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"THIS IS A PRIMARY OBLIGATING DOCUMENT THAT IS NOT
PURSUANT TO A HANDBOOK 3 PROJECT AGREEMENT"

U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

September 24, 1993

Mr. Pierre den Baas
Resident Representative
United Nations Development Program/Peru
Canaval y Moreyra 590
San Isidro

Subject: PD&S - UNDP Complementary Support Project
Grant No. 527-0000-G-00-3350-00

Dear Mr. den Baas:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D.") hereby grants to the United Nations Development Program/Peru (hereinafter referred to as "UNDP/Peru" or "Grantee"), the sum of \$260,969 to provide support for the ongoing development of the Office of the Court Administrator in the Judicial Branch of the GOP, as described in the Schedule of this Grant and in Attachment 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending September 23, 1994.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 3 (the Standard Provisions), all of which have been agreed to by your organization. Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the grant, and return the original and all but one copy to me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "George A. Wachtenheim".

George A. Wachtenheim
Director

Attachments:

1. Schedule
2. Program Description
3. Standard Provisions

ACKNOWLEDGED:

United Nations Development Program/Peru

BY:

Pierre den Baas

Title: Resident Representative

28 SET. 1993

Date:

FISCAL DATA

Appropriation : 72-112/31037
Budget Plan Code : LES2-93-25527-KG13
PIO/T No. : 527-0000-3-30113
Project No. : 527-0000
Total Estimated Amount : \$260,969
Total Obligated Amount : \$260,969
Paying Office : USAID/Peru

Schedule

A. Purpose of Grant

The purpose of this Grant is to provide support for UNDP/Peru's ongoing development of the Office of the Court Administrator in the Judicial Branch of the Government of Peru, as more specifically described in Attachment 2 (the Program Description) of this Grant.

B. Period of Grant

The effective date of this Grant is the date of signature of the cover letter. The expiration date of this Grant is September 23, 1994.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$260,969 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 (the Standard Provisions).

D. Grant Budget

The following is the Grant Budget. Revisions to this Budget shall be made in accordance with the Standard Provision of this Grant entitled "Revision of Grant Budget."

ILLUSTRATIVE BUDGET

Salaries and Benefits *

A. Court Administrator (\$10,000 x 12)	\$120,000
B. Financial Advisor (\$3,500 x 12)	42,000
C. Administrative Advisor (\$3,495 x 6)	20,969
D. Personnel Advisor (3,500 x 12)	42,000
E. Information Systems Advisor (\$3,000 x 12)	<u>36,000</u>
TOTAL	\$260,969 ===

* All associated costs for support of these technical assistants are included within these monthly allowances.

E. Reporting and Assessment of Progress

The Court Administrator shall submit to the USAID/UNDP Program Committee the following reports:

- a. Monthly Progress Reports (first one to be a detailed Work Plan for entire 12 months)
- b. Quarterly and Semi-Annual Reports
- c. Final Report

The Quarterly, Semi-Annual and Final Reports should be especially detailed in order for the USAID/UNDP Program Committee to determine compliance with requirements as set forth in Section C, Implementation Plan, of the Program Description.

As stated in Section C.3 of the Program Description, USAID will finance an independent review of progress-to-date at the end of the first six months in order to recommend any necessary adjustments in the work plan for the remaining period of the Grant.

UNDP/Peru shall submit two copies of each of the Quarterly, Semi-Annual and Final Reports required by this Grant to the Directorate for Policy, Center for Development Information and Evaluation, Development Information Division (POL/CDIE), and should be mailed to:

POL/CDIE
Room 209, SA-18
Agency for International Development
Washington, D.C. 20523-1802

F. Special Provisions

1. The following Standard Provisions apply to this Grant: 1, 2, 3, 4, 5, 6, 7, 8, 10 (A.I.D. Sole Contributor to Grant Program), and 11 (Cost Reimbursement), as are indicated in the Checklist in Attachment 3.

2. UNDP/Peru Resident Representative agrees to permit access to UNDP/Peru records to either a contracted audit firm or USAID/Peru Financial Analysts, to perform a financial review of the activities financed under the Grant.

3. The Grantee will assure that the individuals financed under the Grant are not employees of the GOP and, consequently, not receiving salaries from the GOP or other parties during the term of the Grant.

Program Description

A. Background

Prior to 1992, the full 28-member Plenary Session of the Supreme Court acted as the governing body of the Judicial Branch of government. Decision-making was sluggish under this cumbersome arrangement. A January 1992 reform in the process of administrative decision-making of the Judicial Branch brought about the creation of a streamlined Governing Council, consisting of seven Supreme Court justices. Unfortunately, it proved to be a highly politicized body, and administrative decisions remained arduous.

Following April 1992, a new governing body of the Judicial Branch, the Executive Council, was created by decree law. At the same time, the Office of Court Administrator was created to be the technical arm of the Executive Council. The Council itself consists of five members: three Supreme Court justices, including the president; a Superior Court judge, and a representative of the Lima Bar Association. This new governing organization has, thus far, proven much more agile than its predecessors.

In early 1993, USAID financed the provision of technical assistance by Hansen-Holm, Alonso & Co., a Lima-based affiliate of Coopers & Lybrand, in the design of the newly-created Office of the Court Administrator. This included the preparation of operational procedures for the Executive Council (the administrative authority over the Judicial Branch); organizational design of the Office of Court Administrator, three offices that lie directly under its authority, and the Judicial Research Center; preparation of organizational and functional manuals; and the elaboration of job descriptions for the directors of these organizations, and their selection.

Since June 15, 1993, the United Nations Development Program (UNDP) has been supporting the development of the Office of the Court Administrator in the Judicial Branch of the GOP, through a personal services contract with Emilio Flores Ruiz, Peru's first Court Administrator (Gerente General) within the new administrative structure of the Judicial Branch. On July 1, the UNDP also signed contracts with four advisors to Dr. Flores in the areas of finances, information systems, organization, and personnel. These five contracts are due to end between September 30 and October 16, 1993.

B. Program Objectives

These five individuals are, in effect, "borrowed" from the private sector; their skills as administrators are well beyond what would normally be available to the Judicial Branch of the GOP. Up to now, they have begun to perform the invaluable and long-neglected tasks of bringing order to the present operations and planning for the future of an administrative apparatus that has long been chaotic and without planning. These tasks will, by no means, be completed when their current contracts expire.

The program being proposed herein envisions an extension of the efforts of Emilio Flores and his four advisors under contract with the UNDP. USAID will execute a Handbook 13 grant to the UNDP that will allow it to contract the five technical assistants for an additional period of twelve months. The twelve-month program has as its objective the creation of adequate conditions within the Office of the Court Administrator for the comprehensive and durable system for the effective administration of the Judicial Branch of the Government of Peru. This objective is described in detail in C.4 below.

C. Implementation Plan

A USAID/UNDP Program Committee, consisting of at least one representative each from USAID and the UNDP, shall meet on a monthly basis, or at the request of either one of the two parties. The Committee will review the program's progress to date and make recommendations for the future. Progress shall be measured against the following implementation guidelines.

1. One Month

By the end of the first month of the grant agreement, the Court Administrator will present a detailed work plan of how the program objectives will be attained within the time period of the grant.

2. Three Months

By the end of the third month of the grant agreement, the following goals, at a minimum, should be achieved:

- a. specific plans for the reorganization and decentralization of the administrative apparatus of the Judicial Branch;
- b. a complete plan for the redesign of the budgeting and financial capacities of the Judicial Branch;
- c. a plan for the rationalization of human resources that corresponds to the decentralization of the services of the Judicial Branch;

3. Six Months

By the end of the sixth month of the grant agreement, the Court Administrator must present to USAID a detailed report offering a clear vision of the future administration of the Judicial Branch. At a minimum, it should include the following, in addition to the three-month goals above:

- a. a centralization of all information systems currently existing in the Judicial

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Branch, and a detailed plan for the development of an integrated information system;

b. an operational program in which administrative personnel are motivated to participate in the modernization of the Judicial Branch;

c. a plan for the reconditioning and modernization of the judicial and administrative facilities of the Judicial Branch that will satisfy current requirements;

d. a plan for the training of the principal managers in the Judicial Branch in human resource management; and

e. an inventory of Judicial Branch property, in all its locations nationwide.

At the end of the sixth month, USAID will finance, independent of the grant to the UNDP, an independent review of progress to date, and make recommendations with respect for the adjustment of the work plan and goals for the remainder of the period of the grant.

4. Twelve Months

By the end of the twelve-month period of the grant agreement, the Office of the Court Administrator will contain all the prerequisites for the creation of a comprehensive and durable system for the effective administration of the Judicial Branch of the government. These include, at a minimum, the following:

a. For the Court Administrator:

1. The establishment of an organizational system for the Judicial Branch whereby judges administrate justice; and administrative, financial, and personnel responsibilities of the court are undertaken by the Office of the Court Administrator;

2. the establishment of a permanent and intensive two-year program that will increase the technical and executive training of all administrative and judicial personnel;

3. the development of efforts that will permit the Judicial Branch to augment its resource level, and thus enable it to employ more qualified persons at higher salary levels;

4. the development of the capacity of the Judicial Branch to attract and utilize international donor resources;

5. the initiation of a process of nationwide automation of administrative and

judicial information, and to have programs operational in at least two judicial districts outside of Lima.

b. For the Advisor in Organization:

- 1. Detailed analysis of the Organic Law of the Judicial Branch and the development of all corresponding organizational and procedural regulations.**
- 2. the implementation of the organizational functions of the Office of Court Administrator and its link to the Executive Council;**
- 3. the implementation of a process of rationalization of the resources of the Judicial Branch, and the definition of the infrastructure required in order to properly serve the public;**
- 4. the definition of requirements for the standardization and decentralization of the functions of the Judicial Branch;**
- 5. the implementation of strategies to educate members of Peru's judicial community on the efforts to improve the administration of justice.**

c. For the Advisor in Information Systems:

- 1. An inventory and assessment of all existing and required automated data processing equipment in the Judicial Branch;**
- 2. a strategy for the automation of the Judicial Branch;**
- 3. technical specifications for required equipment, and personnel requirements for their operation;**
- 4. the initiation of a training program in the use of the automated system equipment;**
- 5. the provision of technical support in the maintenance and required renewal of the equipment.**

d. For the Advisor in Finances:

- 1. The implementation of a new system of budgeting and planning;**
- 2. the implementation of a decentralized system for the management of collections and payments;**

3. the implementation of a reorganized system of procurement;
 4. the implementation of a reorganized system for the maintenance of all Judicial Branch equipment;
 5. the implementation of a program for the privatization of non-essential services of the Judicial Branch.
- e. For the Advisor in Personnel:
1. The implementation of a personnel system that facilitates planning and control of personnel at all levels;
 2. the development of a plan for the improvement of the morale and well-being of Judicial Branch personnel through recreational and other activities;
 3. the development of a salary structure in which compensation is based on the relative utility of each position, and incentives are built in for the improvement of performance;
 4. the development of a system of labor-management relations that anticipates potential problem areas and empowers supervisors to effectively address problems when they arise.

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