

IMPROVING ACCESS TO THE JUSTICE SYSTEM

(PE-0126)

EXECUTIVE SUMMARY

BORROWER AND: The Republic of Peru
GUARANTOR

EXECUTING AGENCY: Peru's Judicial Branch, through the Executive Committee of the Judiciary, which in turn will act through its Project Management Office.

AMOUNT AND SOURCE: IDB (OC): US\$20.0 million
Local counterpart funding: US\$ 8.6 million
Total: US\$28.6 million

FINANCIAL Amortization period: 25 years
TERMS AND Disbursement period: 3 years
CONDITIONS: Interest rate: variable
Inspection and supervision: 1%
Credit fee: 0.75%
Currency: US\$ from the Single Currency Facility

OBJECTIVES: The overall objective of the program is to assist Peruvian authorities in their efforts to ensure better access to and improve the quality of the country's justice system. Specifically, the program aims to strengthen the lower levels of the administration of justice within areas of greatest poverty where delays in court procedures are worst and the ratio of judges to population is at its lowest. In particular, the program will seek to raise the quality of service at the initial levels of the justice system, and to expand coverage through better geographical distribution.

DESCRIPTION: The proposed program will enhance the effectiveness of reforms carried out to date by Peru's Judicial Branch by pushing the process of change to the peripheral and basic levels of the justice system, which affect the low-income population. To this end, the program will be divided into the following three components:

1. Creation of approximately 83 Basic Justice Modules [Módulos Básicos de Justicia] (MBJs) (US\$21,533,150)

This component will include: (i) construction of buildings to house the 83 MBJs; (ii) purchase and installation of furnishings, fixtures and materials needed for operating the 83 MBJs; (iii) design and development of an information systems plan and specific computer programs for the MBJs; (iv) purchase of computer hardware for the 83 MBJs; (v) design and implementation of a training program for MBJ staff – approximately 230 judges, 166 prosecutors, 40 medical examiners, 166 public defenders, 166 attorneys and 2,243 assistants; and (vi) provision of technical assistance necessary for the review and preparation of documents, blueprints, etc., and optional supervision of the works.

2. Project to improve protection of women's and children's rights through the use of lay magistrates (US\$254,450)

This component will include: (i) training for lay magistrates in gender and children's issues; (ii) assigning of preselected NGOs with demonstrated competence in the sector to identify specific activities of an experimental nature that can be employed to promote access by women to positions as magistrates; and (iii) drawing up of national policy recommendations based on the aforementioned experiences.

3. Development and implementation of an information, communication, and dissemination plan to raise awareness of the program (US\$585,200)

This component will include: (i) development and carrying out of information activities to promote the program in affected communities by running radio ads, producing publicity materials, holding seminars, and carrying out other similar activities; (ii) design and implementation of an education program to inform the affected communities of their rights and freedoms using advertising materials, seminars and similar activities; and (iii) holding of approximately 332 seminars, workshops and meetings (four per MBJ) in order to obtain political and social support for the program among the communities and ensure the cooperation of other organizations and institutions (i.e. bar associations).

**ENVIRONMENTAL
CLASSIFICATION:**

The Environment Committee, at its meeting of June 29, 1996, classified this as a Category II operation since it is not expected to impact the environment. Nevertheless, the final engineering designs and architectural plans will include an environmental analysis that will take into account the measures required under the applicable regulations.

BENEFITS:

Access. Once the 83 MBJs are built and in operation, they are expected to improve access to both courts of first instance and appellate court for people living within the program's service area (approximately one third of the country's total population). The program will substantially shorten the time it takes to reach the court from any town in the districts served, by a minimum of 50% according to the estimates. The non-court costs associated with legal proceedings (i.e. transportation and lodging) will therefore be reduced in similar proportion.

Productivity. Creation of the MBJs will increase the capacity of the justice system enabling it to resolve approximately 251,000 more cases per year, which will be enough to clear up the judicial backlog facing Peru's courts of first instance.

Efficiency. The productivity of magistrates is expected to rise from 250 to 1,000 cases/year; that of judges with special jurisdiction, from 300 to 600 cases/year. The organizational plan of the MBJs will reduce the need for support staff per judge by 30%. Moreover, separating judicial from administrative tasks will enable judges to devote 100% of their time to their jurisdictional duties (versus 20% at present). All things being equal, the gains in productivity will help to eliminate court backlogs.

Effectiveness. Thanks to the requirements of the program, together with the new policy on the selection of judges and the hiring of personnel, which emphasize knowledge of indigenous languages, the 83 MBJs are expected to be able to serve litigants in their first language. In addition, the training provided with program resources will enable each MBJ to tailor its services to the cultural idiosyncracies of its clientele. The concept of one-stop justice which will be promoted by the MBJs (combining the services of judges, prosecutors, attorneys and medical examiners) will allow closer coordination of legal procedures and ensure the availability of legal assistance in trial proceedings. The program is also expected to result

in an increase in the number of practicing attorneys in the 83 sites. Finally, the new computer systems will give the public, authorities and attorneys alike immediate access to judicial data and statistics.

RISKS:

Successful execution of this program will require close coordination between the participating organizations and, indeed, the current legislation guarantees such coordination. As well, the entities involved are committed to coordinating their activities under the present program.

Political support is essential to guarantee the success of the operation. The level of support seen in the past is a good sign that political willingness to support judicial reforms will continue over the medium term. However, government priorities can change with the passage of time, and it is therefore important that the program be carried out within the time allotted. It should be possible to complete the program on schedule thanks to the Judicial Branch's experience in executing similar projects under its program to introduce the *Juzgado Corporativo* (Centralized Clerk Office) system, and the advanced level of preparation for its implementation. As well, the Judicial Branch already owns 15 of the 23 sites needed for construction during the first year.

TARGETING OF LOW-INCOME GROUPS:

The program will provide court services for low-income inhabitants of marginalized urban districts and poor rural areas in the Andean highlands and jungles of Peru. In choosing the locations where the MBJs are to be built, priority was given to areas with large caseloads, a low standard of living and a high index of unmet basic needs, remote (in terms of travel time) from existing courts, and having a high percentage of inhabitants living in poverty. On average, 53% of basic needs are unmet in the areas affected by the program, and 53% of the population in these areas is considered either poor or extremely poor. Consequently, this program can be classified as geographically poverty-targeted pursuant to paragraph 2.15 of the Eighth Replenishment report (document AB-1704). (See paragraphs 5.20 to 5.22.)

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

The Bank's strategy for this period focuses on three areas: (a) modernization of the economy; (b) poverty reduction and increasing the coverage of social services and the efficiency with which they are delivered; and (c) modernization of the State. Under the last heading, emphasis will be on strengthening the managerial capacity of the Executive Branch at the central level, reforming the Judicial Branch and

making preparations for modernization of the Executive Branch at the regional, departmental, provincial and district levels. The proposed program is entirely consistent with all three areas of priority.

**PROCUREMENT OF
GOODS AND
SERVICES:**

The procurement of goods at a cost equal to or below US\$150,000 equivalent will be done by means of limited bidding or a call for offers in which at least three suppliers will be invited to participate. Local competitive bidding (LCB) procedures will be followed for the purchase of goods valued at between US\$150,000 and US\$250,000 equivalent. International competitive bidding (ICB) policies will apply for the purchase of goods valued in excess of US\$250,000.

**SPECIAL
CONTRACTUAL
CONDITIONS:**

(i) Conditions precedent to the first disbursement:

(a) signing of the agreement for the transfer of funds, and a commitment by the executing agency to fulfill its obligations as the party responsible for program execution (see paragraph 3.1); and (b) creation of the program coordinating unit (PCU) (see paragraph 3.3).

(ii) Conditions during the execution period:

Final organizational plan, information technology plan, and training plan. The executing agency must submit the following to the Bank within six months after the start of disbursements or prior to September 30, 1998: (a) the final plan for the organization, operations and internal regulations of the MBJs (see paragraph 3.13); (b) the information technology plan outlining strategic approaches for the organization and implementation of data systems, along with specific computer applications (see paragraph 3.11); and (c) the training plan for creation of the MBJs (see paragraph 3.12).

Adjustment of indicators. In addition, the executing agency undertakes to adjust the indicators included in the program's logical frameworks to the specific circumstances prevailing in Peru, and to develop the benchmarks that will serve as the basis for mid-term and final evaluations, all within six months of the start of disbursements (see paragraph 3.20).

Evaluations. The Judicial Branch, *Ministerio Público* [Office of the Attorney General], Ministry of Justice and the Bank will conduct two joint evaluations of the program. The first will be carried out 18 months into the execution period and will provide the basis for the necessary adjustments affecting the rest of the execution period. The second evaluation will be carried out before the final disbursement and will be used to prepare subsequent stages of the program. These evaluations will be based on practical findings obtained during detailed study of the performance of at least 12 MBJs created under the program (see paragraph 3.19).

Recognition of expenditures. Expenditures carried out prior to loan approval and no more than 18 months prior to the contract date will be recognized, in accordance with the Bank's procedures. Up to a maximum of US\$500,000 may be recognized for the purpose of covering costs incurred by the government for (i) site preparation at the 23 locations selected for the MBJs; (ii) the final plan for the organization, operations and internal regulations of the MBJs; and (iii) the information technology plan outlining strategic approaches for the organization and implementation of data systems (see paragraph 3.25).

Retroactive financing. Costs relating to the program and incurred within the 12-month period preceding the date of the loan contract may be paid retroactively using loan proceeds, provided the Bank's procedures are duly observed. In particular, retroactive financing will be provided up to an amount equivalent to US\$1 million for development of computer applications and the purchase of computer equipment required in preparation for the project, and to hire the PCU coordinator and provide technical assistance for the PCU (see paragraph 3.26).

I. BACKGROUND

A. General background

- 1.1 Peru's economic and social development has been hampered historically by inadequacies in the operation of its justice system. These inadequacies have been due to lack of an effective capacity for managing the Judicial Branch, politicization of the appointment of judges and the Judiciary, obsolete and highly departmentalized organizational structures, and excessive concentration of judges in urban centers, limiting access to justice for low-income inhabitants of outlying districts, periurban areas, and the remote Andean highlands and jungle regions.
- 1.2 To strengthen the administration of justice, the Government of Peru is undertaking a number of constitutional, legislative and administrative reforms. The main objectives of this series of reforms are to reinforce the independence of the Judicial Branch; strengthen the administration and management capacity of the government agencies responsible for the justice system; upgrade the professional training of judges, prosecutors and legal assistants; improve the administrative management of the courts; make the selection of judges more democratic; modernize infrastructure and improve access to the justice system.
- 1.3 Universal access to justice will be obtained by bringing the justice system closer to those sectors of the population that have traditionally been cut off from its benefits, such as groups living in periurban areas or the highlands and jungle zones of the country's interior. With this in mind, the government has set itself the goal of increasing the coverage and improving access to quality justice services for approximately one third of the country's population. This will be accomplished through a program to expand judicial coverage, the first phase of which will be financed under the present program.
- 1.4 Constitutional aspects. In Peru, there are various bodies that participate in some way in the administration of justice.
 - a. The Judicial Branch, represented by the Chief Justice of the Supreme Court and consisting of the judges and magistrates who perform the judicial functions.
 - b. The *Ministerio Público* [Office of the Attorney General] represents the State and the people of Peru in judicial proceedings, and is responsible for ensuring the independence of the bodies that make up the Judiciary. These functions are carried out by prosecutors.
 - c. The Judiciary Council is charged with selecting and appointing the nation's judges and prosecutors, with the exception of lay

magistrates (*jueces de paz no letrados*) 1/ who are elected by popular will. The Judiciary Council is an independent body whose members are elected by the judges, prosecutors, attorneys, bar associations and university presidents. The training of judges and prosecutors, and evaluation of their qualifications for purposes of advancement, are the purview of the Judiciary Academy which is also an independent agency.

- 1.5 There is also an Office of the Ombudsman [*Defensor del Pueblo*] whose task it is to safeguard the constitutional and basic rights of the individual, and to monitor the administration of the State and the provision of public services.
- 1.6 Legislative reforms. As part of Peru's legislative reforms aimed at improving the administration and planning capabilities of the Judicial Branch and the *Ministerio Público*, professional government bodies have been created to administer these institutions. The two bodies, known as the Executive Committee of the Judiciary (CEPJ) and the Executive Committee of the *Ministerio Público* (CEMP), are operationally part of and report to the Judicial Branch and the *Ministerio Público*, respectively.
- 1.7 Creation of the CEPJ and CEMP has been accompanied by the assignment of substantial financial and human resources in order that they might lead the way in the administrative reform process (see Chapter IV).
- 1.8 To improve the professional expertise of judges and prosecutors, the law has required since 1996 that candidates for these positions must have successfully completed the educational programs offered by the Academia de la Magistratura.
- 1.9 To improve legal aid services for low-income groups, since mid-1997 the Ministry of Justice has been responsible for giving free legal assistance to litigants of limited means (legal aid), and providing for the defense of the poor during proceedings (public defenders).
- 1.10 Administrative reforms. The Judicial Branch has drawn up a medium-term administrative reform plan which attaches priority to the creation of a more efficient administrative structure, reorganizing the management of the court system by introducing a modern program for managing caseloads, and upgrading the professional qualifications of court officials. Work is already well advanced on all three areas. Over the past few months, the *Ministerio*

1/ Lay magistrates (of which there are approximately 4,100) constitute the first level in Peru's system of administration of justice, and act essentially as conciliators. These magistrates are members of the communities, and do not have to hold a degree in law since the position is an honorary one. Hence, lay magistrates base their decisions on common sense and local customs.

Público has started to reorganize its administrative procedures and the functions of medical examiners.

- 1.11 Between 1995 and 1997, the Judicial Branch undertook a program to reduce the size of its staff. During this period, a total of 1,950 officials - mostly assistants and administrative staff - resigned or were laid off, under an incentive program. At the same time the number of judges was increased, for a net reduction of 2.8% in the payroll.
- 1.12 Lastly, in order to attract better qualified professionals, the salaries of court officials have been raised - by 82% in the case of magistrates, 75% for special judges, and 57% for senior magistrates.
- 1.13 The results of these reforms are promising. In 1995, 81.58% of cases entering the justice system took more than a year to resolve and by 1996, this figure had dropped to 66.15%. Judicial productivity has increased by about 51% since 1995.
- 1.14 The next challenge in reforming the system is to increase coverage and provide easier access to good quality judicial services for the population. The program proposed here is designed to do just that.

B. Current situation

- 1.15 One third of the population (approximately 7.3 million Peruvians) lack adequate access to the justice system. ^{2/} There are 345 magistrates (*jueces de paz letrado*) - who handle civil disputes involving lesser amounts and misdemeanors - and 746 special judges (*jueces especializados*) - who hear cases involving larger amounts and more serious crimes. In other words, Peru has one magistrate or special judge for every 22,000 citizens. In most of the industrialized countries, this figure is approximately one judge per 10,000 inhabitants.
- 1.16 In addition, magistrates are not distributed proportionately and equitably among the localities they must serve. Of the 345 magistrates, 69 are located in Lima, and 112 in the seats of judicial district courts. The remaining 164 magistrates are left to cover 1,600 political districts - i.e. one magistrate for every 9.7 districts. Prosecutors, medical examiners, public defenders

^{2/} This proportion of the population has convenient access only to **lay magistrates** who are limited to arbitrating cases in which the amount in dispute is no more than 10 judicial reference units (roughly US\$800). In criminal matters, lay magistrates are competent to hear misdemeanors only. For all other cases, this third of the population must resort to the courts of first instance, of which there are few around the country.

and free attorneys provided by the Ministry of Justice are even thinner on the ground. In some border areas, the absence of magistrates has led Peruvians to seek out Brazilian judges to arbitrate their disputes.

- 1.17 The caseload per magistrate is not excessive, averaging around 250 cases a year. This is more a reflection of lack of access and credibility, than of judicial efficiency. The caseload per magistrate should be in the neighborhood of 1,000 cases per year, which is considered an appropriate average.
- 1.18 Other factors limiting access to justice for Peruvians, in addition to the insufficient number of magistrates and the excessive concentration of special judges in urban areas, include: (i) physical factors such as Peru's rugged landscape, large distances between towns, weather conditions, inadequate roads and means of transport; (ii) the relative cost of litigation; (iii) cultural barriers; (iv) concentration of appellate courts in provincial capitals; (v) segmentation in the delivery of judicial services; and (vi) the sector's low productivity.
- 1.19 As a result of its uneven topography and weather patterns, its inadequate roads and means of transport, distances in Peru are better measured in units of time than in kilometers. In the rainy season, roads disappear in some areas making transportation between even nearby towns impossible. In the Andean highlands and jungles alike, travelling a few kilometers can take days. For example, anyone having to travel from the city of Asunción to Chachapoyas (capital of the Department of Amazonas) for judicial proceedings must set aside approximately 11 days to cover a distance of only 96 kilometers. Similarly in the Andean zone, to go from Quince Mil in the district of Camanti to the appeals court in Cuzco requires two days to cover 243 kilometers. Finally, the total absence or low frequency of intercity transport means that many areas are virtually incommunicado. The truck that carries supplies from Cuzco to Quince Mil, in addition to being the sole means of transport between the two towns, makes the trip at best once per week.
- 1.20 A citizen wishing to have recourse to the justice system is often forced to take several days off work and incur relatively high transportation costs. For example, the trip from Quince Mil to Cuzco costs about five soles (roughly US\$2), which makes it prohibitively expensive for individuals who live in a barter economy and therefore do not have access to soles. Moreover, five soles is equivalent to one day's wages. These litigation costs can be more prohibitive still when the proceedings are not completed in the time expected, so that litigants incur additional travel expenses and more days lost from work.
- 1.21 Courts of first instance are not so attractive to the population targeted by the present program for many other reasons as well.

The judges usually do not speak the language of the area they serve, although this defect is being corrected by the authorities. Also, the cities in which courts are located are generally inhospitable places for those who come from rural zones, the highlands or jungles in search of justice. Not only are cultural differences a problem, but visitors also have to contend with discrimination from urban dwellers. Finally, individuals from the regions targeted by this program are unaware of the benefits of the formal justice system, and even of their own rights as citizens.

- 1.22 Appeals of rulings handed down by a magistrate must be heard in the respective provincial capital. As a result, even in those cities that have a magistrate, access to the justice system is difficult in that disputes are rarely resolved without appeal. As well, the fact that courts are concentrated in provincial capitals means that there is a similar concentration of lawyers in these same cities. For this reason, the inhabitants of periurban areas, or jungle or Andean highlands zones usually lack access to competent counsel or defence attorneys.
- 1.23 There is little coordination among judges, prosecutors, attorneys, medical examiners and police who are dispersed, which results in serious gaps in service delivery and makes access to the system even more difficult.
- 1.24 The organization and operating systems used by the courts are obsolete, severely limiting their productivity. On the one hand, there is little or no separation of judicial from administrative functions. The judge must resolve not only judicial issues *per se*, but also administrative questions affecting his court. As a result, judges generally spend 80% of their time dealing with administrative matters, to the detriment of their judicial duties. Moreover, since they are run by persons (e.g. judges) with no specific training for the task, the internal operations of many courts are largely improvised, disorganized and inefficient.
- 1.25 Hence, the justice system is virtually inaccessible for low-income groups living in marginalized areas in or around cities, or in jungle or Andean highland zones. These citizens' civil liberties are unprotected and their ability to participate fully in the economic, political and social life of the country is limited. To correct this situation, the Judicial Branch, with the support of the Bank, has designed the *Módulos Básicos de Justicia* [Basic Justice Modules] (MBJs) under a plan for providing decentralized access to a comprehensive range of justice services. The first phase of this plan will be financed by the Bank through this program, under which 83 of the 250 MBJs needed will be set up.
- 1.26 The **lay magistrates** (to which the population generally has access, although they are limited to mediating disputes valued at less than US\$800) operate in an essentially effective and efficient manner.

However, because of a lack of information, the existence of a sexist culture and the small number of women acting as lay magistrates, the rights of women and children have been generally neglected. In particular, lay magistrates tend to ignore the rights of women in cases of domestic violence and to act to the detriment of women's and children's rights in suits for alimony and support. This program provides for a training plan for lay magistrates and activities to promote access by women to positions at this level. It is hoped that the experience gained from carrying out this plan will set the stage for strengthening the lay justice system in subsequent phases.

C. Activities of other organizations

- 1.27 With support from the World Bank, the Judicial Branch plans in 1998 to carry out a program primarily intended to support its ongoing efforts to improve the administrative and governing capacity of the Judicial Branch itself, improve management of the court system and upgrade infrastructure in previously selected urban centers containing court complexes. As well, the World Bank will provide support for the National Judiciary Council and the Judiciary Academy in order to strengthen the process of selection, evaluation and training of judicial and administrative personnel, and to assist the Office of the Ombudsman in determining its structure, organization and functions, and in strengthening its administrative capacity.
- 1.28 USAID has been providing help to the Judicial Branch in the areas of alternative dispute resolution systems, provision of legal assistance for citizens without sufficient financial resources, and the criminal justice system.
- 1.29 UNDP has provided support to the Judiciary in the hiring and supervision of the technical assistance necessary to carry out the reform plan introduced two years ago. At the same time, UNDP is providing technical assistance so that the *Ministerio Público* and the Ministry of Justice can continue with the modernization process already under way in these two institutions.

D. The Bank's experience in the area

- 1.30 The Bank provided a grant of US\$150,000 in the form of technical cooperation ATN/SF-5132-PE to help Peru prepare the present project. In addition, the Bank approved a non-reimbursable technical cooperation (ATN/MT-4740-PE) for development of alternative dispute resolution systems, which has been successfully executed. This operation included strengthening and creation of arbitration and conciliation centers. Finally, concerning the topic of violence against women, the Bank has supported a regional pilot technical-cooperation program to prevent and combat intrafamily violence against women (TC-95-07-122-RG), the results of which are of relevance for the program proposed here.

E. The Bank's strategy for Peru

- 1.31 The Bank's strategy for this period focuses on three areas: (a) modernizing the economy; (b) poverty reduction and increasing the coverage of social services and the efficiency with which they are delivered; and (c) modernization of the State. Under the last heading, emphasis will be on strengthening the managerial capacity of the Executive Branch at the central level, reforming the Judicial Branch and making preparations for modernization of the Executive Branch at the regional, departmental, provincial and district levels. The proposed program is entirely consistent with all three areas of priority.

II. OBJECTIVE AND DESCRIPTION OF THE PROGRAM

A. Objective

- 2.1 The overall objective of the program is to assist Peruvian authorities in their efforts to ensure better access to and improve the quality of the country's justice system. Specifically, the program aims to strengthen the lower levels of the administration of justice within areas of greatest poverty where delays in court procedures are worst and the ratio of judges to population is at its lowest. In particular, the program will seek to raise the quality of service at the lower levels of the justice system, and to expand coverage through better geographical distribution.

B. Description

- 2.2 The reforms carried out to date by the Judicial Branch, including those to be financed by the World Bank, have concentrated on strengthening the Judiciary's governing bodies and the administration of justice by the courts located in urban centers. The proposed program will enhance the effectiveness of these reforms by pushing the process of change to the periphery and basic levels of the justice system, which affect the low-income population. To this end, the following three projects will be carried out: (i) construction and operation of roughly 83 Basic Justice Modules (MBJs); (ii) project to improve protection of women's and children's rights through the use of lay magistrates in the judicial districts of Loreto, San Martín, Ancash, and Puno; and (iii) development and implementation of a communication and dissemination plan to raise awareness of the program.

1. Establishment of approximately 83 Basic Justice Modules (MBJs) (US\$21,533,150)

- 2.3 The objectives of this project are to: (i) expand coverage of the court system to include populations distant from urban centers (and hence from the nearest district court), reducing the amount of time required to reach the courts and increasing the ratio of judges to inhabitants; (ii) introduce a modern and transparent organization and administrative model for management of the courts and service to the public at the first level in the justice system to reduce delays, increase the productivity of courts, lower cultural barriers to access and provide effective protection of rights and liberties; (iii) decentralize the administration of the court system in order to better respond to local needs; and (iv) provide incentives for attorneys to establish service in the regions targeted by this program.
- 2.4 To meet these objectives, the Judicial Branch, using resources from the Bank (ATN/SF-5132-PE), has designed a Basic Justice Module as a

model for provision of integrated and decentralized court services, including modern organization, administration and management of the courts. 3/

- 2.5 The MBJs entail the reengineering of existing processes, administrative reorganization and reassignment of duties to make the court system more effective and efficient. In particular, administrative functions are to be separated from judicial duties, enabling judges to devote themselves entirely to the latter. Administrative functions are to be transferred to duly organized trained professionals to substantially shorten the time it takes to complete trials and to serve the public.
- 2.6 The various agents participating in the administration of justice (judge, prosecutor, attorney, court-appointed counsel, ombudsman, medical examiner, police) will be brought together in the same building, and their duties will be coordinated based on a common set of rules and regulations governing organization and operation of the MBJs. This will effectively streamline the administration of justice so that provision of services is better coordinated while the number of administrative personnel needed per professional will be reduced.
- 2.7 According to studies conducted by the Judicial Branch's Project Management Office, 250 MBJs would have to be built in order to cover Peru's needs at the national level. Based on budgetary considerations and given the opportunity costs involved, in this first stage of the plan the Bank will finance construction of only 83 modules in regions where the need is most urgent.
- 2.8 To ensure the widest and best coverage possible for the MBJs, the location of each module has been determined on the basis of population, judicial caseload and standard of living in the area, index of unmet basic needs, distance (in time) from the nearest courts, and poverty figures. To that same end, the design of the MBJs calls for judges, prosecutors and medical examiners assigned to each module to serve surrounding towns on an itinerant basis. 4/
- 2.9 In addition, the organizational structure, operations and layout of the MBJs has been designed to include the next (appeals) level of justice as well. As often as is deemed reasonable, MBJs will be visited by magistrates of the applicable level of jurisdiction to hear any appeals that have arisen.

3/ The Bank's technical files contain documents showing the development of the MBJ concept, with details concerning the architecture, organization and operation of the modules.

4/ The Bank's technical files contain tables describing the 83 population centers chosen based on the above criteria.

- 2.10 A total of 83 MBJs will be built: 34 type-I facilities (for population centers with over 100,000 inhabitants), 20 type-II facilities (for areas containing 40,000 to 100,000 inhabitants), and 29 type-III facilities (for regions with less than 40,000 inhabitants).
- 2.11 This component will include: (i) construction 5/ of buildings to house the 83 MBJs; (ii) purchase and installation of furnishings, fixtures and materials needed for operating the 83 MBJs; (iii) design and development of an information technology plan and specific computer programs for the MBJs; (iv) purchase of computer hardware for the 83 MBJs; (v) design and implementation of a training program for MBJ staff - approximately 230 judges, 166 prosecutors, 40 medical examiners, 166 public defenders, 166 attorneys and 2,243 assistants; and (vi) provision of technical assistance necessary for the review and preparation of documents, blueprints, etc., and authorized supervision of the works.
2. Project to improve protection of women's and children's rights through the use of lay magistrates in the judicial districts of Loreto, San Martín, Ancash, and Puno (US\$254,450)
- 2.12 The objectives of this project are to: (i) increase the awareness of lay magistrates in the judicial districts of two main cities (Loreto and San Martín), plus two additional judicial districts (Ancash and Puno), regarding gender and children's issues; and (ii) promote access by women to the position of lay magistrates as a means of reducing the general lack of respect for women's and children's rights among magistrates in the aforementioned judicial districts.
- 2.13 Specifically, this component will include: (i) training for approximately 820 lay magistrates in gender issues and protection of children; (ii) assigning of preselected nongovernmental organizations (NGOs) with demonstrated competence in the sector to identify specific activities of an experimental nature that can be employed to promote access by women to positions as lay magistrates in the selected judicial districts; and (iii) drawing up of national policy recommendations based on the experiences gained in the program.
3. Development and implementation of an information, communication and dissemination plan for the program (US\$585,200)
- 2.14 The overall objectives of this project are to improve access to the justice system and increase the program's likelihood of success. The specific objectives are to: (i) publicize the scope of the

5/ Existing buildings may be remodelled where they meet the requirements established in the infrastructure plan and can be adjusted to accommodate the standard MBJ model.

program; (ii) educate citizens within the targeted regions concerning their rights and individual freedoms; and (iii) take steps to reduce potential resistance in certain sectors of the affected communities or on the part of other institutions (i.e. bar associations).

- 2.15 Specifically, this component will include: (i) development and carrying out of an advertising plan to promote the program in affected communities by running radio ads, producing publicity materials, holding seminars, and carrying out other, similar promotional activities; (ii) design and implementation of an education program to inform the affected communities of their rights and freedoms using advertising materials, seminars and similar activities; and (iii) holding of approximately 332 seminars, workshops and meetings (four per MBJ) in order to obtain political and social support for the program among the communities and ensure the cooperation of other organizations and institutions (i.e. bar associations).

C. Scale and cost

- 2.16 The total cost of the program will be US\$28.6 million, of which the Bank will finance US\$20 million (69.93%) from the ordinary capital. The local counterpart for the program will be US\$8.6 million (30.07%).
- 2.17 The following table contains the consolidated budget for the program by indicating the source of funds.

CONSOLIDATED BUDGET

	Bank	Local 6/	Total
1. Creation of Basic Justice Modules			
1.1 Preparation of legal changes		288,500	288,500
1.2 Development of MBJ construction plan		180,600	180,600
1.3 Construction and installation of 83 MBJs	17,683,750	3,380,300	21,064,050
Subtotal	17,683,750	3,849,400	21,533,150
2. Improving protection of women's and children's rights			
2.1 Education in issues relating to the rights of women and children		27,650	27,650
2.2 Promoting access by women to positions as lay magistrates	200,000		200,000
2.3 Evaluation of the component and recommendations		26,800	26,800
Subtotal	200,000	54,450	254,450
3. Program communication and dissemination			
3.1 Plan for advertising the program	81,888	108,112	190,000
3.2 Education plan on legal rights	262,400		262,400
3.3 Consensus-building activities		132,800	132,800
Subtotal	344,288	240,912	585,200
4. Administrative expenses			
4.1 Coordinating unit	730,800		730,800
4.2 <i>Ministerio Público</i>	54,000		54,000
4.3 Ministry of Justice	54,000		54,000
4.4 Ombudsman	50,000		50,000
Subtotal	888,800		888,800
Subtotal for the program	19,116,838	4,144,762	23,261,600
5. Contingencies	683,162	100,000	783,162
6. Financial expenses 7/			
6.1 Credit fee		168,150	168,150
6.2 Inspection and supervision	200,000		200,000
7. Taxes (18%)		4,187,088	4,187,088
TOTAL	20,000,000	8,600,000	28,600,000

2.18 Financing terms and conditions. Disbursement will be over 25 years with a grace period of 3 years. Interest will be variable, the credit fee will be 0.75% on undisbursed balances, and the inspection and supervision fee will be 1% of total loan proceeds.

2.19 Scale. A detailed study has been made of the activities and inputs required for execution of each of the three projects that make up

6/ May include the costs of a specialized agency in charge of contracting for works, goods, and services.

7/ Do not include interests during execution period, which will be covered by the borrower.

this program. These studies indicate the estimated number of units needed to complete each project (e.g. four consultant-months, 1,500 PCs with electronic office software, 670 m² x US\$250, US\$250 in furnishings per person, etc.).

- 2.20 The cost of each activity or input has been determined using average local or international unit prices corresponding to particular activities and inputs. For example, the monthly cost (including travel and per diems) for international experts has been set at US\$10,000. The cost per month for senior local consultants has been fixed at US\$3,000. Similarly, the cost for each PC with electronic office software has been established at US\$2,000.
- 2.21 Costs for the MBJs. The cost for establishing each MBJ has been determined in the following manner. First, an operating plan and organizational chart were prepared, and the personnel needs for each type of module were determined. Then the architectural plans were drawn up and the equipment and furnishings required for each of the three types of module were determined, bearing in mind the functional and organizational plan of the MBJs and the needs of potential clients. Lastly, the total cost for creation of each type of module was calculated.
- 2.22 The following table contains a summary of the costs for each type of MBJ:

Type of module	No. of staff per module	Area in m ²	Price of works US\$300 per m ²	Furnishings US\$	Software and hardware US\$	Inst. cost per type of MBJ*
Type I: 100,000 or more pop.	47	1,190 L 645 B	193,500	8,750	80,000	282,250
Type II: 40-100,000 population	38	1,008 L 460 B	138,000	6,250	60,000	204,250
Type III: less than 40,000 pop.	26	925 L 370 B	111,000	4,750	40,000	155,750

* Excludes costs for administration, start-up, training and supervision.

L = land

B = building

- 2.23 Costs of the project to improve protection of women's and children's rights through the use of lay magistrates. Resources have been included for hiring local NGOs to design a training program and teaching materials, and for purchasing materials, and conducting workshops and seminars (travel, per diems, rental of

sites, moderators and educators). Funds are also included for evaluating the results of the component.

- 2.24 Costs of the information, communication and dissemination project.
The budget includes resources for hiring two firms to plan radio campaigns and design posters and other materials to raise awareness of the MBJ program and inform citizens of their rights. Funds have also been included for purchasing radio spots and printing publicity material. Resources have also been included to conduct workshops and seminars aimed at marshalling support for the program.
- 2.25 Estimation of administrative and financing costs under the program.
Under the heading of administrative costs are funds for hiring a coordinator, three professionals and support staff for a period of 48 months each, as well as covering the cost of travel to the towns where the modules are to be built, plus office expenses for operation of the project coordinating unit (UCP).
- 2.26 Administrative costs likewise include technical assistance: (i) for the *Ministerio Público* (US\$54,000) and the Ministry of Justice (US\$54,000) to enable them to meet their responsibilities under the program; and (ii) for the Office of the Ombudsman (US\$50,000) to cover the cost of visits to the MBJs to check their services. The Bank may recognize, as part of the local counterpart funding, the costs of any specialized agencies that the executing agency uses to handle contracting for works, goods, and services.

III. EXECUTION OF THE PROGRAM

A. The borrower and the executing agency

- 3.1 The borrower will be the Republic of Peru. The Judicial Branch, through its governing body – the Executive Committee of the Judiciary (CEPJ) – will act as the executing agency. The borrower will be responsible for repaying the loan and will provide the counterpart funds. Prior to the first disbursement, the borrower must provide the Bank with evidence that it has signed a funds transfer agreement with the executing agency.

B. Means of execution

1. Project Management Office (GEP)

- 3.2 The CEPJ will act via the Executive Secretariat through the Project Management Office (GEP) which will, in turn, rely on its own project divisions (General Administration Division, Caseload Management Division and Judicial Personnel Division) and technical support groups (Infrastructure, Systems, Legal Standards, Reform Blueprint and Administration).
- 3.3 The GEP will turn over coordination of day-to-day operations under the program to a program coordinating unit (PCU). The PCU will report to the GEP and have at least the following personnel: a program coordinator, three professionals and appropriate support personnel. Prior to the first disbursements under the program, the borrower must submit evidence to the Bank that the PCU has been set up.
- 3.4 The duties of the PCU will be to: (i) establish contact with mayors' offices and other representative institutions in the towns where the MBJs will be located to gain their assistance and encourage the community to participate; (ii) identify sites and propose their selection to the GEP; (iii) coordinate design of the MBJ with the Infrastructure Technical Support Unit; (iv) adjust the MBJ model to suit the particular requirements in each location and recommend alternative means of adapting to these circumstances with participation by the respective community; (v) review and adjust the needs and costs for each MBJ; (vi) supervise the design and execution of the computer applications for the MBJ; (vii) oversee design and execution of the training programs; (viii) support, monitor and supervise measures to publicize and raise awareness of the program; (ix) prepare and review terms of reference for consultants to be hired for the program; (x) draft semiannual, mid-term and final reports; (xi) serve as liaison with firms or agencies hired to perform tasks for the program and oversee compliance with the respective contracts; (xii) draw up the schedule of program and follow-up activities; (xiii) supervise

personnel hired to support the PCU; (xv) monitor the administrative and financial aspects of the program; (xvi) keep the *Ministerio Público* and the Ministry of Justice informed in order to coordinate activities with these institutions; and (xvii) within the first six months after the start of disbursements, prepare the final version of the manual of organization and functions of the MBJs.

- 3.5 The Project Management Office will hire multidisciplinary teams to set up each of the 83 MBJs, and these teams will be responsible for supervision and coordination of the construction works, installation of all wiring, equipping of the MBJs, distribution of office materials, assignment and training of personnel, and the installation of computer equipment and applications.

2. Cooperation from the *Ministerio Público* and the Ministry of Justice, and participation by the Office of the Ombudsman

- 3.6 Meeting the program's objectives will require cooperation from the *Ministerio Público* and the Ministry of Justice. The *Ministerio Público* will be responsible for: (i) assigning the prosecutors and medical examiners to the MBJs as they are completed; (ii) helping to draft the final version of the operating regulations for the MBJs; and (iii) paying overhead costs associated with activities of prosecutors and medical examiners in each module. The Ministry of Justice will have the following responsibilities: (i) assigning public defenders and legal aid counsel to the MBJs as they are completed; (ii) helping to draft the final version of the operating regulations for the MBJs; and (iii) paying overhead costs associated with the provision of free legal assistance and defense counsel in each module.

- 3.7 As part of its role in safeguarding the constitutional and fundamental rights of the citizens of Peru and overseeing performance of the government and the provision public services, the Office of the Ombudsman will verify delivery of services by the MBJs.

C. Program execution

1. Execution of the project for construction and startup of the MBJs

- 3.8 The layout of the buildings housing the 83 MBJs will be based on the architectural models drawn up during preparation of this program, which take into account the specific functions the modules are to carry out, client convenience, the safety of individuals and documents, transparency in judicial proceedings, and efficient use of space.
- 3.9 The general architectural plans for the MBJs are based on a modular design which permits expansion according to needs and adjustment to the different zones of the country. The modular nature of the MBJs

will make it possible in the future to add a police detachment to assist in the administration of justice by providing security, handling persons in custody, conducting investigations, etc. The inclusion of police in the MBJs during execution of the present program will be decided on a case-by-case basis, in accordance with the needs of each community and with the availability of police officers in the communities affected.

- 3.10 The MBJs will be built on quadrangular lots, preferably on flat terrain and with clear space around their entire periphery. Three models for the MBJs have been developed depending on the size of the population they serve. Type I MBJs are intended for areas with over 100,000 inhabitants and include one civil court, one criminal court and as many as four magistrate's courts. Type II MBJs, which are designed for areas with a population of between 40,000 and 100,000, include one mixed court (handling civil and criminal cases) and up to three magistrate's courts. Type III MBJs are for areas with less than 40,000 inhabitants and contain one mixed court, one magistrate's court and one courtroom for a lay magistrate. Specialized engineers will be hired to supervise construction of the MBJs.
- 3.11 Each MBJ will be provided with furnishings and equipped with a computer system. The information technology plan, which will specify the overall strategy to be followed in the organization of information systems including specific computer applications, must be presented to the Bank within six months after the start of the disbursements. Specific computer equipment requirements for each MBJ will be drawn up on the basis of this plan. It may not be possible to install computer equipment in certain MBJs due to a lack of electricity service in the towns where they are located. The plan must provide solutions for such cases, specifying the type of equipment to be used in place of computers. The budget heading for computer equipment will be adjusted accordingly.
- 3.12 The personnel working in MBJs (judges, prosecutors, attorneys, medical examiners, police) will receive special training on the operation and organization of the MBJs, use of the module's computer systems, and the sociocultural characteristics of the population they serve to ensure that the service provided is in keeping with local conditions. One of the factors to be used in selecting and appointing judges and prosecutors will be knowledge of the local language. The above-mentioned training will be given by consultants with expertise in the areas described. The training plan on the operation of the MBJs must be submitted to the Bank within six months after the start of the disbursements.
- 3.13 The MBJs will be organized and operated in accordance with a manual of organization and functions of the MBJs, a preliminary version of which is available in the Bank's technical files. The final version of this plan for the organization, operations and internal

regulations of the MBJs - covering the activities of judges, prosecutors, medical examiners, legal aid, public defenders and support staff - must be presented to the Bank within six months after the start of the disbursements.

2. Execution of the project to improve protection of women's and children's rights through the use of lay magistrates

- 3.14 The training of lay magistrates in issues relating to the rights of women and children will use *inter alia* the materials and modules developed under the regional pilot program to prevent and combat intrafamily violence against women (TC-95-07-122-RG).
- 3.15 Nongovernmental organizations will be selected on the basis of demonstrated competence in this area to develop specific activities of an experimental nature for use in promoting access by women to positions as lay magistrates.
- 3.16 Lastly, specialized consultants will be hired to evaluate the above activities so that they might serve as a basis for future programs.

3. Execution of the communication and dissemination project

- 3.17 Consultants will be hired to carry out the activities of this component, including the purchase of radio spots and production of publicity materials.
- 3.18 The PCU must agree with the mayors' offices and with other institutions representative of the localities where the MBJs are to be located regarding arrangements for the seminars, workshops, or meetings to obtain the respective communities' support for the program and ensure the cooperation of other organizations (see paragraph 2.15).

4. Project supervision and evaluation

- 3.19 Supervision of the program will be provided by the Bank's Country Office in Peru, with the support of the project team and consultants hired for this purpose. Specifically, it will be necessary to hire an international expert on court layouts for a period of two weeks to review construction of the first five MBJs, and an international consultant on computerization of judicial procedures to review the information systems plan developed by the GEP.
- 3.20 The Judicial Branch, *Ministerio Público*, Ministry of Justice and the Bank will conduct two joint evaluations of the program. The first will take place at the 18-month mark and will identify adjustments to be made to the program for the rest of the execution period. The second will be carried out before the final disbursement and will serve as the basis for preparing subsequent stages of the program for execution. These evaluations will be

based on empirical data obtained in detailed studies of the performance of at least 12 of the MBJs established.

- 3.21 To ensure the success of the sampling and the two evaluations, during the first six months of execution, the PCU will adjust the indicators used in the program's logical frameworks to the specific conditions in Peru, and to develop benchmarks. The two evaluations referred to above will in any case include: (i) the number of inhabitants served by each MBJ; (ii) the average reduction in the amount of time it takes to access the court system; (iii) average reduction in costs associated with lawsuits; (iv) increase in the ratio of judges to population; (v) rise in demand for judicial services; (vi) judicial productivity; (vii) capacity to provide service in the first language of litigants; (viii) increase in the number of attorneys in the vicinity of MBJs; (ix) access to judicial statistics by the public; and (x) client satisfaction.

5. Hiring of consultants, procurement of goods and construction of civil works

- 3.22 **Technical assistance and studies.** The program will provide funding for technical assistance and consulting services to conduct studies, design training programs, prepare materials, develop computer applications and carry out media campaigns, as well as to supervise, provide expert advice and perform other activities in support of the program. International open calls for offers (IOC) will be used for consulting contracts valued at or above US\$200,000 equivalent. Local public calls for offers acceptable to the Bank will be used for consulting contracts valued at between US\$100,000 and US\$200,000 equivalent. Contracts for consulting services valued at less than these amounts will be let by means of limited bidding, with at least three firms invited to submit proposals.
- 3.23 **Procurement of goods.** Goods costing US\$150,000 or less will be procured by means of limited bidding or calls for bids from at least three suppliers. Local competitive bidding (LCB) will be used for the purchase of goods valued at between US\$150,000 and US\$250,000 equivalent. International competitive bidding (ICB) will be used where the value of the goods to be procured exceeds US\$250,000.
- 3.24 **Construction.** Where possible, construction projects will be packaged in order to ensure the competition and interest of local contractors. Contracts for projects costing more than US\$150,000 will be let by local competitive bidding. Construction projects or packages valued in excess of US\$3,000,000 equivalent will be awarded under ICB procedures. Given the relatively simple, low-cost nature of the works to be carried out, it is felt that the proposed construction projects will be of little interest to international firms.

6. Disbursement schedule

- 3.25 The tentative schedule for disbursements is shown in the following table:

DISBURSEMENT SCHEDULE				
	YEAR 1	YEAR 2	YEAR 3	TOTAL
IDB	3,946,000	9,514,000	6,540,000	20,000,000
Local	2,511,716	3,949,930	2,138,354	8,600,000
Total	6,457,716	13,463,930	8,678,354	28,600,000
%	22.58	47.08	30.34	100

D. Recognition of expenses and retroactive financing

- 3.26 The Bank will recognize expenditures preceding loan approval made up to 18 months prior to the date on which the contract is signed, provided these were incurred in accordance with the Bank's procedures. Expenditures by the government will be recognized up to a maximum of US\$500,000 where these are for: (i) preparation of 23 sites for construction of the MBJs; (ii) drafting of the final plan for the organization, operations and internal regulations of the MBJs; and (iii) preparation of the information systems plan specifying the overall strategy to be followed in the organization of information systems.
- 3.27 Expenditures relating to the program and incurred during the 12-month period preceding the date on which the loan contract is signed may be charged against the loan proceeds, provided the Bank's procedures are adhered to. Specifically, an amount of up to US\$1 million equivalent may be financed retroactively for development of computer applications and procurement of computer hardware required in preparation for the project, hiring of the PCU coordinator, and technical assistance in support of the PCU.

E. External audit

- 3.28 During the execution period, the program's financial statements must be audited by a firm of independent auditors acceptable to the Bank, in accordance with the applicable rules of the IDB.

IV. INSTITUTIONAL ASPECTS

A. Judicial Branch

- 4.1 The legal framework for the Judicial Branch is laid down in the Judiciary Act (1993), which was promulgated to establish a more efficient and modern judicial system. The organizational structure of the Judicial Branch is as follows: (i) a Supreme Court with 21 Supreme Court Justices, divided into specialized chambers of five justices each; and (ii) 26 superior courts comprised of divisions headed by senior judges, special judges, and magistrates.
- 4.2 In 1995, Peru began a process of reform and modernization of the judicial system with the creation of an Executive Committee of the Judiciary made up of the Chief Justice of the Supreme Court; the Presidents of the Criminal, Constitutional and Civil Chambers of the Supreme Court; and the Executive Secretary. The committee's mandate is to take the measures necessary (through its Secretariat) to ensure that all actions undertaken by agencies of the Judicial Branch are prompt, efficient and transparent. The Secretariat is the administrative arm of the Committee and enjoys the financial autonomy needed to reform the administration and management of the Judicial Branch at the national level. The incremental budget for the judicial reform program was US\$24,509,073 in 1996, and US\$24,613,740 in 1997. In 1998, the amount invested in reforms is expected to be at least this high again. In 1996, the budget (US\$130 million) was executed in its entirety, and so far in 1997 the budget is being executed on schedule.
- 4.3 The Secretariat is comprised of three operational divisions: the General Management Office, Project Management Office, and Youth Center Operations Office. This structure has the following support and advisory units: the Technical Section, Consultative Council, Inspector's Office, the Public Prosecutors Department which looks after judicial affairs; the General Secretariat; and the Office of Planning and Control.
- 4.4 The PCU will operate under the technical and functional direction of the Project Management Office (GEP). The GEP has a highly qualified and adequately organized staff. The Bank's technical files contain the organizational chart for the Project Management Office, and the list and distribution of its personnel.
- 4.5 From the standpoint of its organizational structure, operations, personnel and technical capacity, the Judicial Branch is deemed capable of carrying out the program successfully, notwithstanding the specific recommendations made in this chapter.

1. The Ministerio Público

- 4.6 The *Ministerio Público* is an autonomous institution forming part of the judicial system and representing the State and society in legal proceedings. It is responsible for investigating crimes, overseeing criminal trials and issuing opinions. In addition, it has a mandate to safeguard the proper administration of justice, and to appoint prosecutors and medical examiners. The budget of the *Ministerio Público* in 1996 was US\$37.7 million, of which 99% was funded from Public Treasury resources, while the remaining 1% represents resources generated by the Forensic Medicine Institute.
- 4.7 In 1996, the *Ministerio Público* began a process of reorganization and modernization to prepare for the new role assigned to it under the new Code of Criminal Procedure which makes prosecutors responsible for investigations in criminal trials. The organizational structure of the *Ministerio Público* includes an Executive Committee, Technical Unit, Executive Secretariat and the *Fiscalía de la Nación* [Office of the Prosecutor General], which consists of five Public Prosecutors Offices (for cases involving criminal, civil, administrative, and constitutional-social law and internal security). After completing the reorganization, the *Fiscalía de la Nación* has a total of 1,086 prosecutors, of whom 313 (29%) are tenured staff and 773 (71%) are provisional personnel. The bulk of these prosecutors look after criminal cases (49%), followed by criminal and civil cases combined (29%), and civil cases only (7%). The administrative support system is made up of 239 individuals, 154 (65%) of whom were appointed as a result of the recruitment and selection process.
- 4.8 From the standpoint of its organizational structure, operations, personnel and technical/executive capacity, the *Ministerio Público* is deemed capable of carrying out the tasks assigned to it under this program successfully (see paragraph 3.6).

2. Ministry of Justice

- 4.9 Article 139 of the Peruvian Constitution enshrines every citizen's right to a "free defense", and it is the duty of the Ministry of Justice to provide for this right through the devices of public defenders and legal aid lawyers. These two services are related in that both provide free legal advice, one during trials (public defenders) and the other prior to proceedings (legal aid lawyers). In particular, the Ministry of Justice - through the National Justice Department - has the duty to regulate, promote, coordinate and supervise the operation of legal-aid and public-defender services. In the case of children, its principal task is to safeguard the best interests of the child in terms of family setting and provide protection in areas such as custody, support, neglect, adoption, violence in the home, etc.

- 4.10 The legal aid service was created in 1986 to provide free legal assistance to persons with little or no income. There are currently 20 legal aid offices, 14 of which are located in Lima while the remaining six are in the provinces. These offices also raise awareness of current legal provisions through discussions that provide training for individuals to avoid conflict or settle existing disputes. In 1996, legal aid attorneys assisted in 34,309 cases, of which 2,522 (7%) involved administrative proceedings; 5,279 (16%) concerned extrajudicial acts; 2,066 (6%) were in connection with judicial acts; and 24,235 (71%) involved pre- and post- trial advisory services.
- 4.11 In March 1996, a plan for protection of defendants was introduced which included the hiring of 25 attorneys. Court-appointed counsel is assigned by the criminal courts which have a pool of 50 attorneys to draw on. In addition, the Ministry of Justice has 77 public defenders on tap to serve the 83 proposed MBJs.
- 4.12 From the standpoint of its organizational structure, operations, personnel and technical/executive capacity, the Ministry of Justice is deemed able to carry out the tasks assigned to it under this program successfully (see paragraph 3.6).

3. Judicial Coordinating Council

- 4.13 The Judicial Coordinating Council was created in June 1996 with a mandate to recommend general policy guidelines for development and organization of the Judicial Branch, *Ministerio Público* and National Judiciary Council. The Judicial Coordinating Council is made up of the Chairman of the Executive Committee of the Judiciary, the Executive Committee of the *Ministerio Público*, and the National Judiciary Council, along with the Executive Secretary.

V. FEASIBILITY AND IMPACT

A. Technical feasibility

- 5.1 The concept of the MBJ has been devised on the basis of the *Juzgado Corporativo* (Centralized Clerk Office) model currently being introduced in district court complexes in Peru. This model has been successfully introduced in other countries - for example, in the judicial systems of California and Florida (USA) and the Basque provinces of Spain - as well as in Peru itself. The development and implementation of the concept in Peru has been aided by experts from the California court system. In addition, the analysis of the present operation has been prepared with the support of experts from the Basque provinces of Spain.
- 5.2 In order to attract professional staff with higher qualifications, the salaries of magistrates have been increased. The salary of a senior magistrate is currently US\$1,820 (which assumes a 57% increase), that of a special judge is US\$1,350 (75% increase), and that of a magistrate is US\$990 (82% increase). These increases represent respectively 15.8, 11.8, and 8.6 times the minimum wage. It is hoped that these salary scales will serve to attract candidates.
- 5.3 The fact that the concepts being applied have proven successful both in Peru and elsewhere, and that professional personnel will be duly selected and trained, is enough to ensure the technical feasibility of the program.

B. Feasibility of program execution

- 5.4 The Judicial Branch in Peru is gaining valuable experience with the introduction of the *Juzgado Corporativo* model. As well, before the first disbursement under the loan, the Judicial Branch will have established Basic Justice Centers which are similar to the MBJs, but do not include prosecutors, medical examiners, court-appointed legal counsel or legal aid lawyers.
- 5.5 By the time of the first disbursement, the Judicial Branch will have had over two years' experience in setting up court complexes similar to those envisaged in the present program, with promising results. Judicial output increased by more than 51% since 1995.
- 5.6 Carrying out the proposed program will not require the amendment of any laws. Both the creation of a larger number of courts and the needed regulatory changes lie within the Judicial Branch's existing regulatory authority.
- 5.7 Finally, preliminary process and performance indicators and quantifiable objectives have been developed to support supervision

and evaluation of the program. These will be reviewed in the first six months of program execution.

C. Political feasibility

- 5.8 To date there has been a significant level of political support for Judicial Branch reforms. In addition to the legal and administrative reforms that have been carried out, the budget of the Judicial Branch was increased by 50% in 1996, and 12% in 1997. The total amount that the government is going to invest in these reforms now stands at US\$105 million, including the contributions from the IDB and the World Bank. Moreover, the government is committed to increasing the State's presence in strategic sectors such as justice, education and basic health services. Thus, political support shows every sign of continuing.
- 5.9 All stakeholders have participated in project design. In addition, using resources from technical cooperation ATN/SF-5132-PE, a seminar has been financed to disseminate the content of the draft project report and to submit it to interested parties. The program also has provided for conducting an information campaign and carrying out four activities to marshal support for each MBJ and improve their chances of success.

D. Financial feasibility

- 5.10 The local contribution will be provided by the government (Ministry of Economic Affairs and Finance) which will make annual transfers from the budget to participating entities in incremental amounts sufficient to cover the required local counterpart.
- 5.11 The total service on the Bank's loan, expressed in present value, amounts to approximately US\$21,553,860, which is equivalent to 15.5% of the 1997 budget for the Judicial Branch. In addition, the annual service on the Bank's loan represents 0.71% of that same annual budget.
- 5.12 **Additional operating costs.** These costs arise from: (i) the net increase in the number of personnel required once the proposed activities are implemented; and (ii) the increase in expenditures for materials and supplies needed to sustain a suitable level of operations and maintain the equipment and facilities built and rehabilitated under the program.
- 5.13 The above-mentioned recurrent costs are as follows:

EXPENDITURES (in US\$000)	1998	1999	2000
Creation of MBJs	23	30	30
Wages (Judicial Branch)	815	2,700	4,824
Wages (Ministerio Público)	138	454	808
Wages (Ministry of Justice)	40	131	235
Security	58	198	364
Cleaning	30	85	130
Office supplies and materials	61	208	376
Cleaning materials	23	64	98
TOTAL	1,165	3,840	6,835

5.14 The incremental costs forecast for the first year of execution account for 0.9% of the Judicial Branch's budget, 0.31% of the *Ministerio Público's* budget, and 0.03% of the budget for the Ministry of Justice. By the third year of execution, the incremental expenses will consume 4.7% of the budget for that year, assuming a budgetary increase of 5% per year.

5.15 **Conclusion concerning financial feasibility.** Considering (i) the small effect of the loan on the debt service and on the budgets of the entities involved, (ii) the country's positive economic outlook, and (iii) the management of public finances in Peru, the program is deemed financially viable.

E. Environmental feasibility

5.16 The Environment Committee, at its meeting of June 29, 1996, classified this as a Category II operation since it is not expected to impact the environment. Nevertheless, the final engineering designs and architectural plans will include an environmental analysis that will take into account the measures required under the applicable regulations.

F. Impact

5.17 **Impact on the circumstances of women and children.** In accordance with the directives issued by the Committee on Environment and Social Impact (CESI) at its meeting of January 21, 1997, the design of the MBJs takes into account the information and analysis of demand from women for judicial services, and incorporates activities to promote access by women to the justice system. In addition, laws concerning the rights of indigenous communities have been duly considered, and the program will include efforts to facilitate access by these communities to the judicial system, and

to guarantee that they enjoy the respect and protection of common law.

- 5.18 **Impact on poverty.** The program will provide access to the justice system for low-income inhabitants of marginalized urban districts and poor rural areas in the Andean highlands and jungles of Peru. In choosing the sites where the MBJs are to be built, priority was given to areas with heavy caseloads, a low standard of living and a high index of unmet basic needs, remote (in terms of travel time) from existing courts, and having a high percentage of inhabitants living in poverty. On average, 53% of basic needs are unmet in the areas affected by the program, and 53% of the population in these areas is considered either poor or extremely poor.
- 5.19 Seventeen of the localities in which MBJs are to be located have living standards which are classified as very poor. This means that the index of satisfied basic needs is in the 5% to 25% range. Twenty-eight of the other localities where MBJs are to be built have living standards classified as poor, meaning that their index satisfied basic needs is in the 25% to 55% range. Of the remaining localities involved, seven enjoy an acceptable living standard (i.e. their index of satisfied basic needs is above 75%) and 30 have a mediocre standard of living (with an index of satisfied basic needs of between 55% and 75%).
- 5.20 Consequently, this project can be classified as geographically poverty-targeted pursuant to paragraph 2.15 of the Eighth Replenishment report (document AB-1704).

G. Benefits

- 5.21 **Access.** Once the 83 MBJs are built and in operation, they are expected to improve access to both courts of first instance and appellate court for people living within the program's service area (approximately one third of the country's total population). The program will substantially shorten the time it takes to reach the court from any town in the districts served, by a minimum of 50% according to the estimates. The non-court costs associated with legal proceedings (i.e. transportation and lodging) will therefore be reduced in similar proportion.
- 5.22 **Productivity.** Creation of the MBJs will increase the capacity of the justice system enabling it to resolve approximately 251,000 more cases per year, which will be enough to clear up the judicial backlog facing Peru's courts of first instance (95,007 cases were instituted in 1996, of which a total of 57,755 were duly resolved). Demand for justice system services is expected to grow by some 50% per year, rising to around 1.9 million which is the theoretical demand level given the size of the country's population. At an ideal ratio of judges to inhabitants (approximately 2,300 judges of first instance for a population of 23 million) and assuming the

expected rate of output is reached (850 cases per judge annually), this added capacity will reach saturation in approximately 7.33 years. It is hoped that by then, a sufficient number of MBJs will have been built to provide coverage for the entire population.

- 5.23 **Efficiency.** The productivity of magistrates is expected to rise from 250 to 1,000 cases/year; that of judges with special jurisdiction, from 300 to 600 cases/year. The organizational plan of the MBJs will reduce the need for support staff per judge by 30%. Moreover, separating judicial from administrative tasks will enable judges to devote 100% of their time to their jurisdictional duties (versus 20% at present). All things being equal, the gains in productivity will help to eliminate court backlogs.
- 5.24 **Effectiveness.** Thanks to the requirements of the program, together with the new policy on the selection of judges and the hiring of personnel, which emphasize knowledge of indigenous languages, the 83 MBJs are expected to be able to serve litigants in their first language. In addition, the training provided with program resources will enable each MJB to tailor its services to the cultural idiosyncracies of its clientele. The concept of one-stop justice which will be promoted by the MBJs (combining the services of judges, prosecutors, attorneys and medical examiners) will allow closer coordination of legal procedures and ensure the availability of legal assistance in trial proceedings. The program is also expected to result in an increase in the number of practicing attorneys in the 83 sites. Finally, the new computer systems will give the public, authorities and attorneys alike immediate access to judicial data and statistics.

H. Risks

- 5.25 Successful execution of this program will require close coordination between the participating organizations and, indeed, the current legislation guarantees such coordination. As well, the entities involved are committed to coordinating their activities under the present program.
- 5.26 Political support is essential to guarantee the success of the operation. The level of support seen in the past is a good sign that political willingness to support judicial reforms will continue over the medium term. However, government priorities can change with the passage of time, and it is therefore important that the program be carried out within the time allotted. It should be possible to complete the program on schedule thanks to the Judicial Branch's experience in executing similar projects under its program to introduce the *Juzgado Corporativo* (centralized clerk office) system, and the advanced level of preparation for its implementation.

LOGICAL FRAMEWORK

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTION
<p>improve access, efficiency and justice at the first instance and levels of the justice system for populations living in periurban districts and poor the Andean highlands and rural, and to lay the basis for developing judicial protection for women in these same areas.</p>	<p>Access</p> <ul style="list-style-type: none"> * The inhabitants of 1,600 political districts within the service area of the program (approximately one third of the country's total population) will have better access to the justice system at the first instance and appellate levels. * Substantial reduction (at least 50%) in the time it takes to reach the court system from any locality. * Non-court costs associated with litigation (i.e. travel and accommodations) will drop in the same proportion as the reduction in travel time. 	<ul style="list-style-type: none"> * Semiannual reports from the GEP * Evaluation reports * Judicial statistics 	<ul style="list-style-type: none"> * Coordination among organizations
	<p>Productivity</p> <ul style="list-style-type: none"> * The courts will be able to resolve approximately 251,000 more cases per year. * The judicial backlog at the courts of first instance will be eliminated. 		
	<p>Efficiency</p> <ul style="list-style-type: none"> * It is hoped that the magistrates' productivity will be increased from 250 cases per year to 1,000 cases/year. * The productivity of specialized judges is expected to rise from 300 cases per year to 600 cases/year. * The number of support personnel required per judge will be reduced by 30%. * Judges will be able to devote 100% of their time to judicial duties (at present the figure is 20%). 		

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>Effectiveness</p> <ul style="list-style-type: none"> * The 83 MBJs will have the capacity to provide service in the first language of the litigants. * The 83 MBJs will have the capacity to serve clients while respecting their cultural idiosyncracies. * Improved coordination in the delivery of services (judges, prosecutors, attorneys, medical examiners). * Legal assistance guaranteed for anyone involved in trial proceedings. * Increase in the number of practicing attorneys in the 83 localities. * Immediate access to judicial statistics for the public, authorities and attorneys alike. 		
<p>TS:</p> <p>ent of 83 MBJs.</p> <p>rove protection of women's en's rights through the use ates.</p> <p>ent and implementation of a se awareness of the nd inform people of their</p>	<ul style="list-style-type: none"> * Operating regulations of the MBJs approved within the first six months. * Printing of 2,000 copies of the regulations. * Information systems plan drawn up within the first six months. * Training plan drawn up within the first six months. * 83 MBJs built, delivered, wired, equipped and furnished (23 by month 10, 30 more by month 22, and the final 30 by month 34 of the program). * Computer applications designed and implemented in 83 MBJs. * 288 judges, 166 prosecutors, 83 medical examiners, 166 public defenders, 166 legal aid lawyers and 2,243 administrative assistants assigned to the MBJs and duly trained. * One evaluation carried out at the 18-month mark, and another before the end of the program execution period. 		

PROCUREMENT SCHEDULE

	Source	Method	Prequalif.	Execution date
Design of computer applications (US\$1.8 million)	GOPE	IOC	NO	first half 1998
Procurement of computer hardware (US\$4.5 million)	IDB	ICB	NO	first half 1998
Civil works (US\$17.7 million — 82% IDB; GOPE US\$3.3 million — 18% construction)				
8 MBJ	IDB/GOPE	LOC	NO	first half 1998
15 MBJ	IDB/GOPE	LOC	NO	second half 1998
20 MBJ	IDB/GOPE	LOC	NO	first half 1999
20 MBJ	IDB/GOPE	LOC	NO	second half 1999
20 MBJ	IDB/GOPE	LOC	NO	first half 2000

ICB: International competitive bidding
IOC: International open call for offers
LOC: Local open call for offers

PROPOSED RESOLUTION

PERU. LOAN ____/OC-PE TO THE REPUBLICA DEL PERU
(Program for Improving Access to the Justice System)

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 del Perú, as Borrower, for the purpose of granting a financing to cooperate in the execution of a Program for Improving Access to the Justice System. Such financing will be for the amount of up to twenty million dollars of the United States of America (US\$20,000,000) from the Single Currency Facility of the Ordinary Capital Resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" of the Executive Summary of the Loan Proposal.