committee and the Users Committee. These reports will contain the basic information required for performance evaluation and possible adjustments during execution (see paragraphs 4.13 to 4.17).

2. Financial reports

- 4.10 During the project, congress undertakes to present annual financial reports to the Bank, through the EU, on the use made of the Bank loan and the local contribution. The reports will be audited by an independent firm acceptable to the Bank.

- 4.11 The financial statements will be presented within 60 days after the end of each calendar year and the due dates may only be extended with Bank consent.

3. Procurement

- 4.12 Bank procedures and policies will be followed in procuring goods and contracting consulting services for the project. Goods costing US\$250,00 and over will be procured through international competitive bidding. The project will finance technical assistance and consulting services for technical advice, training, studies, design and start-up of a plan to modernize information systems. International competitive bidding will be held for consulting contracts costing more than US\$200,000.

4. Project evaluation and reports

- 4.13 The project will be evaluated in an on-going process, through the reports and evaluations mentioned below. The Bank's Country Office in Honduras will bear basic responsibility for project administration and will perform periodic reviews. The reports will be prepared by the EU and remitted to the Bank in accordance with a work plan agreed upon in advance. Congress, through the EU, will present the following reports.
- 4.14 (i) **Progress reports and follow-up meetings.** Progress reports will be presented within 30 days after the end of each six-month period after the loan contract becomes effective, during the entire project. The reports will describe progress in comparison with the work plan and outline the activities for the following period, based on the goals and indicators established in the logical framework. The reports will attach revised lists of training, procurements and consulting contracts for the period.
- 4.15 Annual meetings will be held with the Bank as part of project monitoring. The progress reports will be reviewed jointly at the meetings to determine any necessary changes and evaluate the results for each stage. The first meeting will be held when the second progress report is presented.
- 4.16 (ii) **Midterm evaluation.** A midterm evaluation will be performed by independent consultants within three months after the end of the first 24 months of execution, based on all the progress reports, the mission reports and evaluations presented to that point.
- 4.17 (iii) **Final evaluation.** A final evaluation of the achievements of the operation as compared to the expected results and the performance goals and indicators in the logical framework will be made within three months after the project ends. The report will be written by independent consultants following the same plan used in the midterm evaluation. The final report should include a detailed analysis of the lessons learned during the project, including successes and obstacles and specific

operating recommendations that can be applied in future legislative modernization projects.

5. Special conditions precedent to the first disbursement

4.18 Prior to the first disbursement, congress will show that the following conditions have been complied with:

- a. Evidence that an agreement to allocate funds has been reached between the executive branch, through the Department of Finance, and congress.
- b. Preparation and approval of the project's operating regulations.
- c. Contracting of a permanent information systems manager for the Legislative Information and Studies Center.
- d. Contracting of a general project coordinator and establishment of the executing unit.
- e. Creation of the congressional Modernization Committee.

4.19 To request the first disbursement for the subcomponent for technical secretaries for congressional committees in subprogram A, an internal resolution creating the positions must have been approved.⁴ To request disbursement for the subcomponent for the electronic attendance and voting system, changes to articles 62 and 64 of the house rules must have been approved to allow the new system to be introduced.⁵

C. Project financial feasibility

4.20 The financial feasibility of the project was based on the incremental expenditures it would originate. These costs are related to: (i) the net increase in staff necessary to carry out the activities; and (ii) the increase in spending on materials and supplies to maintain the new activities at adequate operating levels.

4.21 Congress's budget grew in real terms by 23% from 1996-1999, which reflects the Honduran government's determination to meet the growing needs of the legislative branch. The project's recurrent expenditures expressed as a percentage of congress's projected budget for the execution period would be 3.2% in year one and 3.1% in year two. The country's authorities have expressed their intention to allocate the funds needed to continue project activities after the execution period has ended.

⁴ See technical files number 1.

⁵ See technical files number 4.

V. PROJECT BENEFITS AND RISKS

A. Benefits

- 5.1 By focusing on strengthening congress's legislative, political representation, and oversight functions this project will benefit democracy in Honduras. The project will help to consolidate the country's democratic institutions, seeing as how smooth operation of congress is essential for channeling citizen participation and achieving the social consensuses needed for the legitimate formulation of public policies. The project will also facilitate knowledge of current legislation, public understanding of the work of the legislature and an improved and more dynamic law-making process.
- 5.2 In the medium and long terms, better functioning of democracy and its institutions and the achievement of judicial security and predictability will help stimulate economic and commercial activities, particularly national and foreign investment.

B. Risks

- 5.3 The project's success largely depends on its assimilation by the country's legislative community. Achieving political/legislative consensus is very important for bringing about the changes envisaged in the project. The project is designed to build that consensus during execution by establishing a Modernization Committee, as an all-party mechanism to ensure that the process of modernizing the congress will have broad support. In addition, the speaker of the legislature, its officers and other senior officials have formally committed their support for the project and have been working together with the project team from the start of project preparation. Another key factor in reducing risks is that the operation does not depend on legal reforms or reforms to internal congressional rules that could pose difficulties in reaching the legislative consensuses necessary for its approval.

MODERNIZATION OF THE HONDURAN CONGRESS
LOGICAL FRAMEWORK

Objectives/Activities	Indicators	Means of verification	Assumptions
Objective is to strengthen legislative, oversight and functions by improving its material apparatus.			
Strengthening the legislative			
This subprogram is to build up technical capacity and efficiency in functions.			
Creation of a technical for congressional			
to enhance the work of the providing external and internal or sory services.		Semiannual progress reports	Acceptance of the new technical a by the legislative community
Key services: Inclusion of advisory services for committees that are permanent, and politically neutral.	Creation of the position of committee technical secretary. Creation of the Directorate of Technical Assistance for Congressional Committees.	Public competition for the position of technical secretary and selection of 100 applicants to undergo examinations. Oral and written examination and selection of 20 candidates to take the course. A three-month intensive course, accreditation of the candidates and selection of 13 to occupy the positions. One will be selected to head the Technical Assistance Directorate. The remaining eight candidates will be placed on a reserve list.	Congressional resolution to create committee technical secretary and Technical Assistance Directorate (technical file number 1). Congress is committed to ensuring th and job stability of the technical secr
Key services: Provide the a stable and regulated system unding to contract specialized r services.	Implementation of formalized procedures to contract external advisory services.	Requests approved for contracting external advisory services to draft legislation of national interest and legislation of high technical complexity.	Compliance with the internal rules external advisory services (technical and the rgulations for managing (technical file number 3). Adequate coordination of externa advisory services and existing servic

Activities/Activities	Indicators	Means of verification	Assumptions
Modernization of legislative procedures to improve legislative procedures, reduce congress's work load, increase judicial efficiency, streamline sessions of the full house.		Semiannual progress reports	Acceptance and use of the new procedures by the legislative community.
Introduction of an electronic attendance and voting system	Procurement of the system	Installation of the system in the legislature	Adaptation of articles 62 and 64 of the internal regulations to permit electronic voting.
Creation of a Congressional Record and Bulletin	Investment in the infrastructure to prepare and print the publications Renewal of congressional sound, recording and transcription equipment.	Publication of a Congressional Record that fully reproduces remarks, decisions and incidents during congressional sessions and a House Bulletin of texts to be processed by congress or congressional committees. Substantial improvement in existing systems to record and transcribe congressional sessions.	Absorption of permanent costs by congress (article 83(2) of the internal regulations).
Creation of mechanisms for citizen participation and public information in congress to improve relations between congress and civil society by creating new channels for citizen participation and providing information about the work of congress.		Semiannual progress reports	Citizens use the new channels for cooperation between the legislative community and the media.
Creation of a National Legislative Assistance Center (CANAL) in congress	Establishment of CANAL in the congress building with staff and electronic means to access legislative information.	Citizens use CANAL to request information, propose initiatives, make complaints or suggestions, all of which will be registered in CANAL's electronic files.	The project covers the costs of the premises, procuring furniture and equipment. Congress absorbs the personnel costs.
Start-up of an information system for legislative reporters	Seminars and workshops for reporters organized by congress.	The quality and quantity of legislative information covered in the media improves.	Objectivity in organizing these activities according to the proposed guidelines (technical and editorial). Dialogue exists between congress and the media.
Improvement of congress's Public Relations	Procurement and installation of a closed TV circuit in congress and the necessary equipment for the control room and recording. Better computers in the press room.	Possibility of providing images of congressional sessions. Possibility of creating an audiovisual file of congressional sessions that can be used to settle doubts about what actually occurred at a session.	Small recurrent expenditures included in the regular budget.

Activities/Activities	Indicators	Means of verification	Assumptions
Strengthening the human and resources of congress to provide members of knowledge and skills to improve efficiency of their legislative work an inventory of requirements training plan for congressional staff		Semiannual progress reports	
Technical training plan for congress	Programming of seminars on general and specific information and workshops for the analysis of specific legislative issues.	Members of congress acquire general and specific skills to carry out their functions better.	Preparation and approval of semiannual training plans, based on the procedure in technical file number 5. Congress establishes stable avenues of communication with national and foreign centers for studies and research.
Assessment of needs and start-up of a management plan for congressional staff	Assessment and classification of positions and methods of organizing the work of congressional staff, performed by a specialized consultant. Specific workshops and training courses for congressional staff based on the needs found in the study.	Preparation and presentation to congress of a plan to restructure and reassign personnel.	Congress is committed to perform a thorough examination of the organization and staff.
Preparation of a proposal for institutional reforms in congress to provide congress with criteria and instruments to enable it to examine its institutional strengths and weaknesses	Preparation of a report by a prestigious international consulting firm (technical file number 7).	Semiannual progress reports Presentation to congress of information on: <ul style="list-style-type: none"> • Updating legislative procedures • New methods for monitoring the political and administration actions of the other branches of government. • Improvement in the efficiency of congress's financial and budgetary functions. 	Congress itself takes the initiative for new regulations as a result of the ideas proposed
Modernization of administrative systems to provide computerized documentation and information will improve the efficiency and administrative work.			

Objectives/Activities	Indicators	Means of verification	Assumptions
<p>Creation and start-up of a legislative information system (LIS) for Congress</p> <p>to computerize the process of legislation by creating a single, integrated information system that compiles, organizes and disseminates legislative information.</p>	<p>Design and introduction of the five key modules for a LIS: (i) management of legislative activities; (ii) databanks on legislative work; (iii) current legislation; (iv) official publications; and (v) dissemination.</p>	<p>Semiannual progress reports</p> <p>Documents on functional specifications and subsystems in service and operating.</p>	<p>Technical operating platform.</p>
<p>Expansion and improvement of the technical platform</p> <p>to provide the hardware and software needed to implement the legislative information system.</p>	<p>Upgrade congress's technical platform by providing the necessary hardware (computers and printers), a telephone system and specific imaging equipment. Upgrade the platform using the necessary software including a database management system, language and development tools, operating systems and specific legislative software for congress.</p>	<p>Hardware and software procured and in service</p>	<p>Information technology requirements</p>
<p>Start-up of a computer-skills training program</p> <p>to establish a level of uniform computer skills for all users of the information system. Provide specific technical training for CIEL staff, which will be responsible for future maintenance and operation of the system.</p>	<p>Training in the use of PCs, word processors, spreadsheets, e-mail and the Internet.</p> <p>Training for computer specialists in specific areas of the LIS.</p> <p>Hiring of a permanent information systems manager and four technicians for CIEL.</p> <p>Traineeships in information systems for CIEL employees.</p>	<p>Semiannual progress reports</p> <p>Members of congress and staff with basic skills in using computer tools and capturing data.</p> <p>CIEL staff hired and adequately remunerated.</p> <p>System staff trained in specific methods and tools for the LIS.</p>	<p>Identification of the general users of the system staff to be trained, structured in homogenous levels and responsibilities.</p> <p>The project pays part of the costs of training staff. Congress absorbs full personnel costs after project ends.</p>

**PRELIMINARY PROCUREMENT PLAN
(US\$)**

Main procurements	Cost	Financing		Method*	Prequalification	Possible dates (quarters)
		IDB	Local			
Consulting services	1,319,000	1,020,200	298,800			
- Consulting firms	859,000	859,000				
- Creation and start-up of the legislative information system	366,900	400,000		ICB	YES	II 2001
- Official publications	73,500	73,500		PS	NO	II 2001
- National Legislative Assistance Center	20,000	20,000		PS	NO	II 2001
- Study on reform and seminars	73,000	73,000		PS	NO	II 2001
- Technical training for members	150,000	150,000		PS	NO	II 2001
- Selection and training of technical secretaries	30,500	30,500		PS	NO	II 2001
- Study & training, technical staff	52,000	52,000		PS	NO	II 2001
- General computer training	40,000	40,000		PS	NO	II 2001
- Specialized computer training	20,000	20,000		PS	NO	II 2001
- Individual consultants	460,000	161,200	298,800			
- International external	100,000	100,000		PS	NO	II 2001
- National external	50,000	50,000		PS	NO	II 2001
- International	11,200	11,200		PS	NO	II 2001
Information sessions for reporters						
- International for execution	152,400		152,400	PS	NO	I 2001
- National for execution	146,400		146,400	PS	NO	I 2001
Equipment and materials	379,400	349,400	30,000	ICB	NO	II 2001
- Electronic voting system	250,000	250,000		PS	NO	II 2001
- Equipment for official publications	18,100	18,100		PS	NO	II 2001
- Public Relations Directorate	58,000	58,000			NO	II 2001
- Legislative Assistance Center	23,300	23,300		PS		
- Executing unit	30,000		30,000		NO	I 2001
Hardware	621,350	621,350				
- Technical platform	476,350	476,350		ICB	YES	II 2001
Software						
- Technical platform	145,000	145,000		LRB	NO	II 2001
Total	2,319,750	1,990,950	328,800			

Note: ICB = international competitive bidding; ICP = international call for proposals; LRB = local restricted bidding;
PS = price shopping.

PROPOSED RESOLUTION

**HONDURAS. LOAN ____/SF-HO TO THE REPUBLICA DE HONDURAS
Program for the Modernization of the National Congress of the Republic of Honduras**

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 a Program for the Modernization of the National Congress of the Republic of Honduras. Such financing will be for the amount of up to US\$2,600,000, or its equivalent in other currencies, except that of Honduras, which are part of the resources of the Bank's Fund for Special Operations, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Loan Proposal.