

PROGRAM FOR STRENGTHENING THE JUDICIAL SYSTEM

(UR-0122)

EXECUTIVE SUMMARY

Borrower and guarantor:	Eastern Republic of Uruguay	
Executing agency:	Suprema Corte de Justicia [Supreme Court] (SCJ)	
Amount and source:	IDB (OC):	US\$6,125,000
	Local:	US\$2,625,000
	Total:	US\$8,750,000
Financial terms and conditions:	Amortization period:	25 years
	Disbursement period:	5 years
	Grace period:	5 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency:	U.S. dollar
Objectives:	<p>The overall objective of the program is to improve judicial services in Uruguay in response to the perception that users have of those services. The specific objectives are: (i) to improve the quality and productivity of administrative services within the judicial branch (DGSA, DPP, SL); (ii) to strengthen management of the SCJ and streamline non-core administrative tasks; and (iii) to reduce the time it takes to process judicial cases in pilot offices, ensuring that such processing is completed by the deadlines established in procedural rules.</p>	
Description:	<p>To achieve these specific objectives, a program consisting of three projects has been designed as follows: (i) reorganization and strengthening of administrative procedures (US\$1.5 million); (ii) strengthening of management of the Supreme Court (US\$900,000); and (iii) improvement in court services (US\$ 4.1 million).</p> <p>The project to reorganize and strengthen administrative procedures includes: (i) introducing the use of strategic planning in the judicial branch, building on recent experience gained in preparing the budget for 2000-2004; (ii) redesigning and strengthening the organizational</p>	

structure of administrative services in the judicial branch; and (iii) improving the skills and capabilities of personnel for management by objectives, including the design and implementation of a management training program for officials of the DGSA, and a reform of the performance appraisal system for personnel in the judicial branch.

The project to strengthen management of the Supreme Court consists of (i) streamlining administrative tasks assigned to the SCJ by reviewing the Court's operational structure, delegating tasks to lower-level administrative bodies, and simplifying and computerizing procedures; (ii) strengthening the SCJ's Legal Secretariat by reviewing its operational structure with a view to consolidating its role of providing direct support to the SCJ and relieving it of non-core administrative functions, reengineering its organizational support structure and procedures; and analyzing the delegation of duties to the subsecretariats, as well as coordination with the DGSA; (iii) improving the information systems within the SCJ, including as a minimum the systems of administrative case management, instrument and deposition management, monitoring of criminal reports, preparation of judgements, case management within the SCJ, and the updating of current jurisprudence to include judgements by appellate courts and the database on final rulings of the SCJ; and (iv) creating an Internal Audit Division made up of two units: Economic and Financial Audits and Administrative Audits.

The project to improve court services includes detailed design and implementation of a pilot plan to modernize judicial courts. This pilot plan will include: (i) design, development and implementation of a master identification system for tracking judicial proceedings throughout the legal process; (ii) simplification of procedures and formalities based on standardization of documents and decisions; (iii) development of a computerized case management and tracking system, by subject and by court; (iv) implementation of the case management and tracking system in 50 offices, and preparation of a proposal to extend the system to all other judicial offices; and (v) development of an acclimation plan to help judicial personnel adjust to the changes, with training for judges, court clerks, and judicial staff throughout the legal system.

**The Bank's
country and
sector strategy:**

In keeping with the government's economic policy, and the Eighth General Increase in Resources, the Bank's strategy in Uruguay focuses on support for developing programs and government policies for the 2000-2004 five-year period, to ensure sustained and stable growth that permits greater social equity. Against this backdrop, the Bank's strategy will center on three areas. In **competitiveness and regional integration**, the Bank will support

initiatives that enhance competitiveness and private investment in export-oriented production, based on its comparative advantages and the use of modern technologies. Under **modernization of the State and governance**, the Bank will support reforms intended to curb the State's influence on the economy, increase its efficiency and effectiveness, rationalize and target its intervention, and minimize its impact on national production of goods and services. In the area of **welfare and social equity**, the Bank's strategy seeks to promote greater equity and bring the most vulnerable groups into the development process and improve their quality of life.

From 1995 through 1998, the program to strengthen social areas (loan 811/OC-UR) financed a number of studies and diagnostic assessments of the justice system, which served to identify potential areas of support. This loan also funded preparation of the initial stages of the present program to approval in March 1999 of a separate operation for US\$830,000 under the Project Preparation Facility (1168/OC-UR), which is now under way.

Since the main problems affecting the judicial branch have to do with lengthy legal procedures and management of judicial courts, success in dealing with these problems will require first reinforcing and modernizing the judiciary's overall administrative and management system, before moving ahead carefully with modernization of the courts.

Large-scale introduction of new technologies, procedures, organizational models and court management procedures would stand little chance of succeeding without: (i) an administrative system that can respond effectively; (ii) a reorganization that phases in changes to firmly entrenched work practices and organizational structures; and (iii) a clear definition of the criminal procedural reform. It is important to ensure a proper sequencing of activities that is adapted to the system's capacity to assimilate change.

The program strategy to promote modernization of the judicial branch is based therefore on the gradual modernization of the administrative system and on the introduction of a program for reform of judicial office management.

**Environmental
and social
review:**

This program will have no direct environmental effects.

Benefits:

The program will provide direct benefits in two major areas: improving the institutional, administrative, and technical capacity of the judicial branch; and initiating of efforts to modernize the management of judicial courts, and thus to improve service to users. The establishment of a modern institutional framework will provide

the country's judicial branch with more efficient, more effective, and dynamic administration and management. This improved institutional structure will lay the groundwork for coping with more complex challenges in the future, such as the successful introduction of an eventual reform of the Code of Criminal Procedure. The introduction of modern systems of administration will enable the judicial branch to make more efficient use of its resources. Reducing the amount of time justices, magistrates and judges spend on purely administrative business will allow them to devote more attention to judicial matters.

The program will set the stage for addressing the judicial backlog and delays, reinforcing the institutional and technical capacity of the judiciary and preparing the various actors in the system for long-term institutional change.

Lastly, the improved judicial services will foster economic growth in the medium and long term through its impact on the investment climate.

Risks:

The main risk associated with the program is resistance to the changes produced by the program as proposed, particularly the design and reorganization of the management structure. This risk will be mitigated by the commitment to change demonstrated by the country's senior judicial authorities, as well as by the content and sequencing of the program. It is important to note that, with the Bank's help, the SCJ for the first time submitted to the Legislature a budget prepared in accordance with modern budgeting methods. This experience illustrates that resistance to change in organizations as traditional as the SCJ can be addressed using tools and mechanisms that facilitate teamwork. To counter this risk still further, specific activities have been included aimed at consensus building and heightening awareness to change.

The weakened administration of the judicial branch, which this program is designed to correct, poses another risk: namely that of delays in execution. To minimize this risk, a Program Coordinating Unit (PCU) was created and put in place during program preparation.

Given that the SCJ is a decision-making body of five justices, there is a possibility that the present consensus on the reform process could eventually be adversely affected. This risk is being mitigated by involving the entire court in the various program activities, and should be minimized still further with the annual agreements mentioned earlier.

Special contractual clauses:	As a condition precedent to the first disbursement, the SCJ must present, to the Bank's satisfaction: (a) an authorized copy of the implementation agreement between the SCJ and the OPP, together with the SCJ decision approving that agreement, signed by the five justices (paragraph 3.2); (b) evidence that the executing unit has been set up and is functioning (paragraph 3.6); (c) evidence that the Supervisory Council has been set up and is functioning (paragraph 3.10); (d) evidence that the three project leaders have been hired (paragraph 3.6); and (e) evidence that the plan of operations for year one has been approved (paragraph 3.28).
Poverty-targeting and social sector classification:	N/A
Exceptions to Bank policy:	None.
Procurement of Goods and Services:	The selection and hiring of consultants and all procurement of goods and services for the program must be carried out in accordance with the standard procedures approved by the Bank for this purpose. International bidding and competitions must be used to award contracts valued at the equivalent of US\$350,000 or more, in the case of goods, and US\$200,000 or more, in the case of consulting services. Financing of construction works is not envisaged under the program. After year one of the program, depending upon the experience gained by the executing agency, the Bank may conduct an ex post review by sampling contracts for individual consultants valued at less than US\$50,000, and contracts with consulting firms valued at less than US\$100,000.

I. FRAME OF REFERENCE

A. Setting

- 1.1 The Government of Uruguay seeks to foster economic growth with social equity under a system which includes incentives for private investment and initiatives to improve the efficiency and quality of the services provided by the public sector. To further this objective, it is working to guarantee legal certainty, and to improve the services provided under the justice system by ensuring, among other things, proper and efficient operation of the judicial branch.
- 1.2 Uruguay is a country with a long legal tradition and a history of respect for democratic institutions. It has an independent judiciary with a reputation for integrity in the performance of its duties. The judicial profession is respected and the independence of judges guaranteed within and outside the system. This independence is reflected in the fact that Uruguay's justice system receives the highest marks from its own citizens of any country in the region,¹ close to 55% of whom indicate high or some confidence in the judicial branch — compared to 35% in the rest of the region. Moreover, 48% of Uruguayans agree that there is equality before the law,² a percentage which is almost double that of other countries in the region (where the average is 25%).

B. The justice system

1. Features and general description of the justice sector

- 1.3 The primary activities of the justice sector center on the State's duty to carry out its judicial functions, which is performed by the judicial branch. In addition to the judiciary itself, other branches of government and institutions play a role in the justice system. The following table illustrates the principal functions of the entities that participate in the sector:

¹ Latinobarómetro, 2000

² Latinobarómetro, 1998

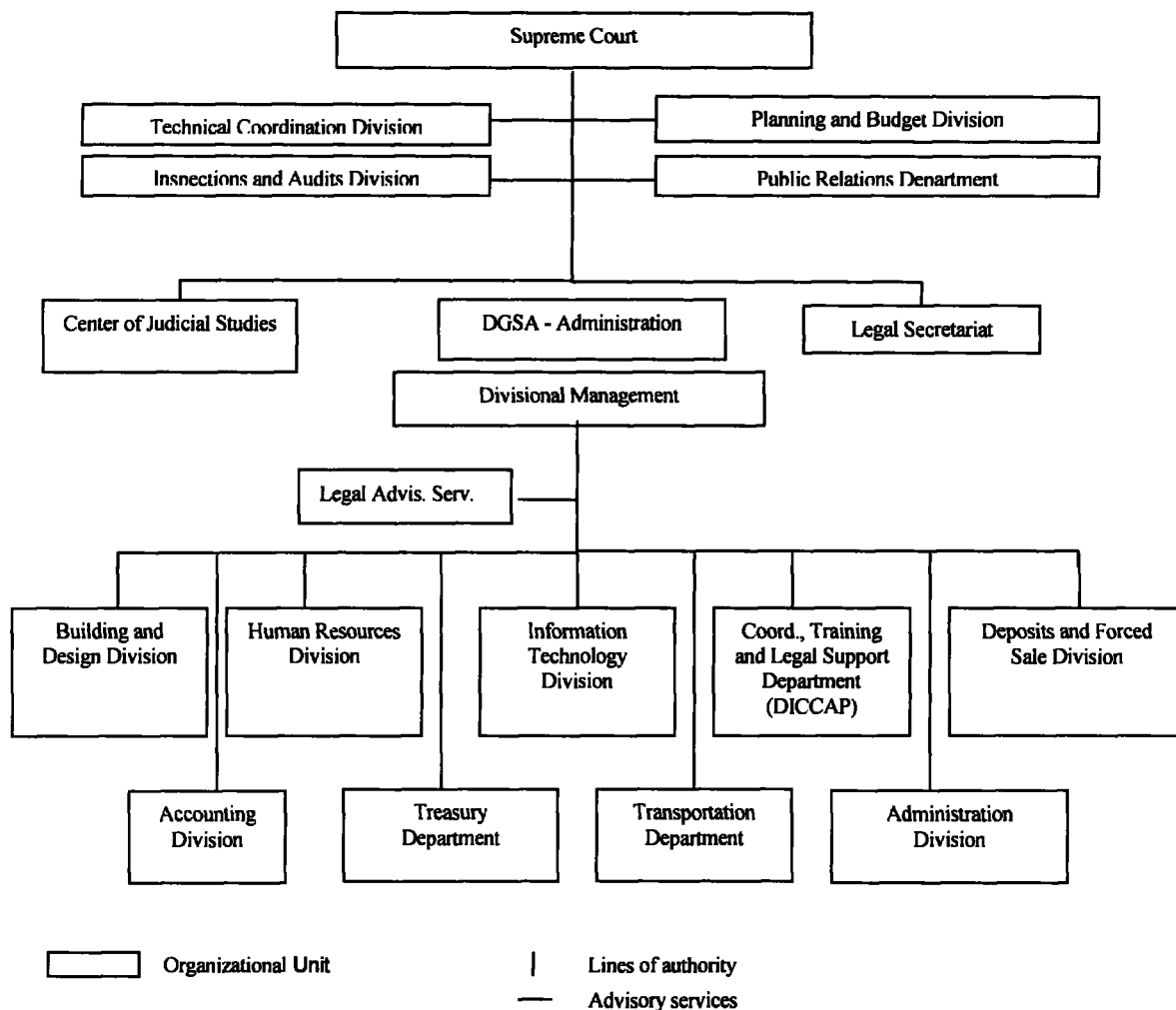
Judicial Branch	<ul style="list-style-type: none"> • Judicial power is exercised by the Supreme Court of Justice and the other superior and lower courts of Uruguay • The SCJ appoints magistrates, judges and judicial personnel • This branch is responsible for disciplining judges • It has administrative responsibility for legal aid and forensic medicine
Executive Branch	<ul style="list-style-type: none"> • Appoints public prosecutors, procurators and the Attorney General of Uruguay • Administers public records • Administers law enforcement and the penitentiary system • Provides law enforcement support for the Judicial Branch upon request
Legislative Branch	<ul style="list-style-type: none"> • Elects members of Supreme Court of Justice, Electoral Court and Court of Accounts • Establishes superior courts by legislative act • Indicts (Chamber of Representatives) and judges (Senate) constitutional violations and other serious offences committed by senior officials in other branches of government
National Electoral Court	<ul style="list-style-type: none"> • Hears and applies sanctions for electoral offences
Office of the Auditor General	<ul style="list-style-type: none"> • Audits all accounts involving financial administration of government funds
Administrative Law Court	<ul style="list-style-type: none"> • Hears petitions to have acts of government authorities overturned
Military Courts	<ul style="list-style-type: none"> • Have jurisdiction over military offences
Conciliation and arbitration tribunals	<ul style="list-style-type: none"> • Arbitration centers for the settlement of labor disputes

- 1.4 Judicial power is exercised by the Supreme Court of Justice (SCJ), along with the country's other superior and lower courts. The judicial branch is also responsible for providing legal aid — an institution widely respected in this country — and for conducting medical investigations in criminal cases. The Uruguayan Constitution assigns to that country's judiciary a singularly important role, granting it wide-ranging judicial powers and autonomy. The Supreme Court is made up of five members elected by the parliament,³ and these individuals in turn elect the country's appellate court justices and judges.
- 1.5 The Constitution invests the Supreme Court with ultimate responsibility for judicial matters, including governance and full supervision of the judicial system:
- In *judicial matters*, it acts as the nation's highest court, hearing appeals in all areas, reviewing the decisions of lower courts, exercising disciplinary control of judges and magistrates, and determining issues of constitutionality;
 - In *administrative matters*, it supervises everything having to do with the judiciary's organizational structure including appointment of personnel and the autonomous preparation and execution of its budget.
- 1.6 *Judicial matters* are under the direction of the Legal Secretariat whose primary responsibilities are to provide support services for the SCJ in carrying out its

³ Justices are elected by a qualified parliamentary majority, to ensure a non-partisan decision and maintain the tradition of promoting Supreme Court justices from within the judicial branch itself based on criteria of seniority and rank.

judicial functions as the nation's highest court, as well as its administrative (internal) tasks, and to support a career path within the judiciary.

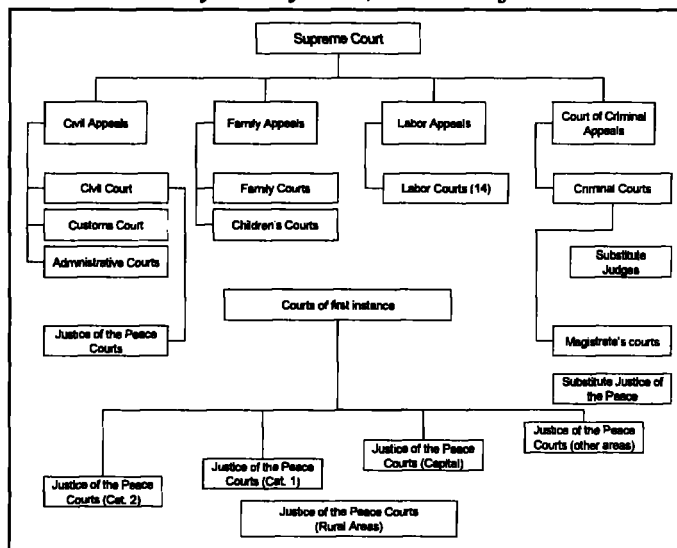
- 1.7 *Administrative matters* cover all aspects of administrative management within the judicial system and are divided into four major areas: the Administrative Services Department (DGSA), the Planning and Budget Division (DPP), the Legal Secretariat (SL) and the Inspections and Audits Department.
- 1.8 As shown in the organizational chart, the SCJ has an operational organization. The DGSA covers most of the functions involved in administering the judicial branch. Among its primary responsibilities are those of providing the following services: (i) accounting; (ii) accounts (collections and payments); (iii) procurement and sourcing of goods and services; (iv) design, construction and maintenance of properties; (v) information technology support services; (vi) personnel management, hiring and development services; (vii) training for all personnel other than judges and magistrates; (viii) support staff for judicial courts; (ix) court-ordered deposits and forced sale of seized goods; and (x) transportation services. It is important to make clear that the salaries of judicial staff are paid by the executive branch. The Coordination, Training and Legal Support Department (DICCAP), which oversees the training of judicial staff below the level of judges and magistrates, reports directly to the DGSA.



- 1.9 The **Planning and Budget Division [Dirección de Planeamiento y Presupuesto]** (DPP) reports directly to the plenary of the SCJ and is responsible for planning and budgeting, including the preparation and management of judicial statistics. The **Inspections and Audits Division [Dirección de Servicios Inspectivos]** conducts technical audits of judicial offices. At present, accounting and financial audits are not being carried out by any division of the judicial branch that is independent of the DGSA.
- 1.10 The Office of the **Legal Secretariat** plays a key role by ensuring fulfillment of the SCJ's judicial responsibilities. Its task of serving as the immediate support body to the country's highest court includes administration of the SCJ as a court of appeals; administration of early release systems, jurisprudence, legal instruments and depositions; management of all judicial cases of the SCJ; and monitoring of compliance with rulings handed down by the Court.
- 1.11 The **Inspections and Audits Division**, which reports directly to the SCJ, is responsible for evaluating the operation of judicial offices, and in this sense has the

duty of conducting technical and administrative audits of their activities. This division enjoys a high level of credibility within the judicial branch and the majority of its recommendations are adopted.

- 1.12 Uruguay has 15 appellate courts and 389 courts of first instance, of which 168 courts process 61% of all cases handled by the system, and 221 justice of the peace courts handle the remaining 39% of the caseload. The ratio of judges in Uruguay (15.5 per 100,000 inhabitants) is roughly comparable to Germany or Belgium (20), countries with the highest coverage ratios in the world. Close to 90% of the judicial branch's employees are non-judicial staff. Public expenditure on the justice system — 0.26% of GDP, of which over 90% goes to operations — is in the middle of the range seen in the more developed countries, (which varies from 0.18% to 0.35% of GDP).



2. Problems and challenges facing the judicial branch

- 1.13 Enactment of the General Code of Procedure in 1989 marked a turning point for the judicial branch as it brought home the need to modernize its internal administration for greater efficiency and effectiveness. The upcoming introduction of a new criminal code, in combination with the mounting backlog of cases in all areas and structural shortcomings will require a major effort at administrative, organizational and technical reforms. The present project is a window of opportunity that will make it possible to strengthen the institutional and technical capacity of the judicial system in preparation for the time that the new Code of Criminal Procedure takes effect. The main challenges facing the judicial branch can be summarized under three headings: administration and management, management of the SCJ's role as a court of appeal, and management of the country's remaining superior and lower courts.

a. Administration and management

- 1.14 As indicated earlier, the four main operational areas of the judicial branch are the Administrative Services Department (DGSA), the Planning and Budget Division (DPP), the Inspections and Audits Division (DSI) and the Legal Secretariat (SL).

- 1.15 The **DGSA** suffers from a number of problems. First, there is no clear or detailed description of the functions or each of its organizational units.⁴ Second, its organizational structure is dispersed and most of its administrative processes, both routine and non-routine, are not standardized and are extremely costly. Third, there is no overall strategic planning for the use of the branch's resources.
- 1.16 With regard to personnel administration in the judicial branch, and notwithstanding a recent proposal to create new criteria for human resources management,⁵ there are two main problems: (i) the individual performance assessment system currently in effect is not producing the benefits for the institution that it should and could provide,⁶ and (ii) there is no adequate coordination of incentives and mechanisms for motivating personnel.
- 1.17 The strategic importance of information technology has been largely ignored, as a result of which there is a continuing lack of organized planning in this area, technical personnel have little or no training, and computer systems are inadequate for the needs of the judicial system. Surveys show that satisfaction among users of DGSA services lags far behind that for courts in the Montevideo region with respect to computerized support services. This is mainly because outside firms contracted to provide these services are not properly supervised and monitored by the Information Technology Department. An information technology plan for the period 2000-2006 was recently drawn up with the Bank's support and is designed to correct the problems affecting the DGSA and the judicial offices.
- 1.18 The computer hardware and software used for administration have been updated and a financial accounting system has been installed which is compatible with the systems currently employed by the executive branch. Despite these measures, there are still administrative areas not adequately served by computer technology. In particular, the communication systems of the DGSA are deficient. Although local area networks exist within the different offices of the DGSA, there is no department-wide network to connect together all of its offices. This problem is made worse by the fact that the offices of the DGSA in Montevideo and the courts located outside the capital region are widely scattered.
- 1.19 The **DPP** is responsible for budgetary planning and control within the judicial branch, as well as planning and administration of its statistics system. With the

⁴ The SCJ does have a set of "Internal Regulations" which define a few of the functions for the different divisions.

⁵ The new Budget Act introduces important changes affecting human resource management policies in areas such as hiring, career service, retirement and pay scales.

⁶ The results of individual performance assessments show that some 80% of all personnel receive high to excellent ratings. The system does not differentiate between staff who are in fact performing at a superior level, and those whose performance is less than expected.

support of the Bank, this division drew up an in-depth and detailed budget covering the period 2000-2004. However, its mechanisms for annual reviews and adjustments to the planned budget are still precarious. The division has similar weaknesses in its capacity to use statistical data as a tool for control and monitoring of the activities of judicial offices. For example, at this writing (September 2000) the DPP has not yet produced any reliable consolidated data on judicial activity for 1999, and the system used does not generate any systematic data on judicial delays or the duration of proceedings.

- 1.20 The **Inspections and Audits Division** (DSI), despite its good reputation, is limited to conducting technical and administrative audits of superior and lower courts. The judicial branch does not have an office dedicated to carrying out financial audits.
- 1.21 The training system is plagued by various problems, two of the most important of which are limited coordination between training programs for judges — for which the Judicial Studies Center [Centro de Estudios Judiciales] (CEJU) is responsible - and those offered to other officials of the judiciary under the DICCAP; and the absence of permanent or long-term training programs.

b. Management of the SCJ

- 1.22 The SCJ, as the country's highest court, does not have modern technological instruments and information systems to help prepare judgements and monitor cases. Moreover, its justices are burdened with a large number of tasks that could be delegated to others⁷ and that distract them from their judicial duties, in addition to the need for strengthening the higher-level administrative control functions that only they can fulfill.
- 1.23 The backlog of work under which the SCJ is laboring is due to the wide range of administrative issues that require a decision by all five justices of the SCJ as the highest decision-making body in the judicial branch, plus the regular duties of government that they discharge. By the same token, there is a corresponding lack of autonomy on the part of the administrative sector, particularly the **Legal Secretariat** which regularly defers decisions to the SCJ plenary out of a long-standing organizational habit in which the vertical concept of the judiciary - necessary for guaranteeing the right of appeal by a higher authority – is replicated or transferred to the purely administrative side of the organization where, to the contrary, there should be the widest possible delegation of decision-making powers, and decentralization ought to be encouraged and maximized in order to achieve more efficient administrative structures.

⁷ Studies financed under the FAS Program indicate that the SCJ may dedicate as much as 25% of its time to formalities of an administrative nature.

1.24 The SCJ study conducted for this program found that the most important problems with its operations are as follows:

- Management of highly diverse judicial and administrative matters.
- Backlog of administrative matters pending review by the highest court.
- Undefined limits for what can and cannot be delegated in administrative areas.
- Large number of requests addressed directly to the SCJ.
- Lack of independent decision-making by administrative support personnel.
- Overlapping of judicial and administrative tasks and procedures.
- Inadequate information technology support.
- Delays in the handling of judicial matters before the SCJ.
- Limitations to institutional planning mechanisms.

c. Delays, backlogs and technological obsolescence in judicial offices

1.25 The slow pace in the handling of judicial matters left Uruguay's justice system with large backlogs by the end of the 1980s, causing long delays in the judicial process. To correct this situation, institutional reforms were launched in 1989 with the promulgation of a new Code of Procedure, which introduced into civil, labor and family courts the principles of *oral proceedings*, (minimizing reliance on written submissions), *immediacy* (requiring parties and their counsel to appear in person before the judge or tribunal), and *concentration* (concentrating proceedings into a single or small number of sessions). This change shortened the time required for civil actions (average of 8 months) and reduced the backlog. In the area of criminal law, a new Code of Criminal Procedure (CPP) is due to enter into force which will incorporate these principles into that area of the judicial process.

1.26 The information systems used to support legal proceedings under the judicial branch are now obsolete. These systems, based on a 1991 design (before which date the judiciary had no computerized services of any kind), were intended to correct deficiencies in tracking of cases under the justice system. However, the systems in question were installed only in the regular courts, and not in the criminal and family law courts. Over the years these systems have been improved and upgraded, but maintaining them has become increasingly complicated and the hardware to support them is itself obsolete.

- 1.27 Despite the advances achieved with the reform of the Code of Procedure and the efforts of the Court to modernize its services, delays and judicial backlogs continue to be viewed as the main challenge facing the administration of justice in Uruguay by respondents in a public opinion survey conducted in 1998.⁸ According to the judicial branch's own figures,⁹ approximately 60% of cases drag on from year to year, resulting in backlogs and long delays in settling disputes. In the case of criminal proceedings, the problem of delays is more acute than in civil cases and common services such as court scheduling and a central office for legal service are nonexistent.
- 1.28 The studies carried out¹⁰ indicate that, in addition to the need for modernizing procedural rules, the problems afflicting the system are associated, on the one hand, with the difficulties that the judicial branch has in planning, administration and managing its resources, and on the other hand, with supervision and management of judicial offices and proceedings. Proof that procedural reforms cannot, in themselves, guarantee success unless other measures are undertaken at the same time, can be seen in the fact that judicial delays would disappear and the time it takes to settle disputes would be reduced if the deadlines and periods established in the present procedural laws were strictly complied with. The country's judicial offices are known for their bureaucratic and legalistic handling of cases, technological backwardness, lack of uniformity in procedures and administrative decisions which should be similar in comparable courts, unequal workloads in agencies of the same type, and delays in implementing modern systems for monitoring, gathering statistics and filing of cases.
- 1.29 While there are no reliable data on processing time for cases, the statistical information available suggests that serious problems exist due to bottlenecks and protracted delays. First, new cases initiated grew by almost 15% between 1995 and 1999. Second, the system as a whole maintains an inventory of unfinished cases which has grown by some 12% – from 233,854 in early 1995, to 262,462 at the beginning of 1998, as shown in the following table.

	Year				
	1995	1996	1997	1998	1999
Proceedings beginning of the year	233,854	229,259	258,093	262,462	nd
Total proceedings initiated	159,509	175,965	176,092	167,206	183,470
Proceedings concluded	164,104	147,131	171,723	nd	nd
Proceedings at end of the year	229,259	258,093	262,462	nd	nd

⁸ Financed with resources from the Programa de Fortalecimiento de las Áreas Sociales – FAS (811/OC-UR).

⁹ Anuario Estadístico del Poder Judicial, 1998.

¹⁰ Studies currently being carried out with resources from the FAS Program and the PPF.

- 1.30 Judicial offices are widely dispersed throughout the Montevideo region, with common services located apart from the offices that they serve. Information services on the status of proceedings are not well developed, and although all offices are equipped with fax machines, these are not used for judicial communications. There are offices to provide common services such as the Receiving and Court Scheduling Office and the Legal Service Office for civil matters in Montevideo, which is an important step in creating economies of scale to make better use of available human and material resources and improve the workload in judicial offices. However, the work of these services is sometimes at odds with that of the judicial offices. For example, the services cannot use the printed cover sheet produced by those offices. There is no unique identifying number that may not be assigned to other proceedings, nor is there a properly organized public information system.
- 1.31 The SCJ uses a court management system that was developed within the judicial branch, with the following objectives: (i) to harness technology to the day-to-day tasks of judicial personnel (judges, technical staff and officials), enabling them to increase individual productivity; (ii) to disseminate technology throughout the country; (iii) to maintain a computerized record of case proceedings and permit immediate access to the information processed in judicial offices; and (iv) to adapt itself to each of the different courts that will be subject to the General Code of Procedure. In 1993, this system was implemented in the courts of Montevideo and in other areas of the country, as well as in the justice of the peace courts of the Department of Montevideo. This system automates one portion of the administrative tasks carried out by the courts.
- 1.32 The existing system uses a program which is technologically obsolete and inappropriate given the current needs of the SCJ: (i) it works under the *DOS* operating system rather than the more appropriate *Windows* or *Unix*, which affects both the security of the data and the ease with which it can be accessed; (ii) it works in character environments only and not in graphics environments, much less in Internet-based environments; (iii) it operates with the network software *Lantastic*, which also affects the security of the information and the ease with which network software can be updated; (iv) the applications were developed using *Clipper*, which has an adverse effect not only on security, but also on the possibility of adding functions and the ease with which it can be used; (v) the system lacks a standardized legal infrastructure of documents used repetitively, a unique numbering system for files, codification of procedural phases, and other standardization requirements; (vi) it is unable to monitor the complete procedural

cycle, and therefore is unable to track¹¹ cases and prevents integrated management of court offices and computerized statistical monitoring of files; and (vii) its maintenance has become exceedingly complicated. The system has been installed in a total of 155 courts across the country: 14 labor courts, 28 family courts, 22 civil courts, 2 administrative law courts, 38 justice of the peace courts in the Department of Montevideo, 2 customs courts and 49 regular courts outside the capital region.

- 1.33 It is essential therefore that a new judicial computerized information system be developed to meet the diverse needs of the judicial branch, always with the ultimate goal of cutting down on processing times and reducing backlogs in judicial offices.
- 1.34 To do so will require streamlining of procedures and standardization of the documentation handled in judicial offices based on use of: (i) a set of standardized forms for documents issued by all courts equipped with computers, according to the specific requirements for each subject area; (ii) a classification system for types of procedures which permits codification of matters dealt with by the courts and facilitates the gathering of statistical data on the duration of the different types of proceedings; and (iii) a system for codification of all possible procedural acts that can be required in processing judicial files, according to predefined uniform basic criteria on the operation of each type of proceeding.
- 1.35 Regarding the productivity of the current technological equipment, it is essential to secure: (i) the use of up-to-date information technology which meets the need for greater storage capacity and processing speed and better security services, with the capacity to easily accommodate the growth in demand and interconnectivity that is anticipated over the next five years; (ii) replacement of the current applications software to incorporate new conceptual models of information based on relational databases; and (iii) increased use of computerization in court management.
- 1.36 The system which meets the above-mentioned needs must also be connected to the Receiving and Court Scheduling Office and the Legal Service Office, in order to complete the computerization process and provide better information services for the country's courts and, in turn, improve management within the judicial branch.
- 1.37 Correction of the problem of delays and bottlenecks in the court system will be addressed gradually in stages. As part of this process, the program will provide support for, among other activities, the operation of a pilot project to be carried out in a number of judicial centers and offices to improve their processing of case files through development of an integrated system which facilitates procedural methods, management controls and the tracking of cases while a file is active.

¹¹ The term "itineración" refers to the action of transferring the basic data of a given action from the office that first records the particulars of its subject matter, to the bodies that will hear the case in first instance or subsequently on appeal, thereby ensuring that the system as a whole is kept informed and avoiding compartmentalization of judicial offices.

3. The 2000-2004 Budget of the Judicial Branch

- 1.38 The Draft Budget for 2000-2004 submitted to the legislature is the first to be prepared by the judicial branch using modern budgeting methods.¹² This budget document is the culmination of efforts to develop a five-year budget plan carried out by the judicial branch over the last 18 months. In May of 1999, the Supreme Court approved the creation of the "Project Groups", under an organizational structure made up of management and technical personnel from the judicial branch, who have been reviewing activities currently under way and analyzing the principal activities planned for the five-year period 2000-2004. This highly successful experience working in groups and teams addressed the following issues: (i) training; (ii) judicial activities; (iii) human resource policy; (iv) building infrastructure; (v) computer projects; (vi) nonbudgetary resources; and (vii) operating costs.
- 1.39 The 2000-2004 budget seeks to direct the activities of the judicial branch over the next five years toward improving the operation of its services by drawing up action plans in three important areas: (i) human resource policy; (ii) training policy; and (iii) investment in computer systems. These three action plans form part of a comprehensive series of measures intended to improve the effectiveness and efficiency of the judicial branch, and were designed by the same team of SCJ officials and consultants that participated in the design of the present operation. The budget includes a number of other proposals which are fully consistent with those contained in the present operation, such as plans for restructuring the DGSA and DPP, and creating the Internal Audits Division of the judicial branch.

C. The Bank's strategy and experience

- 1.40 In keeping with the government's economic policy, as well as with the Eighth General Increase in Resources, the Bank's strategy in Uruguay focuses on support for development programs and government policies for the five-year period 2000-2004, aimed at ensuring sustained and stable growth, with greater social equity. In this context, the Bank's strategy will center on:
- a. **Competitiveness and regional integration:** In this area the Bank will provide support for initiatives that enhance competitiveness and private investment based on export-oriented production and on its comparative advantages and the use of modern technology, in order to create conditions of healthy competition and help the country integrate into regional and international markets. To this end, it will be necessary to: (i) strengthen the competitive position of the financial system; (ii) support improved efficiency among state corporations in order to reduce costs, prices, and tariffs; (iii) promote increased development of new

¹² The budget preparation process was heavily supported by the Bank using resources from the PPF.

technologies in manufacturing and services; (iv) smooth the way for development of the productive sector by overcoming transport and electric power infrastructure limitations in sectors with the greatest growth and export potential; (v) encourage development of microenterprises; and (vi) promote the granting of concessions for works and services, and their regulatory systems.

- b. **Modernization of the State and governance:** Under this heading the Bank will support reforms intended to reduce the State's control of the economy, increase its efficiency and effectiveness, rationalize and target its efforts more precisely, and reduce its involvement in national production of goods and services. Specifically, the activities in this area will: (i) complete and deepen the reform of the central government; (ii) trim government spending, improve tax administration and reduce pressure on private sector activities; (iii) promote decentralization at the departmental level and strengthen local governments; (iv) facilitate establishment of modern regulatory frameworks for delivery of public services; (v) strengthen efforts to ensure accountability and improve transparency; (vi) reinforce the technical and management capacity of the other branches of government, such as the judicial and legislative branches; and (viii) strengthen relationships between the government, business and civil society.
- c. **Welfare and social equity:** This area will receive special attention from the Bank because of its important role in promoting great equity, bringing the most vulnerable groups into the development process, and improving their quality of life. Specifically, the activities will: (i) consolidate and expand the educational reforms; (ii) develop programs that target vulnerable population groups, with priority on children and adolescents and working within the family setting; (iii) improve management of the public health system and the Public Medical Assistance Institutions [Instituciones de Asistencia Médica Colectiva]; (iv) reduce unemployment and contribute to training programs aimed at generating the job skills and attitudes necessary to succeed in the new international order; (v) generate the social infrastructure needed to support the above-mentioned activities, including investments in water, sanitation, housing and urban development; and (vi) improve public security conditions.

- 1.41 From 1995 through 1998, the program to strengthen social areas (loan 811/OC-UR) financed a number of studies and diagnostic assessments of the justice system which served to identify areas to be targeted by reforms intended to strengthen that system and improve the efficiency and quality of its services. This program also financed a pilot project on mediation centers, the success of which has inspired the SCJ -- using its own resources earmarked under the 2000-2004 budget -- to propose that it be expanded and established on a permanent basis. This loan from the Bank also provided the initial financing for preparation of the first stages of the present program, culminating in the approval in March 1999 of a separate operation under

the Project Preparation Facility (1168/OC-UR). That operation is currently being executed, with financing in the amount of US\$830,000.

D. The program's strategy

- 1.42 Since the main problems affecting the judicial branch have to do with lengthy legal procedures and management of judicial offices, success in dealing with these problems will require first reinforcing and modernizing the judiciary's overall administration and management system, before moving ahead carefully with modernization of judicial offices.
- 1.43 Large-scale introduction of new technologies, processes, organizational models and judicial management procedures would stand little chance of succeeding in the absence of: (i) an administrative system capable of responding appropriately; (ii) a reorganization process in which well-established work schemes and organizational structures are phased in gradually; and (iii) a clear-cut definition of reforms to the criminal justice system. It is important to devise a suitable sequence of activities based on the system's capacity to assimilate change.
- 1.44 The program's strategy for promoting modernization of the judicial branch is therefore based on the gradual modernization of the administration and a program for reform of the management of judicial offices.

II. THE PROGRAM

A. Objectives and description

- 2.1 The overall objective of the program is to improve judicial services in Uruguay in response to the perception that users have of those services. The specific objectives are: (i) to improve the quality and productivity of administrative services within the judicial branch (DGSA, DPP, SL); (ii) to strengthen management of the SCJ and streamline non-core administrative tasks; and (iii) to reduce the time it takes to process judicial cases in pilot offices, ensuring that such processing is completed by the deadlines established in procedural rules.

B. Performance Indicators

- 2.2 The logical framework for the program (Annex II-1) includes specific indicators for each set of activities, and refer to aspects such as: (i) the improvement of strategic planning in the judicial branch; (ii) the reorganization and strengthening of its administrative systems; (iii) the streamlining and computerization of administrative procedures; (iv) the creation of a new Financial Management Division; (v) the implementation of new personnel management and training systems; (vi) the creation of a new Internal Audit Office; (vii) the design and implementation of new information systems – instruments, parole, doctrine and jurisprudence – for the SCJ; (viii) updating of technical skills of assistant attorneys in the SCJ; (ix) the introduction of a unique identifying number for judicial proceedings; (x) the standardization of procedures and documents used in the judicial proceedings; (xi) the design and implementation of a pilot court management system; (xii) the installation of the equipment necessary for operation of the new system; (xiii) a training program that includes a gender awareness and training component; and (xiv) the drafting of a proposal to extend the pilot project to the rest of the country's court system.

C. Structure of the program

- 2.3 To achieve these specific objectives, a program consisting of three projects has been designed as follows: (i) reorganization and strengthening of administrative procedures; (ii) strengthening the management of the Supreme Court; and (iii) improvement in court services. All of the activities proposed for these three projects will be carried out under the responsibility of the Supreme Court.

1. Reorganization and strengthening of administrative procedures in the judicial branch (US\$ 1.5 million)

- 2.4 This project will include: (i) strengthening strategic planning within the judicial branch, building on recent experience gained in preparing the budget for

2000-2004; (ii) redesigning and strengthening the organizational structure of administrative services in the judicial branch; and (iii) upgrading skills and capabilities of personnel for management by objectives, including the design and implementation of a management training program for officials of the DGSA, and overhaul of the individual performance evaluation system for personnel in the judicial branch.

a. Strengthening of strategic planning capacity within the judicial branch

- 2.5 This component will: (i) support creation of the structure and generate professional capability to administer a strategic planning process and management by objectives in the DGSA and each of its responsibility centers; and (ii) design and implement a strategic planning and management control process capable of generating capacity for planning and periodic monitoring of compliance with verifiable targets set for the corporation and each of its responsibility centers.
- 2.6 The planning process will include the introduction and implementation of a strategic planning system and an accompanying institutional management indicator measurement system. The monitoring of attainment of goals and objectives will be carried out through the signing of a Management Commitment document (Compromiso de Gestión), setting out the annual targets that each Director undertakes to achieve, and will be signed by directors and the Chief Justice of the SCJ each year. A corresponding document entitled "Compromiso de Gestión de Centro de Responsabilidad" will be used at lower levels to specify the targets undertaken by the heads of each of the judiciary's responsibility centers, and must also be signed annually by the director of the corresponding (DGSA, DPP, etc) area, and the head of the respective responsibility center.
- 2.7 Development and implementation of management plans will require: (i) the design and implementation of a management control system for quarterly verification of the degree to which program targets have been met for each of the responsibility centers; (ii) design and implementation of a system for periodic measurement of management indicators used to verify the performance of each responsibility center; (iii) surveys to assess the level of satisfaction among users of DGSA and DPP services; and (iv) design and implementation of a system for disseminating strategic plans and the quarterly assessments of the degree to which priority annual and five-year targets are being met. These results should be disseminated to all personnel of the judicial branch.

b. Strengthening of the DGSA and the DPP

- 2.8 The program will support: (i) redesign and documentation of the procedures, functions and management structure of the SCJ's administrative system, with particular attention to the DGSA and DPP and including preparation of a basic

manual describing the roles and duties of each of DGSA responsibility center (Directorate General, Divisions, Departments and Staff Units); (ii) design and installation of a new computerized administrative case management system; (iii) strengthening of the Information Technology Division and the Human Resources Division, and establishment of a Finance Division that would incorporate the present Accounting Division; (iv) training program; and (v) acquisition of computer hardware for the units involved.

- 2.9 Support will also be provided for: (i) reorganization of the DPP, splitting it into two departments (Statistics and Planning and Budget); (ii) upgrading of statistical systems and bringing them under a single department within the DPP, standardizing existing statistical operations under a Statistics Plan for the judicial branch which will combine current development with the new scale of the department required for standardizing the infrastructure of the judiciary. This will necessitate the creation of a statistics section to work in close coordination with the DSI.

c. Improving staff skills and capabilities

- 2.10 This component will include activities: (i) to provide DGSA personnel with training in management and administration; (ii) to redesign the individual and group performance assessment systems; and (iii) to modernize motivation and incentives policies for personnel of the judicial branch.
- 2.11 The training program for DGSA officials will include: (i) leadership training and strengthening of management skills for directors and heads of responsibility centers in the DGSA, and instruction in various topics for the remaining personnel; (ii) management tools for quality service and productivity; and (iii) capacity building among counterpart units for reorganization and strengthening projects through a project administration tools program. The technical counterpart organization providing teaching staff for this program will be the DICCAP, which will work closely with the Human Resources Division.
- 2.12 The individual performance assessment system used to evaluate personnel in the judicial branch will be redesigned in order to produce an instrument for developing staff skills and attitudes to conform to the institution's strategic development policies. The main outputs are expected to be: (i) a study of the current performance assessment system employed in the judicial branch of Uruguay; (ii) the design of a new performance appraisal system; and (iii) the phasing-in of the system by the Human Resource Division, including the necessary training.
- 2.13 Motivation and incentives policies for personnel within the judicial branch will also be reviewed. The main outputs of this review are expected to be: (i) a proposed new policy on motivation and financial and non-financial incentives for the personnel of the judicial branch; (ii) design of incentives for outstanding performance; (iii) development and discussion of a proposed mechanism for financing the

performance incentives designed; (iv) drawing up of a plan for use of the incentives; and (v) drafting of an information package informing employees of the purpose and features of the new system of incentives for outstanding performance which can be distributed to all personnel in the judicial branch prior to its initial application.

- 2.14 It is worth noting that the above activities are closely linked to reforms proposed by the judicial branch in the 2000-2004 budget with respect to its career path and compensation systems.

2. Strengthening management of the Supreme Court (US\$900,000)

- 2.15 This project will include: (i) reducing the large number of administrative tasks assigned to the SCJ by reviewing the Court's operational structure, delegating tasks to lower-level administrative bodies, and streamlining and computerizing procedures; (ii) strengthening the SCJ's Legal Secretariat by reviewing its operating structure in order to consolidate the responsibilities involved in its role of providing direct support for the SCJ and relieve it of administrative functions which are not essential to its most important tasks; re-engineering its procedures and the organizational structure of its support services; and analyzing the delegation of duties to its subsecretariats and coordination with the DGSA; (iii) improving the information systems used in the SCJ, including as a minimum the systems for administrative case management, instruments and deposition management, criminal cases, judgement preparation, case management within the SCJ, and updating current jurisprudence to include decisions handed down by appellate courts and the database on final rulings of the SCJ; and (iv) creation of an Internal Audit Division to be made up of two units: Economic and Financial Audits and Administrative Audits.
- 2.16 The last-named function is currently being carried out by the DSI, which is to be converted to a new internal audits division. The work procedures, duties and communication channels for the Internal Audits Unit of the judicial branch will be drawn up and duly documented. This unit will be responsible for conducting administrative, accounting and financial audits of all activities in the judicial branch, including those carried out by the DGSA. This office will report directly to the SCJ.

3. Improving court services (US\$4.1 million)

- 2.17 This project includes detailed design and implementation of a pilot program for modernizing judicial courts, and will be carried out in three major stages: (i) uniformity and standardization of documents and procedures; (ii) a pilot program; and (iii) an evaluation of the program and proposal to expand it. The first stage will have a duration of one year; the second, four years; and the third, approximately six months.

- 2.18 **Standardization stage (development of judicial infrastructure).** Before trying to implement new information processing and management systems, it is important to standardize the forms and juridical classifications, procedures and case management methods, and to introduce a numbering system which assigns a single reference number to each case in all pilot offices. This initial stage, which may be designated “development of judicial infrastructure”, is, despite its relatively low cost, absolutely vital, (linked basically to support for working groups of judges, court clerks, and other officials). This standardization of forms, procedures and contents, together with the introduction of the unique numbering of files, will lay the foundation for computerization of judicial proceedings by establishing uniform criteria agreed to by the most important users of the system. It is equally important to develop a plan to help personnel adjust to the change since the implementation of new judicial data systems in the pilot offices is more than a policy or technical exercise. It is an effort to change the organization’s culture.
- 2.19 The main products of this standardization work will be: (i) a series of standardized model documents issued by all courts, in accordance with the specific requirements of each area (civil, labor, family and administrative law); (ii) a system for the classification of proceedings by type and subtype to permit codification of matters that are dealt with in computer upgraded courts, and facilitating — among other things, and most importantly — the retrieval of statistics on the duration of the different types of proceedings; (iii) the codification of all possible procedural acts that may be included in judicial cases, according to predefined uniform basic criteria on the operation of each type of procedure; (iv) the introduction and instruction of judges and court officers in the use of the new working tools which they will have to manage in future, as well as providing them with a suitable opportunity to participate in order to gain their support and involvement in the process of change; and (v) model regulations making their use compulsory and regulating the new work structures created for the courts in question.
- 2.20 These actions together will simplify processing and procedures based on the standardization of documents and resolutions for each type of proceeding and subject matter, including a breakdown of the status and phase of trial proceedings and standardization of criteria used in the respective codification.
- 2.21 Using resources from the PPF: (i) the SCJ has already created two committees on standardization of documents and is in the process of creating two additional committees – one for civil and another for criminal proceedings – to look at case flow; and (ii) a workshop will be held for each of these topics in December 2000 at which the experiences of other countries in this field will be presented.
- 2.22 **Pilot project stage.** Planning for the pilot project will include: (i) putting the finishing touches to the conceptual design, computer models and physical layout of the required applications, (ii) preparing technical specifications for computer hardware solutions, software applications and connectivity necessary for their

installation; (iii) drawing up of a proposal for linking together central offices of the judiciary based on these hardware and software requirements; (iv) development of the new applications containing all of the specifications and requirements arising from the conceptual designs, computer models and physical layout; (v) formulation of an environmental plan to help personnel adapt to changes, including training for judges, officers of the court and judicial staff, with the participation of the CEJU and DICCAP; and (vi) implementation of the new system in the pilot offices.

- 2.23 The pilot project will be installed initially in a total of 29 judicial offices, representing approximately one-fifth of Uruguay's judicial courts (regular courts and tribunals). The coverage of the pilot plan was based on three criteria that supplement one another: (i) that all matters be covered in order that the systems created would be applicable to the entire Uruguayan judicial system; (ii) that all levels of jurisdiction be covered, from justices of the peace through the highest courts of appeal, the Supreme Court, in order to ensure the tracking of cases throughout the time that a case is active; and (iii) that it include the Receiving and Court Scheduling Office and the Legal Service Office, both of which are critical to the success of the project.

Pilot Offices

Area	Place	Offices	Duty Judges	Total	%
Civil	Montevideo	1	2	22	9%
Labor	Montevideo	1	2	14	14%
Customs	Montevideo	1	1	2	50%
Family	Montevideo	1	2	24	8%
Just. of the Peace	Montevideo	1	2	38	5%
Administrative	Montevideo	1	2	2	100%
Magistrate's	Montevideo	1	3	3	100%
Criminal	Montevideo	1	3	21	14%
Children's	Montevideo	1	2	2	100%
Appeals	Montevideo	15	15	15	100%
SCJ	Montevideo	1	1	1	100%
Miscellaneous	Interior	4	8	79	10%
Subtotal		29	43	223	19%
Support offices					
OCN			1		
ODT			1		
Total			45		

- 2.24 The new management system to be installed will incorporate the following characteristics: tracking and an integrated approach. The term "tracking" ("itineración") refers to the action of transferring the basic data of a given action from the office that first records the particulars of the matter, to the bodies that will hear the case in first instance or subsequently on appeal, thereby ensuring through this operational approach the integrated computerization of the system as a whole is kept informed and avoiding delays in judicial offices as it now stands. This

requirement of the new system made it necessary to choose bodies at various levels of jurisdiction to allow for follow-up and ensure the comprehensiveness of the new computer application.

- 2.25 **Evaluation stage and expansion proposal.** This stage will include independent evaluation of the pilot project and preparation of a detailed proposal for expanding the new systems and procedures to the rest of the judicial system.
- 2.26 It is important to note that the pilot plan will be accompanied throughout by an ambitious training program with three main features: (i) on-the-job training provided by a consulting firm in the use of the new tools to be developed; (ii) the transfer of training tools to corresponding levels of authority in the SCJ; and (iii) a training program for all personnel involved in the various technical areas to be carried out directly by the DICCAP by means of classroom instruction, the training of instructors and distance education. The training plan includes a specific component on gender issues, and the pilot program will include all levels in the children's and family court system, areas of particular importance from the standpoint of gender awareness.

D. Costs and financing

- 2.27 The total cost of the program has been estimated at US\$8,750,000, which will be financed with a loan of US\$6,125,000 (OC) and local counterpart funding of US\$2,625,000, broken down by source of funding and investment as follows:

CONSOLIDATED BUDGET BY CATEGORY OF INVESTMENT

Budget Category	IDB/OC	Local	Total	%
1. Project 1: Administrative management JB	843,180	640,592	1,483,772	17.0%
1.1. Consulting services	413,600	640,592	1,054,192	12.0%
<i>a. Firms</i>	270,000		270,000	3.1%
<i>b. Individuals</i>	143,600	640,592	784,192	9.0%
1.2. Equipment	200,000		200,000	2.3%
1.3. Training	229,580		229,580	2.6%
1.4. General support and services			-	0.0%
2. Project 2: Strengthening of SCJ management	338,176	598,736	936,912	10.7%
2.1. Consulting services	186,176	598,736	784,912	9.0%
<i>a. Firms</i>	160,000		160,000	1.8%
<i>b. Individuals</i>	26,176	598,736	624,912	7.1%
2.2. Equipment	152,000		152,000	1.7%
2.3. Training	-		-	0.0%
2.4. General support and services			-	0.0%
3. Project 3: Improvement in court services	3,159,348	982,220	4,141,568	47.3%
3.1. Consulting services	2,160,608	982,220	3,142,828	35.9%
<i>a. Firms</i>	1,900,000		1,900,000	21.7%
<i>b. Individuals</i>	260,608	982,220	1,242,828	14.2%
3.2. Equipment	700,000		700,000	8.0%
3.3. Training	298,740		298,740	3.4%
3.4. General support and services			-	0.0%
4. Executing unit	-	192,000	192,000	2.2%
4.1. Consulting services	-	192,000	192,000	2.2%
<i>a. Firms</i>			-	0.0%
<i>b. Individuals</i>		192,000	192,000	2.2%
4.2. Equipment			-	0.0%
4.3. Training			-	0.0%
4.4. General support and services			-	0.0%
SUB-TOTAL	4,340,704	2,413,548	6,754,252	77.2%
5.1. Financial costs	768,704	34,066	802,770	9.0%
<i>a. Credit fee</i>		34,066	34,066	0.4%
<i>b. Inspection and supervision (1%)</i>	61,250		61,250	0.5%
<i>c. Interest</i>	707,454		707,454	8.1%
5.2. Audits	-	12,500	12,500	0.1%
5.3. Contingencies	185,592	164,886	350,478	4.2%
5.4. PPF	830,000		830,000	9.5%
TOTAL	6,125,000	2,625,000	8,750,000	

- 2.28 The Bank will contribute 70% of the program's cost using resources from the Ordinary Capital, to be amortized over 25 years with a grace period of 5 years. The loan will bear interest at a variable rate, with a credit fee of 0.75% and a fee for inspection and supervision equivalent to 1% of the loan amount.

- 2.29 The local counterpart resources will cover the remaining 30% of program costs. These resources will be allocated by the Eastern Republic of Uruguay under its national budget. As noted in paragraphs 1.38 and 1.39, the judicial branch submitted to the legislature a budget for the 2000-2004 period, that includes the funding for the present program. If the periods specified in the regulations governing budgets are adhered to, it is estimated that the central government's Budget Act will be approved by the end of the year 2000.

III. EXECUTION OF THE PROGRAM

A. Borrower and executing agency

3.1 The borrower will be the Eastern Republic of Uruguay, represented in the loan contract by the Planning and Budget Office (OPP). The executing agency will be the Supreme Court of Justice (SCJ).

3.2 As a condition precedent to the first disbursement, the SCJ must present to the Bank's satisfaction: (a) an approved copy of the agreement signed between the Bank and the OPP, acknowledging the SCJ's responsibility for execution of the program; and (b) an approved copy of the SCJ decision approving that agreement, signed by its five justices.

B. Organization for program administration

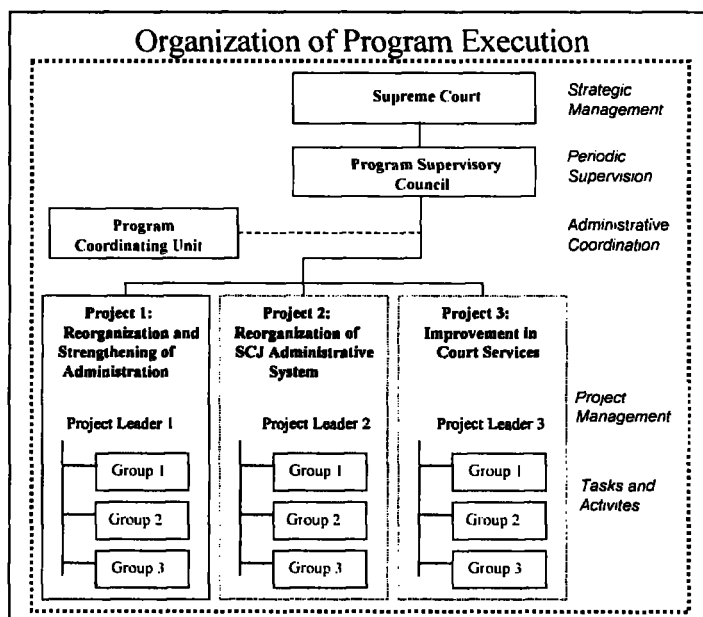
1. Framework

3.3 The program is organized into three projects: (i) reorganizing and strengthening administrative management within the judicial branch; (ii) improving management of the Supreme Court; and (iii) improving court services. Each project consists of various components and activities, all of which are intended to optimize the results of the judicial branches management system.

3.4 The program will be carried out in accordance with an annual operating plan (AOP) to be agreed on with the Bank in annual follow-up meetings, as indicated below.

3.5 *Strategic management* of the program will be the responsibility of the SCJ, which will approve by means of a resolution, and reach agreement with the Bank on the AOP for each project.

3.6 *Supervision of operations* and general planning will be the responsibility of the Supervisory Council which will report directly to the SCJ. *General administrative coordination* for the different projects will fall to



a General Coordinator who will head the Program Coordinating Unit (PCU). The SCJ has established a Technical Coordinating Unit (TCU)¹³ for preparation of the program, which will serve as the basis for creation of the PCU. Program **execution** and attainment of the objectives and targets for each of the three projects will be the responsibility of the Project Teams, under a Project Leader who will report to the Supervisory Council. As a condition precedent to the first disbursement, the executing agency must demonstrate to the Bank that it has created the Executing Unit and placed it in operation; and that it has recruited and hired the three project leaders; and (e) evidence that the first AOP has been approved.

2. Strategic management and supervision of the program

- 3.7 The SCJ will be responsible for **strategic management** of the program through its issuance of resolutions approving the AOPs agreed to with the Bank for each project.
- 3.8 A Supervisory Council will also be created for the program. This council will be responsible for **supervising the operation** of the program, ensuring that: (i) the values, objectives and interests of the judicial branch are safeguarded; (ii) the judicial branch's commitments under the present program are met and the activities set out in the corresponding AOP are carried out, guaranteeing proper coordination between the various participants, particularly in the area of training; (iii) the SCJ and its principal advisory and executive bodies are kept informed on program execution; and (iv) the objectives of the program, and the progress made toward achieving its objectives, are duly publicized both within the judicial branch and to the general public.
- 3.9 Membership of Supervisory Council shall include one of the justices of the SCJ, who shall head the Council; the Director General of the DGSA; the Director of the DPP; the Legal Secretariat of the SCJ; and the General Coordinator, who shall act as executive secretary. The project leaders will participate in working sessions of the Council. In addition, the following shall participate in meetings which deal with: (i) training programs (the Directors of the DICCAP, the CEJU, and the Human Resources Division); (ii) information technology issues (the Director of the Information Technology Division); and (iii) human resources issues (the Director of the Human Resources Division).
- 3.10 The Council will meet at least once a month, and may be convened in special sessions by its Chairman at the Chair's own initiative or at the request of any of its members. The Supervisory Council shall have a budget for hiring experts to advise on special aspects of program execution when required. As a condition precedent to

¹³ The UCT has already been created and has taken part in preparations for the program and execution of the PPF, and is made up of a coordinator, a technical director and administrative support staff.

the first disbursement, the executing agency must present evidence to the Bank that the Supervisory Council has been duly constituted.

3. General administrative coordination of the program

3.11 The Program Coordinating Unit (PCU), under the direction of the General Coordinator, will have the following duties:

- Preparation of indicators, forms and instructions, provision of technical assistance and coordination for the formulation and timely submission of the AOPs and semi-annual progress reports by the project leaders;
- Development and administration of the information system for general coordination and supervision of the program;
- Periodic monitoring of compliance with project and component deadlines and outputs in accordance with the logical framework, timetables and other mechanisms for measuring verifiable commitments against the results of the program;
- Financial and administrative management of the program, including administration of competitive bidding, contracts and payments for professional advice, goods and services specified in the projects; accounting of revenues and expenditures under the program; and updating and periodic preparation of financial statements and other financial reports required under the program;
- Conveying communications from the program to the Bank; and
- Coordination and support for efforts to publicize the objectives and progress of the program, as proposed by the project leaders;

3.12 The Program Coordinating Unit will be made up of the General Coordinator of the Program; one expert on planning and supervision of project activities and components; one expert in financial and administrative management; and a technical and administrative assistant. The PCU will have operating manuals as well as management, administrative, accounting, and financial information systems, suited to execution and administration of program resources. Also, it will verify that performance indicator data for the base year are available for the aim and purpose of the program. As a condition precedent to the first disbursement, the executing agency will be required to demonstrate that the Unit is functioning with the proper manuals, information systems, and performance indicator base line data.

4. Organization of project execution

a. Project leaders

- 3.13 Each of the three projects will be carried out under a project leader who will report to the Supervisory Council. Each project leader will work in close coordination with immediate line authorities and the General Coordinator, and will be responsible for the following:
- Achieving the objectives and targets of the project and its components within the periods and with the resources specified.
 - Drawing up the AOPs, quarterly schedule of activities and tasks, and the semi-annual progress reports on the project in question.
 - Supervision, coordination and performance evaluation of work teams in executing the project and components under their responsibility.
 - Determining technical specifications of equipment to be purchased and terms of reference for the professional services to be hired for the project, subject to approval by the respective line authority.
 - Monitoring of compliance with terms of reference and of results achieved by consultants, in accordance with the respective line authority.
 - Coordination of the different teams working under the project leader's responsibility.
 - Holding consultation meetings with future users of the project's services, both inside and outside the judicial branch.
 - Submitting periodic progress reports on the project.
 - Transferring the results and expertise generated by the project to areas of the judicial branch in which they will be applied.
 - Carrying out dissemination activities once they have been approved by the General Coordinator.
- 3.14 Project leaders must have professional training in relevant fields, ample background in managing projects for computerization of administrative procedures in complex organizations and at least five years' experience with processes similar to those proposed, as well as a dynamic, proactive and results-oriented outlook.
- 3.15 The Supervisory Council, the Director of the Human Resources Division and senior authorities in the respective subject areas will participate in the selection of project

leaders. The three project leaders could become part of the staff of the judicial branch upon completion of this program.

b. Project teams

- 3.16 Each project will be executed by a project team. The members of these teams will report directly to the corresponding project leader who will bear responsibility for attainment of the objectives and targets set for the respective project. The project teams will be made up of professional staff drawn from the judicial branch, aided by the required specialists and consultants in the technical areas dealt with. The table on the next page shows the configuration of the project teams.
- 3.17 Each project team may be organized into working groups, as the activities in question are developed. These working groups will consist of professional and technical staff drawn from different areas of the judicial branch and possessing the necessary knowledge and experience in handling the topics being developed. Each working group may have a group coordinator who reports to the respective project leader and acts as the technical counterpart to the consultants working with that group. The coordinators will be selected by the respective project leader, in consultation with the Supervisory Council. The configuration of the Project Team and their respective working groups has been determined on a preliminary basis. The Supervisory Council, with the prior approval of the Bank may modify them.

Project team 1: administrative management of the judicial branch	
Strategic planning group <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ Strategic planning systems ✓ Institutional management control and indicator measurement system ✓ Management commitments 	<u>Members</u> <ul style="list-style-type: none"> ✓ 1 official from DPP ✓ 1 official from DGSA ✓ Consultants
Organization and procedures group <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ DGSA reorganized and functions in each department strengthened ✓ Administrative procedures simplified and standardized ✓ Computerized administrative case management system ✓ New financial management 	<u>Members</u> <ul style="list-style-type: none"> ✓ 3 officials from DGSA: <ul style="list-style-type: none"> ✓ Human resources ✓ Information technology ✓ Financial management ✓ 1 official from DPP ✓ Consultants
Human resources group <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ Performance assessment system ✓ System of incentives and productivity 	<u>Members</u> <ul style="list-style-type: none"> ✓ 1 official from human resources ✓ 1 trade union representative ✓ Consultants
Project team 2: Improving SCJ management	
Internal Procedures Group <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ Improved operating structure and internal procedures ✓ Internal audits ✓ New or improved information systems (databases on parole, depositions, jurisprudence, doctrine, administrative case management) 	<u>Members</u> <ul style="list-style-type: none"> ✓ 1 official from Legal Secretariat ✓ 1 official from Inspections and Audits (auditing) ✓ 1 court technical assistant ✓ 1 official from Information Technology ✓ Consultants
Project Team 3: Improving court services	
Standardization group <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ Unique identifier number for cases ✓ Standardized documents ✓ Standardized procedures 	<u>Members</u> <ul style="list-style-type: none"> ✓ Standardization committee ✓ Process flow commission ✓ 1 official from information technology ✓ Consultants
Court management pilot program group (SGT) <u>Expected outcomes</u> <ul style="list-style-type: none"> ✓ Design and installation of SGT complete, including equipment ✓ Proposal for expansion of the SGT 	<u>Members</u> <ul style="list-style-type: none"> ✓ 1 official from Judicial Inspections and Audits (audits) ✓ 1 official from Information Technology Division ✓ 1 official from Human Resources Division ✓ 1 official from DPP (Statistics) ✓ Standardization and case flow commissions ✓ Consultants <u>Advisory assistance:</u> <ul style="list-style-type: none"> ✓ Group of judges, magistrates and officers of the court

- 3.18 Staffing of the project teams will be a condition precedent to the first disbursement under this program.

5. Mechanisms for disseminating program

- 3.19 The program will include mechanisms to disseminate information within and outside the judicial branch, including:

- A quarterly newsletter on the program to be distributed to all personnel in the judicial branch.
- A semi-annual presentation on the progress of the program, in which representatives from all levels within the judicial branch may participate, along with representatives of trade associations.
- An annual progress presentation in which representatives of civil society institutions with an interest in the performance of the judicial branch may participate.
- Periodic publication of articles and press releases reporting the objectives and progress of the program.
- A Web page providing information on the program.

C. Procurement of goods and services

- 3.20 The recruitment and hiring of consulting services and all procurements of goods under this program must be carried out in accordance with the standard procedures used by the Bank for this purpose. International competitive bidding must be used for contracts valued at the equivalent of US\$350,000 or more, in the case of goods and for contracts valued at more than US\$200,000, in the case of consulting services. This program does not call for funding of construction works. After the first year of the execution period, depending upon the experience gained by the executing agency, the Bank may conduct an ex post review of a random sample of contracts for individual consulting services valued at less than US\$ 50,000, and contracts with consulting firms valued at less than US\$ 100,000.

D. Disbursements and Revolving Fund

- 3.21 For purposes of disbursements under this program, a revolving fund will be created in an amount of up to 5% of the Bank financing, through the opening of a special bank account. These resources are to be kept in a separate bank account in the name of the Bank program, and reports on the status and use of this account must be submitted every six months, within 60 days following the close of each six-month period ending in June and December of each year. All documentation supplied in support of requests for disbursement will be reviewed ex-ante.

E. Execution period and disbursement schedule

3.22 The execution period will be four years and six months, and the disbursement period will be five years as indicated in the following table:

Disbursement Schedule

				2001			2002		
	Total	IDB	Local	Total	IDB	Local	Total	IDB	Local
Project 1: Administrative management JB	1,483,772	843,180	640,592	227,174	147,100	80,074	427,828	267,680	160,148
Project 2: Improving SCJ management	936,912	338,176	598,736	74,842	-	74,842	407,860	258,176	149,684
Project 3: Improving court services	4,141,568	3,159,348	982,220	350,671	227,894	122,778	1,139,069	893,514	245,555
Executing unit	192,000		192,000	37,200		37,200	54,000		54,000
Contingencies	350,478	185,592	164,886	29,959	9,349	20,611	91,577	50,355	41,222
Subtotal	7,120,559	4,542,125	2,578,434	735,675	400,171	335,504	2,120,334	1,469,726	650,609
a. Credit fee	34,066		34,066	8,516		8,516	8,516		8,516
b. Inspection and supervision	61,250	61,250		61,250	61,250		-		
c. External audit	12,500		12,500	2,500		2,500	2,500		2,500
d. Interest	707,454	707,454		112,048	112,048		308,642	308,642	
Total loan	7,920,000	5,295,000	2,625,000	904,161	557,640	346,521	2,439,993	1,778,368	661,625
c. PPF	830,000	830,000		830,000	830,000		-		
Total amount	8,750,000	6,125,000	2,625,000	1,734,161	1,387,640	346,521	2,439,993	1,778,368	661,625

	2003			2004			2005		
	Total	IDB	Local	Total	IDB	Local	Total	IDB	Local
Project 1: Administrative management JB	445,348	285,200	160,148	303,348	143,200	160,148	80,074	-	80,074
Project 2: Improving SCJ management	229,684	80,000	149,684	149,684	-	149,684	74,842	-	74,842
Project 3: Improving court services	1,254,395	1,008,840	245,555	872,855	627,300	245,555	524,578	401,800	122,778
Executing unit	33,600		33,600	33,600		33,600	33,600		33,600
Contingencies	91,577	50,355	41,222	91,577	50,355	41,222	45,788	25,178	20,611
Subtotal	2,054,604	1,424,395	630,209	1,451,064	820,855	630,209	758,882	426,978	331,904
a. Credit fee	8,516		8,516	8,516		8,516	-		
b. Inspection and supervision	-			-			-		
c. External audit	2,500		2,500	2,500		2,500	2,500		2,500
d. Interest	199,415	199,415		57,460	57,460		29,888	29,888	
Total loan	2,265,036	1,623,811	641,225	1,519,540	878,315	641,225	791,270	456,866	334,404
c. PPF	-			-			-		
Total amount	2,265,036	1,623,811	641,225	1,519,540	878,315	641,225	791,270	456,866	334,404

F. Accounting Records and Audits

3.23 The executing agency will maintain separate accounting and financial records on the program in a form that permits: (i) identification of financial transactions carried out with program resources, separately from other resources managed by the SCJ; and (ii) preparation of financial statements on the program.

3.24 The executing agency will present to the Bank annual financial statements on the program, within 120 days after the close of the fiscal year and duly audited by the Office of the Auditor General.

G. Ex post evaluation

3.25 Based on consultations held with the executing agency, it has been decided to forego ex post evaluation of the program. Nevertheless, throughout the program execution period the executing agency will have a series of progress reports and the

results of monitoring of the indicators in the Logical Framework, which will permit the Bank to conduct an ex post evaluation should it see fit.

H. Recognition of expenses

- 3.26 At the request of the SCJ, it is recommended that approval be granted retroactively for expenditures incurred since September 2000 up to an amount equivalent to US\$20,000 for activities to promote dissemination of information on activities for modernization of the judicial branch in support of the program to be recognized retroactively as chargeable to the local counterpart funding.

I. Supervision and evaluation

- 3.27 The activities of the program will be carried out each year in accordance with the schedule set out in an AOP to be agreed on with the Bank at annual follow-up meetings. The AOPs shall contain at least the following information in accordance with indicators listed in the logical framework: (i) an evaluation of the activities carried out and results obtained during the immediately preceding period; (ii) a list of the activities to be carried out in a given year; (iii) the objectives and targets - with breakdown by quarter - for each group of activities, and the indicators that will be used to measure their attainment; (iv) the program schedule - by quarter - showing the respective costs; and (v) the financing requirements for the period.
- 3.28 The AOPs will be submitted to the Bank in December of each year, for use in preparing the annual meetings to be held by March 31st of the following year. Approval of the first AOP will be a condition precedent for the first disbursement. The executing agency and the Bank will hold annual follow-up meetings to evaluate progress during the preceding year and fulfillment of the criteria established for disbursements and technical execution of the program, as well as to agree on the respective AOPs.

J. Lessons learned

- 3.29 The following lessons are drawn from the Bank's previous experience with judicial reforms, the process of preparing the present operation with resources from the Project Preparation Facility, and the activities financed under the program for strengthening of social areas (FAS, 811/OC-UR).
- a. **Prudence and the phasing-in of change.** The extent of any reform is directly proportional to the degree of commitment among the highest authorities, and to their perception of the need for and urgency of the changes. The SCJ, aware of this situation, has been actively promoting its modernization while bearing in mind the need for caution and gradual introduction of the changes. The central component of the present project, modernizing the management of judicial offices, will be carried out by means of a pilot project that will incorporate a

prudent approach in which changes are phased in gradually. In addition, the program will include activities to help personnel adjust to change.

- b. **Vision and sequencing of activities.** There is no universally accepted order of events in the field of judicial reform, but it is important to have an overall and long-range view of the process and to ensure adequate sequencing of the actions taken. The SCJ led the reform of the Code of Procedure, has spurred modernization in the area of criminal law, and has drawn up master plans in other areas of action. For the immediate future, the SCJ is giving priority to the modernization of its administration and a pilot effort to modernize the judicial courts. The present project is the result of a lengthy planning process conducted by the SCJ, a process that began with the "Master Plan for Reform and Modernization of Uruguay's Judicial Branch". This plan laid the groundwork for a long-range vision and optimal sequencing of activities in reforming Uruguay's judicial branch. As an immediate result of this process, the SCJ submitted a five-year budget to the legislature for the period 2000-2004, incorporating this vision of reform and modernization, to support the present project.
- c. **Communications and information activities.** Any process of change relies heavily on communications and information activities. The importance of them activities in the case of judicial reform is crucial inasmuch as the cooperation of judges, officials and users of the justice system is essential. The program therefore includes activities to promote and disseminate information on its achievements.
- d. **Small steps.** The judicial reform process is complicated and affects a large number of participants. It is important to produce visible results quickly, and to use them as an example of the benefits to be expected from the reforms in progress. The targeting of improvements in the administrative area and the launching of pilot projects will produce rapid, clear and tangible results that will support continuing progress.
- e. **Keep it simple.** Despite the complexity of judicial reforms, it is important to concentrate on simplifying tasks, according higher priority to less complicated activities — at least in the short term. The design of the program is consistent with this principle since it avoids introducing radical changes over a short period of time, which could hinder progress in making changes.

IV. VIABILITY AND RISKS

A. Technical and institutional viability

- 4.1 The executive branch of the Uruguayan government and the SCJ place high priority on this program, which ensures that it will have the institutional support and sufficient resources for its execution. The judicial branch is guaranteed full independence under the Constitution, and possesses broad powers for issuing its own internal regulations and organizing its tasks. The activities planned and the organizational administrative reforms proposed here do not call for amendment to any legislation.
- 4.2 The program will produce improvements and increased efficiency in the administrative and management functions of the DGSA, as well as reducing the large number of non-core administrative tasks assigned to the SCJ, thus allowing it to focus on its judicial duties and ultimate responsibility for supervision of the justice system. And finally, the program will begin the process of change in the management and services provided by the country's court system.
- 4.3 The studies and design of the program, which were carried out with the support of consultants specializing in judicial reform systems, suggested the need for phasing-in efforts to correct the problems affecting management of the country's judicial offices, and pushing for the gradual introduction of changes with sufficient resources in keeping with the current capacity of the institution. Accordingly, the project to enhance courts services will focus on a pilot experiment in which the project team will work with a group of judicial offices that, as a basic criterion, will include the full range of jurisdictional matters and the various procedural bodies.
- 4.4 At the same time, the institutional analysis carried out determined that the participating judicial staff and technical personnel in the administrative areas are qualified to form part of the Project Teams and, as a result of the consensus achieved and their participation in the design and definition of the program itself, it has been possible to ascertain that they are sufficiently motivated to undertake a broad process of reform of the scope proposed here. In addition, the program has been given an organizational structure for its execution which is designed to strengthen the capacity of the institution to plan and manage projects in future.
- 4.5 The organizational system adopted in conjunction with the authorities of the SCJ underscores the importance of ensuring the active participation of each department, division and unit benefiting from the program, as well as the groups of judges, magistrates and judicial officials that will be the beneficiaries of the pilot project to enhance services of the various courts. In fact, the responsibility for execution of the program will ultimately fall to each one of these internal work teams which will acquire a medium- to long-term commitment to the attainment of the program's

goals. The program will include resources for recognizing the expenses incurred by the members of these work teams in terms of overtime and per diems. Payment of such expenses will be approved upon verification of delivery of specific results. The progress achieved by the project groups taking part in the successful preparation of the five-year budget is also worth emphasizing as an example for the program.

B. Environmental and social impact

- 4.6 The program is not expected to have any direct adverse effects on the environment. It will have a positive social impact by aiding national efforts to reduce the time required for judicial procedures and improve delivery of these services. The Profile II was approved by the Committee on Environmental and Social Impact at its meeting on 10 July 1998.

C. Benefits

- 4.7 The program will have a number of direct benefits in two major areas: improvement of the institutional, management and technical capacity of the judicial branch; and initiation of efforts to modernize the management of judicial courts and improve user services. The shaping of a modern institutional framework will provide Uruguay's judicial branch with a more efficient, more effective, and dynamic administration and management, and this improved institutional structure will lay the groundwork for coping with more complex challenges in the future, such as successful implementation of an eventual reform of the Code of Criminal Procedure.
- 4.8 The introduction of modern systems of administration will enable the judicial branch to make more efficient use of its resources. Freeing justices, magistrates and judges from the pressure of non-essential administrative tasks will give them more time to devote to purely juridical duties.
- 4.9 The program will set the stage for handling the judicial backlog and long procedural delays, reinforcing the institutional and technical capacity of the judiciary and preparing the various actors within the system for long-term institutional change.
- 4.10 Improving the "ground rules", through transparent legal procedures that reduce transaction costs, is a fundamental requirement for a long-term increase in growth rates. By enhancing judicial services, the program will have a positive impact on the country's medium- to long-term investment climate, and hence on economic growth.

D. Risks

- 4.11 The main risk associated with the program is resistance to the changes produced by the program as proposed, particularly the design and reorganization of the

management structure. The judicial branch has an administrative structure, and its offices follow a series of procedures, which are deeply rooted in the practices of judges, officials and users, particularly attorneys. This risk will be mitigated by the commitment to change demonstrated by the country's senior judicial authorities, as well as by the content and sequencing of the program, which will be gradually implemented subject to annual targets. It is important to note that, with the Bank's help, the SCJ for the first time submitted to the Legislature a budget prepared in accordance with modern budgeting methods. This experience illustrates that resistance to change, in organizations as traditional as the SCJ, can be addressed using tools and mechanisms that facilitate teamwork. To counter this risk still further, specific activities have been included aimed at consensus building and heightening awareness to change.

- 4.12 The weakened administration of the judicial branch, which this program is designed to correct, poses another risk: namely that of delays in execution. To lessen this risk, and given that this is the SCJ's first experience with the Bank, a Program Coordinating Unit (PCU) was created and put in place during program preparation, with resources from the Program Preparation Facility (PPF). Among other advantages, the PPF has allowed the PCU to gain experience in executing programs financed by the Bank, particularly in procurement of goods and services.
- 4.13 Given that the SCJ is a decision-making body of five justices, there is a possibility that the present consensus on the reform process could eventually dissipate. Added to this is the fact that the position of Chief Justice of the SCJ rotates annually, adding the complication of a change in leadership. This risk was taken into account in the execution of the PPF and the preparation of the present operation, and is being mitigated by involving all five justices in the various program activities, and should be minimized with the annual agreements mentioned earlier.
- 4.14 Lastly, four of the five justices of the SCJ are expected to retire within the next two years, to be replaced by justices from the nation's appellate courts. To address this risk, an information campaign will be mounted, aimed at current appellate court judges.

LOGICAL FRAMEWORK

Summary	Indicators	Means of Verification	Assumptions
Objective of the program is to improve the quality and productivity of the judicial services in Uruguay, as measured by the perception that users have of these services.	Perception of direct users of the services, particularly those of superior courts participating in the program.	Surveys carried out prior to the start of the program, and again after it has been completed.	

1: ADMINISTRATIVE STRENGTHENING OF THE JUDICIAL BRANCH

Summary	Indicators	Means of Verification	Assumptions
Quality and productivity of the judicial services of the judicial branch (A, DPP, SL)	Average durations (times) for all procedures reduced by 30% upon completion of the program	Report of the DPP	
PRODUCTS			
Planning System (SPEI) for the judicial branch, its divisions and departments designed and implemented.	<ul style="list-style-type: none"> SPEI designed by the end of first year SPEI implemented beginning in the second year 	<ul style="list-style-type: none"> SPEI Manual produced. SPEI Manual put into effect under SCJ Resolution. 	<ul style="list-style-type: none"> Active participation by the judicial branch departments and divisions
Measuring indicators (SMI) of institutional management implemented	<ul style="list-style-type: none"> SMI designed by the end of the first year. SMI implemented at the beginning of the second year. 	<ul style="list-style-type: none"> SMI Manual produced. SMI Manual put into effect under SCJ Resolution. 	<ul style="list-style-type: none"> Active participation by the judicial branch departments and divisions
Management commitments signed by departments and divisions, and implemented	<ul style="list-style-type: none"> Management commitments designed by the end of the first year. Commitments in operation by end of second year (5 commitments). 	<ul style="list-style-type: none"> Documents signed. 	<ul style="list-style-type: none"> Active participation by the judicial branch departments and divisions
Internal distribution of resources and extent of fulfillment of institutional and departmental	<ul style="list-style-type: none"> Descriptive pamphlets designed and distributed to all officials. Two workshops held per year. 	<ul style="list-style-type: none"> Report of the DPP. 	

Summary	Indicators	Means of Verification	Assumptions
Organized and duties of each	<ul style="list-style-type: none"> 100% of the function of each office redefined by the end of the second year. New organizations charts drawn up by the end of the second year. New organization in operation by the end of the second year. 	<ul style="list-style-type: none"> Organizational Manual and functions of the DGSA and its services. Pertinent Resolutions of the SCJ. 	<ul style="list-style-type: none"> Agreement by the SCJ Willingness of heads of d and divisions
Procedural procedures simplified and standardized.	<ul style="list-style-type: none"> 100% of typical procedures identified and simplified by the end of the second year, and standardized by the end of the third year. 	<ul style="list-style-type: none"> Consultants' reports approved by the DGSA. 	
Automated system for managing the files implemented (DGSA,	<ul style="list-style-type: none"> System implemented and in operation in 100% of the offices of the SCJ by the end of the fourth year. 	<ul style="list-style-type: none"> Report of consulting firm. Report of the Informatics Division 	
The Economic-financial management system created and strengthened.	<ul style="list-style-type: none"> Appointment of the official to be responsible for this new office. Office of the Economic-financial Manager in full operation by the end of the first year. 	<ul style="list-style-type: none"> SCJ Resolutions. Report from the Office of the Financial Manager corresponding to 2001 	<ul style="list-style-type: none"> Approval of the new Bud
Performance Assessment System (SEDI) for personnel of the judicial branch designed and implemented	<ul style="list-style-type: none"> SEDI designed by end of the first year. SEDI implemented beginning in the second year. 	<ul style="list-style-type: none"> Report of the Human Resources 	<ul style="list-style-type: none"> Participation by officials and unions.
Productivity and Productivity System for personnel of the judicial branch implemented.	<ul style="list-style-type: none"> SIP designed by end of the first year. SIP implemented beginning in the second year. 	<ul style="list-style-type: none"> Report of the Human Resources Division 	<ul style="list-style-type: none"> Active participation by heads of departments and divisions
Administrative personnel trained.	<ul style="list-style-type: none"> 100% of administrative personnel trained by the end of the fifth year 	<ul style="list-style-type: none"> Reports of the DICCAP. 	
Hardware for the DGSA	<ul style="list-style-type: none"> 100% specified equipment installed and in operation by end of third year 	<ul style="list-style-type: none"> Reports of the Informatics Division. 	<ul style="list-style-type: none"> Bidding competition carried out on time.

2: IMPROVING MANAGERIAL FUNCTIONS OF THE SCJ

Summary	Indicators	Means of Verification	Assumptions
Management and reduce the large number of administrative tasks of the SCJ.	<ul style="list-style-type: none"> All tasks identified as non-essential delegated to lower levels by the end of the project. 	<ul style="list-style-type: none"> Resolutions of the SCJ implementing the delegation of tasks. Ruling specifying the senior supervisory tasks of the SCJ. 	Willingness of the SCJ to delegate
Organization and procedural structure of the SCJ improved and improved.	<ul style="list-style-type: none"> All nonessential task identified and proposed improvements drawn up. 	<ul style="list-style-type: none"> Reports of the SCJ on functions and procedures reviewed and improved 	<ul style="list-style-type: none"> Approval of the Budget A
Office of Internal Administrative Audits installed and in operation	<ul style="list-style-type: none"> Office of Internal Audits created by the end of first year and in operation by the end of second year 	<ul style="list-style-type: none"> Resolution of the SCJ 	<ul style="list-style-type: none"> Approval of the Budget A
Information system for early release of prisoners implemented	<ul style="list-style-type: none"> System designed by end of first year and implemented by end of second year. 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatics Division. 	
System for managing legal instruments and positions developed and implemented	<ul style="list-style-type: none"> System designed by end of first year and implemented by end of second year. 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatics Division. 	
Legal jurisprudence improved ("Zudañez" system and database) readily accessible	<ul style="list-style-type: none"> Jurisprudence database designed by end of first year and implemented by end of second year. 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatics Division. 	
Database of issued resolutions implemented.	<ul style="list-style-type: none"> Resolutions database designed by end of first year and implemented by end of second year. 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatics Division. 	
Legal judicial doctrine updated and in operation with universities and research centers.	<ul style="list-style-type: none"> Doctrinal database designed by end of first year and implemented by end of second year. 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatics Division. 	
Electronic file management system implemented	<ul style="list-style-type: none"> System designed and put to tender by end of first year and implemented by end of second year 	<ul style="list-style-type: none"> Reports from the Project Leader and the Informatic Division. 	
Electronic court management system implemented	<ul style="list-style-type: none"> See component 3. 	<ul style="list-style-type: none"> See component 3. 	

Summary	Indicators	Means of Verification	Assumptions
of bibliographic services and CJ Library.	<ul style="list-style-type: none"> • 100% of bibliographic services defined in detail by end of first year (plan of action). • 100% of bibliographic services acquired by end of program. 	<ul style="list-style-type: none"> • Reports from the SCJ. 	
and administrative the SCJ receive training in methods, informatics and change.	<ul style="list-style-type: none"> • 100% of the SCJ's technical and administrative personnel have received training by the end of the program. 	Reports from the DICCAP.	
assistants to SCJ justices updating in areas of their duties.	<ul style="list-style-type: none"> • 100% of technical assistants participate in the updating activities. 	Reports from the SCJ.	
in the Planning and Budget based and given training. ics, Strategic Planning and	<ul style="list-style-type: none"> • 100% of technical assistants participate in the updating activities. 	Reports from the SCJ.	

3: ENHANCEMENT OF SERVICES FOR SUPERIOR AND LOWER COURTS

Summary	Indicators	Means of Verification	Assumptions
me it takes to process judicial office and adjust the times procedural rules accordingly.	<ul style="list-style-type: none"> Average delay in pilot offices reduced by 50% for all subject matter by the end of the program. Backlog in pilot offices reduced by 50% at the end of the program. Average processing life of files reduced by 50% in pilot offices by the end of the program. Average delay in pilot offices reduced by 50% for all subject matter by the end of the program. 	<ul style="list-style-type: none"> Report of the Planning and Budget Division, based on data from the survey conducted in December 2000. 	<ul style="list-style-type: none"> Consensus among the SC implementation of the SC verification of measurement processing time in pilot c
MENTS (RESULTSS)			
es given unique identifier.	<ul style="list-style-type: none"> Strucutre of unique identifier number defined within the first 6 months. 100% of files given unique identifier numbers by the end of the second year. 	<ul style="list-style-type: none"> Report with proposal for unique identification numbering. SCJ resolution issued. Report from the standardization committee. Report from the Informatics Division. 	<ul style="list-style-type: none"> Consensus among the SC approval of the report
documents standardized on).	<ul style="list-style-type: none"> 100% of the document issued by the pilot courts standardized by end of year 2. 	<ul style="list-style-type: none"> Reports from the standardization committee. Resolution of the SCJ. 	<ul style="list-style-type: none"> Consensus within the cor among judges of pilots co SCJ.
flow (procedures) and codified.	<ul style="list-style-type: none"> 100% of procedures in pilot courts standardized by end of year 2. 	<ul style="list-style-type: none"> Reports from the standardization committee. Resolutions of the SCJ. 	<ul style="list-style-type: none"> Consensus within the cor among judges of pilots co SCJ.
esign of new Court System (SGT) completed.	<ul style="list-style-type: none"> Computerized SGT designed and approved by the SCJ by end of year 1. 	<ul style="list-style-type: none"> Design document. Resolution of the SCJ. 	<ul style="list-style-type: none"> Tenders called within the time periods.

Summary	Indicators	Means of Verification	Assumptions
Management System (SGT) installed.	<ul style="list-style-type: none"> 100% of pilot offices have SGT installed by end of year 4. 	<ul style="list-style-type: none"> Reports from the UCT. 	<ul style="list-style-type: none"> Commitment on the part of participating judges and court officials.
Hardware purchased, installed and operating in pilot courts.	<ul style="list-style-type: none"> Tenders invited for hardware by end of the first year, and contracts awarded by the end of the second year. 	<ul style="list-style-type: none"> Reports from the UCT. 	<ul style="list-style-type: none"> Tenders called within the specified time periods
Personnel in the judicial branch familiar with the SGT.	<ul style="list-style-type: none"> 100% of the personnel in pilot offices have received training in the SGT. 	<ul style="list-style-type: none"> Evaluation reports on the training provided by the CEJU and DICCAP. 	
System installed and in operation in pilot offices.	<ul style="list-style-type: none"> 100% of pilot offices have SGT installed and operating satisfactorily by the end of month 42. 	<ul style="list-style-type: none"> Report from the Internal Audits Division. Report from international expert. Survey of users. 	
Information and consciousness raising activities the SGT carried out among judges (both internal and external) and judicial personnel.	<ul style="list-style-type: none"> 100% of the planned activities have been carried out. 	<ul style="list-style-type: none"> Reports from the DICCAP and CEJU 	
Project evaluated and expansion drawn up.	<ul style="list-style-type: none"> Consultant hired and evaluation 100% completed by end of fifth year. 	<ul style="list-style-type: none"> Evaluation report and expansion proposal. 	<ul style="list-style-type: none"> 100% of the pilot project

**PROCUREMENT SCHEDULE
(IN US\$)**

PRINCIPAL PROCUREMENT FOR PROGRAM	FINANCING %		Method ICB or other (indicate)	Prequalification YES/NO	Prior GPN YES/NO	Publication SPN		
	IDB	Local				Quarter Year	Press	
							Int.	Nat.
Project 1								
Consulting firm DGSA, SL, DPP procedure (US\$100,000)	100		LCB	Yes		2/2003	No	Yes
Consulting firm administrative case software (US\$170,000)	100		LCB	Yes		2/2003	No	Yes
Equipment (US\$200,000)	100		LCB	Yes		2/2003	No	Yes
Project 2								
Consulting firm management, parole, depositions (US\$100,000)	100		LCB	Yes		2/2001	No	Yes
Consulting firm jurisprudence, decisions, and final judgments (US\$60,000)	100		LCB	Yes		2/2001	No	Yes
Equipment (US\$152,000)			LCB	Yes		2/2001	No	Yes
Project 3								
Consulting firm SGT (US\$1,900,000)	100		LCB	Yes	Yes	3/2001	Yes	Yes
Equipment (US\$700,000)	100		LCB	Yes	Yes	2/2001	Yes	Yes

ICB: International competitive bidding

LCB: Local competitive bidding

PROPOSED RESOLUTION

URUGUAY. LOAN /OC-UR TO THE REPUBLICA ORIENTAL DEL URUGUAY
STRENGTHENING OF THE JUDICIAL 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 Oriental del Uruguay, as Borrower, for the purpose of granting it a financing to cooperate in the execution of a program for the Strengthening of the Judicial System. Such financing will be for the amount of up to US\$6.125.000, which are part of the Ordinary Capital resources of the Bank, and will be subject to the "Special Contractual Conditions" and the "Financial Terms and Conditions" of the Executive Summary of the Loan Proposal.