

UNCLASSIFIED

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
Washington, D. C. 20523

HONDURAS

PROJECT PAPER

STRENGTHENING DEMOCRATIC INSTITUTIONS

AID/LAC/P-383

Project Number: 522-0296

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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
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5. PROJECT TITLE (maximum 60 characters)

Strengthening Democratic Institutions

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
 08 31 91

7. ESTIMATED DATE OF OBLIGATION
 (Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 87

B. Quarter 4

C. Final FY 89

8. COSTS (\$000 OR EQUIVALENT \$1 = 12.00)

A. FUNDING SOURCE	FIRST FY 87			LIFE OF PROJECT		
	B. FX	C. LIC	D. Total	E. FX	F. LIC	G. Total
AID Appropriated Total						
(Grant)	(500)	(700)	(1,200)	(3,552)	(3,948)	(7,500)
(Loan)	()	()	()	()	()	()
Other						
U.S.						
Host Country		1,000	1,000		2,500	2,500
Other Donors)						
TOTAL 5	500	1,700	2,200	3,552	6,448	10,000

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SD	700	750				1,700		1,700	
(2) ES	700	750				1,700		5,800	
(3)									
(4)									
TOTALS						3,400		7,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

720 980

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code BRW BUW EOTY IX PART
 B. Amount (7,000,000) (7,000,000) (4,000,000) (10,000,000) (10,000,000)

13. PROJECT PURPOSE (maximum 480 characters)

To improve the capability of key national democratic institutions (the Judiciary, the Congress, and the National Elections Tribunal/National Registry) to improve local leadership, and to increase the knowledge and participation of the Honduran population in democratic processes.

14. SCHEDULED EVALUATIONS

MM YY MM YY MM YY
 Initial Final 08 31 91

15. SOURCE/ORIGIN OF GOODS AND SERVICES

Central America

000 941 Local Other (Specify) Common Market

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY

Signature: *John A. Sanbrailo*
 Title: John A. Sanbrailo
 Mission Director

Date Signed

MM DD YY
 08 11 87

18. DATE DOCUMENT RECEIVED IN AID/FW, OR FOR AID/FW DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY
 19 01 87

Project Authorization

Name of Country: Honduras
Name of the Project: Strengthening Democratic Institutions
Number of the Project: 522-0296

1. Pursuant to Sections 106, 531 and 534 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Strengthening Democratic Institutions Project for Honduras involving planned obligations of not to exceed Seven Million Five Hundred Thousand United States Dollars in grant funds ("Grant") over a four-year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project ("Project"). The planned life of the Project is four years from the date of initial obligation.

2. The Project consists of providing technical assistance, commodities and training (1) to the Government of Honduras represented by the Supreme Court, the National Congress and the National Elections Tribunal to improve the capability of the key democratic institutions; and (2) to private organizations to improve local leadership and increase the knowledge and participation of the Honduran populace in the democratic process. The Project includes the following components: administration of justice, legislative enhancement, voter registration/elections improvement and democratic leadership training.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. Regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Grant shall have their source and origin in the United States (A.I.D. Geographic Code 000) or in the Cooperating Country or in other Central American Common Market Countries, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the U.S., the Cooperating Country, or other countries included in the Central American Common Market as their place of nationality, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Grant shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States, the Cooperating Country, or other country included in the Central American Common Market.

Conditions Precedent to Disbursement

(i) First Disbursement

Prior to the first disbursement of the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will,

except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(A) An opinion of the Attorney General of the Republic or of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

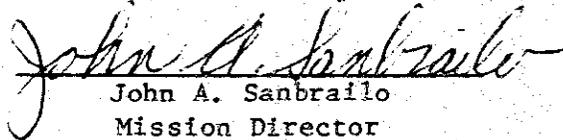
(B) A statement of the name(s) of the person(s) holding or acting in the office of Grantee specified in section 8.2, and a specimen signature of each person specified in such statement; and

(ii) Additional Disbursements.

Prior to additional disbursement under the Grant, except for the provision of technical assistance, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made for goods and services specific Components I, II and III.

a. Memoranda of Understanding will have been executed between A.I.D. and the implementing institutions; the Honduran Supreme Court, the National Congress of Honduras, and the Honduran National Election Tribunal (TNE).

b. The implementing institution shall comply with the conditions for disbursement set forth in the applicable implementation memorandum of understanding.


John A. Sanbrailo
Mission Director

Aug. 10, 1987
Date

TABLE OF CONTENTS

	<u>PAGE No.</u>
I. Summary and Recommendations	1
II. Background	4
A. Honduran Economic and Social Status	4
B. History of Democracy in Honduras	5
1. Colonial Period	5
2. Independence Period	6
3. Current Status of Democracy in Honduras	8
III. Program Factors	11
A. Relationship to Host Country Strategy	11
B. Relationship to A.I.D. Strategy	11
1. A.I.D. Policy	11
2. National Bipartisan Commission on Central America	12
3. USAID/Honduras Strategy/Action Plan	12
C. Relationship to Other Donors Programs	13
IV. Project Description	13
A. The Problem	13
B. Project Goal and Purpose	14
C. Overall Project Orientation and Strategy	14
1. Orientation	14
a. Premises	14
b. Interrelationship of the Four Components	16
c. Participation	16
2. Strategy	18
a. Institution Building	19
(i) Policy Alternatives	19
(ii) Technical Assistance	19
(iii) Training	19
(iv) Management Information Systems Support	20
(v) Upgrading Facilities	20
b. Public Awareness	20
D. Project Design: Components, Activities, Outputs and Inputs	21
1. Component I - Administration of Justice	21
a. Objective	21
b. Background: The Judicial System	21
c. Constraints	22

d.	Strategy, Activities and Outputs	25
(i)	Implementing the Judicial Career Service/Experimental Programs	26
(a)	Career Service	26
(b)	Experimental Justice of the Peace and Public Defender Programs	27
--	Justice of the Peace and Public Defenders Program	28
--	Public Defender System Study	29
(ii)	Strengthening the Administrative System of the Judiciary	29
(iii)	Training program to support the career service	32
e.	Inputs	33
2.	Component II - Legislative Enhancement	36
a.	Objective	36
b.	Background: The Honduran Congress	36
c.	Constraints	37
d.	Strategy, Activities and Outputs	34
(i)	Establish Center for Legislative Support Services	40
(ii)	Congressional Administrative Office/Committee System	43
e.	Inputs	45
3.	Component III: Voter Registration and Elections Improvement	49
a.	Objective	49
b.	Background: The TNE and RNP	49
c.	Constraints	50
d.	Strategy, Activities and Outputs	52
(i)	Updating, Microfilming and Computerizing Civilian Registration Lists	52
(ii)	Institutional Strengthening of RNP	54
(iii)	Election Support	55
e.	Inputs	56
4.	Component IV: Democratic Leadership Training	59
V.	Project Administrative Plan	60
A.	Project Agreements	60
B.	Role and Responsibility of A.I.D.	60
C.	Roles and Responsibilities of Recipient Institutions	62

VI.	Financial Plan and Analysis	62
A.	Financial Plan	62
B.	Project Disbursement System	62
C.	Audits	63
D.	Recurrent Cost Analysis	68
VII.	Implementation Plan	69
A.	Management By Objectives (MBO)	69
B.	Procurement of Technical Assistance and Commodities	70
D.	Evaluation Plan	71
VIII.	Project Analyses Section	71
A.	Social Analysis Summary	71
B.	Economic Analysis	73
C.	Administrative/Technical Analysis	80
D.	Analytic Support Summary	81
IX.	Conditions Precedent and Covenants	82
X.	Environmental Assessment	85
XI.	Summary of Major Issues Reviewed	86

Annexes

A.	PID Approval Memorandum
B.	Logical Framework
C.	Statutory Checklist
D.	GOH Request Letters
E.	611(e) Certification
F.	Social Soundness Analysis

TABLES

I.	Summary Cost Estimated and Financial Plan
II.	Project Disbursements
III.	Methods of Implementation and Financing
IV.	Tentative Budget for Economic Analysis
V.	Illustrative Flows of Partial Benefits and Costs

I. Summary and Recommendations

A. Summary

The goal of this project is to strengthen Honduran democracy. The purpose is to improve the capability of key national democratic institutions (the Judiciary, the National Congress, and the National Election Tribunal and Civil Registry), to enhance local level political leadership, and to increase the knowledge and participation of the Honduran population in democratic processes.

Honduras has witnessed six consecutive years of civilian rule and, in January 1986, the peaceful transition from one freely elected civilian administration to another democratically elected civilian administration. However, the democratic process is incipient and the key support institutions of democracy are extremely fragile. Although the leadership and the general populace support the concept of democracy, knowledge of the working of democracy is limited. With a greater level of participation, the people will make increasing demands on the system to meet their needs and interests in an equitable manner, and the system will respond with better quality, more efficient services.

The project will last for four years, supporting the consolidation of democratic processes and the strengthening of democratic institutions under two consecutive administrations. Considerable support will be provided for the critical 1989 general elections and for the start-up of the administration that will take over in 1990. The project represents the first phase of a long-term U.S. Government commitment to help consolidate democracy in Honduras by building effective, credible, and stable democratic institutions. The project has four components, each of which is described briefly in this section and discussed in detail in Section IV.

Component I. Administration of Justice

The Honduran judicial system suffers from high turnover of politically-appointed staff, untrained personnel at all levels, a weak administrative system, little systematic planning, and a negative public image. The project will support the conversion of political patronage jobs in the judicial system -- including most judges, justices of the peace, and all administrative positions -- to permanent career civil service status. This critical change will introduce professionalism, commitment, and continuity of services into a system which, until now, has been staffed almost entirely by untrained temporary political appointees. The project will also support steps toward developing more effective public defender and justice-of-the-peace services, including analyses of how these services might be restructured and an experimental pilot program using advanced law students as public defenders

and justices-of-the-peace. The project will strengthen the administrative support services of the judicial system by training administrative staff and by providing modern office equipment and computers for documentation, record-keeping, management support, and planning. It will also provide training for all the judges of the country and the judiciary's administrative staff members to improve their professional skills and sense of commitment. Finally, the project will support a public awareness program designed to inform the population of the country about the rights and services that are available to them from their country's judiciary system.

Component II. Legislative Enhancement

Over the last five years, the Honduran National Congress has begun to assert increasing authority as an effective deliberative and legislative body. However, the Congress suffers from a lack of information resources and an inadequate committee system to support the development of well-researched legislation. It also lacks efficient administrative support services. Finally, it suffers from widespread public ignorance and cynicism about its functions, members, and accomplishments.

The project will support development of a legislative documentation and reference center, offering documents and staff to perform background research needed by congressmen to draft sound legislation. It will also provide design studies, staff training, and equipment to strengthen the Congressional committee system and the administrative offices which support the work of the Congress. It will provide training for all elected congressmen, including observational travel opportunities and an orientation program for the full Congress that will be elected in 1989. Finally, a public awareness program will be financed that will increase the public's appreciation of the role and importance of the legislative branch of the Government.

Component III. Voter Registration - Elections Improvement

The Tribunal Nacional de Elecciones (TNE) and the Registro Nacional de las Personas (RNP) run the elections and register all Hondurans to vote. While the TNE and RNP have proven that they can carry out their functions, they suffer from some serious problems, including: (1) a large backlog of registration records that need to be incorporated into the RNP's data base so that they are accessible and usable, (2) inefficient administrative services, (3) lack of professionalism and continuity of staff, (4) inadequate equipment and facilities, and (5) cumbersome information processing and documentation procedures.

The project will support reform of the Honduran registration law, converting as many of the TNE/RNP jobs as possible from political patronage positions to permanent career civil service status. It will also support the microfilming

and computerization of old registration lists to consolidate and standardize the civil registry. It will provide technical and administrative training for TNE/RNP professional staff, providing a permanent core of competent and committed personnel. It will provide needed computer equipment and telecommunication links to departmental offices for the transmission of registration data and election results. Finally, the project will support the 1989 General Election with equipment, supplies, training for all 52,000 poll workers, and public awareness activities to promote registration and voting.

Component IV. Democratic Leadership Training

The Project will support a national program of high-quality training conferences for different categories of leaders of important democratic organizations. Groups such as the following will have access to the National Leadership Conference Program: (1) local elected officials, including mayors and governors, (2) labor leaders, (3) journalists, and (4) leaders of campesino associations.

SUMMARY BUDGET

(\$000)

<u>COMPONENT</u>	<u>US\$</u>	<u>GOH</u>	<u>TOTAL</u>
Administration of Justice	1,642	400	2,042
Legislative Enhancement	1,134	309	1,443
Voter Registration/Elections	3,026	1,771	4,797
Democratic Leadership Training	300		300
Project Management	1,298		1,298
MBO, Evaluations, Audits	<u>100</u>	<u>20</u>	<u>120</u>
TOTAL	7,500	2,500	10,000

B Recommendation

The proposed project fully supports GOH, Central American Initiative and USAID strengthening democracy strategies. This unique approach will improve the capabilities and performance of key civic institutions in Honduras, enabling democracy to grow and flourish over the long term. This effort will also serve as model for other Missions in the region. Based on conceptual and technical analyses, the PP design committee believes this effort is sound. Accordingly, the Committee recommends that the Mission Director approve the PP.

C. Project Paper Development Team

1 The USAID/Honduras PP development team consisted of:

Edward Landau (Chair)	Office of Development Finance
Robert Murphy	Office of Human Resource Development
Richard Martin	Office of Human Resource Development
Juan Buttari	Office of Economic Policy Analysis
Arturo Castellon	Office of Controller

2. The Government of Honduras liaison groups included the Supreme Court, the National Elections Tribunal and the Congressional Executive Committee.

3. The PP was reviewed by the Mission Project Review Committee consisting of:

John Sanbrailo	Mission Director
Carl Leonard	Deputy Mission Director
William Kaschak	Office of Development Finance
Eugene Szepesy	Office of Development Programs
Thomas Park	Office of Human Resource Development
Douglass Robbins	Office of Controller
James Corley	Office of Management
Mary Likar	Office of Private Sector Programs

4. The PP was approved by:

John Sanbrailo	Mission Director
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II. Background

A. Honduran Economic and Social Status

As reflected in virtually all social and economic indicators, Honduras is one of the least developed countries in Latin America. The country's per capita GDP was \$834 in 1986. Honduras' rate of real GDP growth reached 3 percent in 1984 and held steady at that rate for 1985 and 1986, following years of negative economic growth in the early 1980s. Employment grew moderately over the last three years. Nevertheless, with labor force expansion outpacing real GDP growth, the unemployment rate has continued to rise. Similarly, real per capita income has declined or remained stagnant since 1980 due to population increases, exceeding the real pace of GDP growth. Inflation, which had steadily declined over the previous three years, rose slightly in 1986 to 5 percent compared to 3.6 percent in 1985. Although Honduras is predominantly a rural society, average yields of basic grains and export crops remain the

lowest in Central America due to a reliance on traditional technology and inefficient marketing services. Export earnings are insufficient to meet the demands for imports on which the country is heavily dependent. International and local private investment has remained at low levels attributable, in part, to the perceived weak democratic institutions within the country and political instability of the region.

Key social indicators reflect problems that confront many countries in the third world. Life expectancy is calculated at 62 years and the infant mortality rate is estimated at 70 per 1,000 live births. Few Hondurans, 14.8 percent, have access to piped water or sanitation services and 75 percent of the available housing units require either replacement or upgrading. An estimated 60 percent of the population is malnourished and infectious diseases (including diarrhea, respiratory maladies and malaria) remain the leading cause of morbidity and mortality. The fundamental problem of educational services at all levels in Honduras is the focus on quantity rather than quality. Over 90 percent of the primary school aged children have access to schools and enrollments are high. The majority of students, however, do not complete the study programs in which they are enrolled; only 45 percent complete the sixth grade.

A positive note is the country's enlightened policy and program regarding family planning. This program, which excludes abortion and coerced sterilization, has contributed to the reduction of the population growth rate from 3.4 percent per year to an estimated 3% annually over the last 5 years. Moreover, there are indications that the growth rate will continue to decline to around 2.7 percent per annum by 1990.

B. History of Democracy in Honduras

In general, the historical perspective illustrates a system evolving toward liberal democracy, wavering between the U.S. and European models, in spite of a still strong tradition of the exercise of non democratic central authority.

1. Colonial Period

With limited exceptions, the Latin American region was colonized by the Spanish who utilized a monarchical form of government that was reinforced by the strongly centralized religion of Catholicism and the rigid, vertical hierarchy of the military. These systems at the time practiced governing by a strong central authority with little dissent or participation accepted or requested. Decisions in the Spanish and Catholic systems were made at the top and carried out for the most by the leaders designated loyalists; delegation of authority was provided only in the rarest of circumstances.

The military viceroys and civilian officials who governed the colonies instituted the same form of strong central authority. The indigenous groups conquered by the Spanish had been governed in a similar manner. Therefore the conquerors were able to superimpose the Spanish way of governing on the Indian system without a substantial change in the functioning of the political culture.

The Spanish tradition of dealing with dissenters and minority groups during the colonial period emphasized brutal repression and coerced change. The concept of participation in decision-making under these circumstances was limited to the closest advisers. The colonial leaders relied on a closed circle of military and religious representatives, and generally reacted harshly to any perceived loss of power that would occur by expanding the participatory base.

The socio-economic situation in the mother country and in the colonies mirrored and reinforced the conditions prevalent in the political culture. The social and economic systems were extremely stratified, allowing few to gain privilege. The privilege ranking was the royal family, the royal loyalists, top ranking military officials, religious leaders, a small mercantilist class and the majority in the large lower class, barely maintaining subsistence levels of existence. In summary, upward socio-economic mobility in the motherland and in the colonies was virtually nonexistent and not expected.

Finally, the institutional underpinnings during the colonial period derive directly from the political culture, i.e. the throne, the church and the military. Each institution had very rigid hierarchial structures based on personalistic leadership, limited participation, and expansive authority of those in control. Each individual in the chain of command learned to protect their position from competition and took little risk. Upward mobility usually took place not from performance, but from social standing and personal connections.

2. Independence Period

Spanish power and authority in world affairs waned over time, and Spanish control over the colonies became much more tenuous. The Central American countries and Mexico revolted and gained independence in 1821. The leaders of the revolution followed the U.S. model for justifying the removal of the colonial power. In fact, upon reaching independence first as a confederation of provinces and later as independent countries, the Central American countries, including Honduras, formulated constitutions based on the U.S. model. Generally speaking, the constitutions established three separate branches of government and bills of rights. However, these countries did not have any real political, cultural or historical linkage or experience with that form of government, as had been the case with the United States.

In contrast to the United States which experienced a rapid evolution of the notion of participatory government reflecting centuries of progressive change in English politics, the Spanish colonies did not enjoy this political evolution. The U.S. experiment was viewed as a panacea to the problems of colonialism faced in Central America. However, these new countries had a political culture and history which presupposed strong central government with little real popular participation or representation. The liberal trappings were favorably adopted by the Central American leaders, but, in fact, these political traditions were foreign, and they lacked the cultural underpinnings and broad acceptance required to implement them.

The result of this dichotomy was a political vacuum. In Honduras, democratic institutional structures were created in a skeletal fashion, but they were not understood or supported. Political party activism flourished, but it had no accepted means of expression. Laws and regulations were promulgated but were not respected. Although the use of democratic mechanisms fluctuated, the quest for power never diminished. Political instability filled the vacuum. And with this instability came the need to rely on familiar institutions and practices. The key institution remaining from an earlier era was the military, the key style of political control was authoritarianism and centralization. Key decisions were based on an arbitrary exercise of power.

This dynamic situation has produced a political history marked by 13 constitutions, 126 presidents, benevolent/reformist military rulers, authoritarian military and civilian rulers, and no real separation of powers. It enabled the growth of personalism and patronage as the linking mechanisms from political leaders to the general population. The situation has slowed, but not stalled, the consciousness raising and evolutionary change required to support participation in a fully democratic tradition.

In the socio-economic sphere, the post-independence period initiated the loosening of the stratified social system, particularly the elimination of slavery. Military leaders remained strong and wealthy, but the new era saw the rise of the business class. This class consisted of mainly individuals from a European heritage, but there was now some opportunity for others of mixed blood to enter the system. The multinational fruit companies arrived and grew in economic and political power. As a society, Honduras developed slowly, thus limiting opportunities. Honduras did not experience significant industrialization, so the growth of the middle class was marginal. Until recent years, upward movement through social and economic classes has been allowed but has been rare.

There is still a huge underclass of landless rural farmers, micro land owners and unemployed urban dwellers. Fortunately, whatever the makeup of the Honduran government during the 20th century, most officials have implemented social programs to reach the poor, thereby reducing the likelihood of internal political strife based on class struggles.

The growth of labor unions, cooperatives and the legitimization of the two major political parties has provided vehicles for individuals to move up the social and economic ladder. These have been the key institutional developments allowing more popular participation in support of the democratic process since independence. Despite the increase in participation enabled by this change, these groups have tended to adopt the same centralized authority structure and personalized political style followed in the global system.

C. Current Status of Democracy in Honduras

While the country has witnessed five consecutive years of civilian rule and a peaceful change of a freely elected civilian administration, the democratic process is incipient and the key institutions of the democracy are extremely fragile. The forces that have characterized historical political and socio-economic development continue to influence the modern era. Although the ideals of democracy have gained increasing currency as the preferred mode of governing within the Honduran culture, the country has not been able to transcend, to a great extent, the constraints of history. The result is a political system with the following characteristics.

1. Personalism, centralization and authoritarianism are characteristics of the Honduran polity. Power tends to be concentrated at the top; few leaders like to delegate authority because to do so is interpreted as a loss of power. Influence is structured along vertical lines through patronage networks which are reinforced by family networks.

2. The formal rules of political life, which have changed so frequently in the country's history, do not effectively govern the conduct of office-holders. Politics in Honduras is not yet governed by regulations which prevent the arbitrary exercise of power. Institutionalized public politics compete with "palace" and "barracks" politics. Within this context, individuals and their immediate desires take precedence over rules. Because no single set of rules is fully understood or accepted, key leadership roles are subject to continual redefinition in accordance with particularistic needs of the moment. Power and its maintenance become a central driving force in the system.

3. Politics in the country during the last three decades have tended toward a personal struggle to capture or influence the national government. Coalitions become critical to the personal leader because they give organizational coherence to the political aspirant's efforts and help to define his or her power relationship with other elites (and their coalitions) and with the masses who can provide support through voting.

This struggle is characterized by private and tacit agreements, provincial concerns and personal ties and dependencies rather than by public rules and institutions. The emphasis of politicians is on competition and conflict resolution, not on purpose and problem solving. Political leaders spend as much of their time looking backwards to protect themselves as looking forward in anticipation of programs. Accordingly, political rewards are related back to individuals and groups jockeying for power, not forward to consequences for society.

Personal rule in Honduras is a dynamic world of political will and action that is determined by personal authority and power rather than by institutions. It is a system of relations based upon shifting coalitions which link rulers and would be rulers with patrons, associates, clients, supporters and rivals.

4. The political process in Honduras has been almost totally absorbed with issues directly related to the maintenance and use of power. The political attention span of leaders is consumed with the tyranny of the short-term. Forward strategies for development are reduced to minimal efforts at incrementalism. Leadership tends to respond to particularistic interests of the moment. There is no tradition of public interest that can be defined beyond the narrow interests of the personal ruler and his coalition in power.

The necessity of meeting specific client needs, and the intensity of those clients' expectations and demands mitigates against general pressure for responsive government. Human and material resource shortages impose particularistic imperatives on public office holders that work against responding to any notion of the public good. There are few incentives to perform official duties with probity because the personal imperative of meeting client's needs has precedence. This imperative is all the more compelling given the interlocking networks of family, clique, ethnic, regional and sexual factors. General notions of accountability are replaced by particularized accountability in which given coalitions are able to capture and cannibalize the state for their own needs. Chamba, the provision of employment, becomes the driving force of political life.

Within this context, the state becomes the object of power, not so much because of its ability to promote the image of the larger good, but because it is the mechanism through which private need can be addressed. Power is ultimately defined in terms of the ability to turn public authority into private benefit in both a material and a symbolic sense. Thus, the state provides the arena in which individuals and factions struggle for power rather than an arena in which groups or parties compete for policies and constitutional norms. State power in Honduras has historically been the major arena of privilege, far exceeding in importance the economic, social or religious arenas where elites normally interact.

5. Critical actors in the Honduran political process include political parties and their respective leaders of the moment; the military, which plays a very active political role; the country's chief executive, who has extraordinary discretionary power; the country's urban and rural labor unions and the private businessmen's associations, which periodically mobilize public opinion.

6. Public institutions such as the unicameral Congress, the Judicial system, and the National Electoral Tribunal (TNE) are secondary actors in the Honduran political process because of the distinctive nature of personal and coalition politics which has resulted in the dilution of their authority and because the military tends to be the ultimate arbiter of political conflict.

Because civilians do not trust each other and because of the weak civic tradition in the country, these critical public institutions are perceived as political vehicles for the fulfillment of personal need. Their weakness, characterized by years of political abuse, neglect, under-financing and corruption, and inherent institutional limitations deriving from a lack of sound public administration in the country, combine to ensure a minimal capacity to respond to the challenges of the country's newly emerging democracy.

In spite of these limitations, the climate for constructive change within Honduran democratic institutions that will participate in this project is excellent, for two reasons. First, there is a strong popular consensus, reinforced by the difficult but successful 1985 election, that democracy is right for Honduras. Second, there is presently a high-level commitment in the GOH institutions and in the political parties that the country's democratic institutions need to be reinforced and improved. There is a willingness among influential Hondurans to subordinate, to a certain extent, personal and partisan interests to the need to fortify, professionalize and institutionalize democracy.

III. Program Factors

A. Relationship to Host Country Strategy:

As evidenced by the peaceful transition of power in January of 1986 from one freely elected civilian administration to a second, the Government and the people of Honduras have established a foundation for the evolution of a democratic tradition. President Azcona, in his inaugural address, spoke of the need for a nationwide social pact, whereby all sectors of society would join together to strengthen the economic, social and democratic bases of Honduras. The President further noted the "strong connection" between economic and democratic development and the belief that both areas must simultaneously be reinforced to assure realization of a vibrant, prosperous society. Members of Congress and of the Judiciary have unanimously endorsed the need to strengthen the democratic process, as witnessed in public statements and an intensive participation in the development at this project. All signs indicate that the political parties, as well as other major sectors of society such as the military, the business community, the media, the labor unions and the farmer organizations, support the continuation of the democratic process. Accordingly, this project, through the assistance it will bring to strengthening key democratic institutions, coincides with the commitment of the GOH and the Honduran populace at large for achieving a lasting, effective democracy.

B. Relationship to A.I.D. Strategy

1. A.I.D. Policy

Over the past decade, A.I.D. has stressed a policy of human rights and increased participation of the poor in the economic development of third world countries. The objective of this approach is to promote the concept of human dignity, particularly in a world that had few democratically-oriented governments. In recent years, more countries in Latin America (e.g., Argentina, Bolivia, Ecuador, Guatemala, Honduras, El Salvador, Brazil, Uruguay and Peru) have adopted democratic forms of government. In consonance with this trend, A.I.D. has elaborated a more substantial policy of assisting countries in their initial steps toward democracy and reinforcing the fragile institutions of already established democracies. In Policy Determination No. 12, "Human Rights", A.I.D. has identified the need to "encourage and promote increased adherence to civil and political rights." The determination continues by noting several themes that A.I.D. programs should promote and encourage, including: (a) research on and discussion of civil and political rights; (b) the awareness of civil and political rights; (c) adherence to the rule of law through a legal framework conducive to civil and political rights; (d) free and democratic electoral systems; (e) development of democratic principles and institutions; (f) develop of human rights organizations; and (g) increased access of women, minorities and the poor to the judicial system and to political processes.

Explicit in the narratives of these themes is the need to strengthen the institutional bases that facilitate respect for human and political rights.

2. The National Bipartisan Commission on Central America (NBCCA).

The concern of the U.S. for a greater focus on strengthening democratic institutions was further emphasized by the NBCCA (Kissinger Commission) report released in 1984. The Commission made several recommendations regarding military-political matters and development areas such as agriculture, education, health and private sector participation. A key theme that linked many of these recommendations related to strengthening democracy. The Commission believed that reinforcing democratic institutions and processes would result in a more peaceful, politically stable and economically growing region. For example, strides in opening access to the political system to a wider array of people would lessen the attractiveness of revolutionary groups, ease political tensions and thereby enable economic development to take place. Stronger economic development would create a firm basis for the continued expansion of democratic themes and the economic and political participation of the people. Specifically, the NBCCA concluded that, "the U.S. should encourage the Central American nations to develop and nurture democratic cultures, institutions and practices, including: strong judicial systems to enhance the capacity to redress grievances; free elections; and free and democratic labor unions." Democracy is one of the four "D's" which is the focus of U.S. policy in Central America.

3. USAID/Honduras Strategy/Action Plan

The Assistant Secretary of State for Latin America has stated that "our political objectives for Honduras are clear: to strengthen democracy and democratic institutions (because) our economic objectives... would be undermined if political and social progress is not achieved." The Mission has adopted strengthening democratic institutions as one of its four major programmatic goals. A key objective announced under this goal is to consolidate the legislative, judicial, electoral and other democratic processes affecting the rights of citizens by 1990.

The Mission has reinforced this concept by integrating its concern for civil and political rights in its other programs and projects. USAID has an active private sector program to stimulate private enterprise growth and participation of private enterprises in the development of Honduras.

It has strengthened the cooperative movement, PVOs, labor unions and business associations in recognition that the development of strong, nongovernmental sector is critical for the long-term preservation of democracy in Honduras. In the public sector, A.I.D. supported the TNE in carrying out national elections in 1985. The Mission financed an orientation seminar for new

Congressional delegates and arranged for Honduran justices to participate in training on legal codes. The FY89 Mission Action Plan continues to emphasize support in this area. Ongoing and new activities include the Central American Peace Scholarship (CAPS) Program, FOPRIDEH, Small Farmer Titling and Services, Special Farmer Organization Strengthening, Special Development Activities and this Strengthening of Democratic Institutions (SDI) project.

C. Relationship to Other Donor Programs: A.I.D. has been the principle donor agency involved in the solidification of democratic processes in Honduras. Other donor assistance has been limited. The UNDP plans to finance a nationwide census, from which data could be used for election purposes. Also, the Overseas Education Fund of the League of Women Voters has had a small, effective program of training women in business and leadership. AIFLD, in recent years, has also undertaken a strengthening democratic institutions approach using funding from the NED.

Currently, AID/W has a Regional Administration of Justice program working through the United Nations Institute for Crime Prevention and Treatment of the Accused (ILANUD) that has concentrated on training judges, prosecutors and crime investigators. The project has also undertaken a series of studies of the Judicial systems in Central America, incorporating analyses and surveys of the courts, judges, defense and executive branch involvement. The Mission is utilizing preliminary results and recommendations from the ILANUD/FIU Honduran Judicial Sector Assessment in developing the new bilateral project. The activities under this project, particularly the training programs, are designed to complement the efforts undertaken in the regional project. The Mission plans to maintain active coordination with the regional project, so that redundancy will be avoided.

In sum, this project will in no way conflict with ongoing or planned activities of other donors. Rather, it is anticipated that it will be a crucial effort that will serve to attract the resources of other donors to this important area in the future.

IV. Project Description

A. The Problem

The Honduran populace has limited effective participation in the democratic process. Three important institutions form crucial linkages between the democratic system and the electorate: the Judiciary, the Congress and the National Elections Tribunal/the National Civil Registry. The inefficiencies of these institutions result from a series of policy constraints, weak administrative systems, deficient technical capabilities and tight financial resources. The institutional weaknesses are exacerbated by a lack of

awareness on the part of the general population as to the functions of democracy and the institutions designed to support it. Future leaders are not being educated concerning the benefits of democratic principles or forms of government. Rather, they are being taught in the school of experience relating to the tradition of personalism and strong central authority.

Since these institutions are key contact points for the populace as they relate to the democratic form of government, these weaknesses affect the citizen's right to an independent and effective system of justice in civil and criminal matters; their right to participate in elections without fraud and political manipulation; and their right to effective, informed and responsive representation of individual and social needs in the National Legislature. These problems result in low expectations and negative perceptions by the public of their political institutions, thereby increasing the probability of alienation. The alienation engenders apathy, causing the electorate to resign itself to the certainty of the old non-democratic political practices or to be manipulated by more radical political forces.

To facilitate the democratic process, the institutional support systems must be strengthened, the public must be made aware of democratic principles and institutions and future leaders in all sectors of society must receive training in the ways democracy works and the ways the system benefits society.

B. Project Goal and Purpose

The project goal is to strengthen Honduran democracy. The purpose is to improve the capability of key democratic institutions (the Judiciary, the Congress and the National Elections Tribunal/National Registry), improve local political leadership, and increase the knowledge and participation of the Honduran populace in the democratic process. The purpose and the goal are linked through a series of assumptions including regional political stability, a stabilized Honduran economy, and the continued political will among Hondurans to consolidate the democratic process.

C. Overall Project Orientation and Strategy

1. Orientation

a. Premises: The project design represents a balanced approach to the strengthening of democracy in Honduras. It incorporates activities which will result in positive short-term effects and activities designed to produce permanent long-term benefits and change.

The components of the project are: (1) Administration of Justice, (2) Legislative Enhancement, (3) Voter Registration and Election Improvement, and (4) Democratic Leadership Training. The rationale for the overall project design is presented in this section. In section D, specific project activities are described in detail. The seven general principles that shaped the overall design of the project are the following:

First, although they are currently subordinated to less institutionalized political forces, the Judiciary, Congress and the RNP/TNE will be the key institutional mechanisms to support the growing strength and stability of the democratic tradition in Honduras. Therefore, Mission resources should target these priority institutions.

Second, other Governmental institutions, such as the Executive Branch and the unions, cooperatives, the political parties and local governments play a significant role in the Honduran political system. Except for the military, some of the key leaders and members of these groups will be eligible for leadership training to promote the diffusion of democratic principles into these organizations.

Third, the present political climate is optimal for a systematic effort to strengthen democratic institutions because: (a) there is broad-based consensus among political leaders and the general public in Honduras concerning the value of civilian democratic rule and the need to improve the efficiency and credibility of the country's democratic institutions and (b) the unofficial coalition government has permitted an even split in patronage jobs between the two main political parties and a healthy representative status from the minor parties. The resulting balance among the parties means that the project's efforts to convert existing jobs to career positions will not be seen as an effort to fortify or undermine one party's momentary advantage in patronage jobs.

Fourth, the project will take a technical approach in helping to strengthen the participating institutions. The more the project appears apolitical and nonpartisan the less likely it is that the proposed activities will become embroiled in political machinations which could paralyze implementation. Nonetheless, important policy considerations such as creation of a career service will have to be addressed to assure the long-term effectiveness and credibility of the participating institutions.

Fifth, the project will consciously avoid the appearance of trying to duplicate a foreign model of governance in Honduras. The project will work within the structure of the Honduran constitution utilizing Honduran concepts to the best extent possible. The project will rely on Honduran leadership and Honduran institutions as much as possible to carry out project activities.

Sixth, strengthening democracy in Honduras will require a serious, long-term commitment by the relevant institutions inside and outside the governmental apparatus and the general population. The problems affecting the democratic tradition are complex and have been perpetuated by time and events. A.I.D. can play a supporting role in the process by providing technical and material support to the administrative systems of these institutions. Therefore, this four-year project is considered the first phase of a multi-year effort to lay a solid foundation for strengthening the democratic system over the long term.

Seventh, this project will not provide all the solutions to strengthening democracy. In the long run, success depends on the people, groups, institutions and government bodies resolving to make a sustained effort in attaining a consensus on democracy in Honduras. The A.I.D. support provided under this project provides an opportunity and resources for democratic progress and institutional consolidation to take place.

b. Interrelationship of Four Components: Project beneficiaries will be three public institutions, 56,000 officials and elected leaders, and the general public. Although diverse in nature, these four beneficiary groups are closely linked in the democratic tradition in Honduras. In brief, as stated in the Constitution, "sovereignty rests with the people from which originate all powers of the state..." Without the civic awareness and participation of the general public, democracy will not function. Since "The form of government is republic, democratic and representative," the citizenry participates in the selection of municipal leaders, the Congress and directly for the President. Elections can not be credible without a competent TNE/RNP staff and an easy and accessible registration system. The elected officials in Congress are charged with making the laws of the land. The Judicial sector is charged with interpreting and enforcing these laws. Without a more professional Congress and Judiciary, the laws will lack credibility, will not be enforced and will not be understood or accepted by the general public, thereby creating instability, lack of trust and undermining the foundations of democracy. The training of key individuals in democratic principles will insure a much more aware, progressive and democratically-oriented cadre of present and future leaders to sustain a more truly representative and participatory system into the 21st Century.

c. Participation: Political participation generally follows the socio-economic stratification system of the country. The more economically privileged a group, the greater its participation in the political process and the more responsive the system is to its needs and interests. Effective participation is more than merely voting in elections. Participation implies the willingness and ability of citizens to influence public decisions.

This is due primarily to the variable elements and dynamics within particular systems. These include the culture, economic and political systems, propensity of individuals to participate in organizations, the wishes of the political elites, and the institutional support system.

Within the Honduran context, the historical basis has been laid that promotes increased political participation. The culture still supports the strong central authority mechanism, but the passing of time has exposed the country to alternative systems and the electorate have begun to desire a higher profile in influencing decisions. The economic system is based on free market principles, a key support mechanism to enhance participation as well as an indicator of the environment for increased participation. The political system is structured to support participation and has experienced increased democratic pressures. The Honduran populace actively participates in organizations, as witnessed in the proliferation of labor unions, cooperatives, professional associations and church groups. Organizations provide important vehicles for individuals to express political choices and influence political leaders.

Without the support of the mainstream political elites, increased popular political participation will be stymied or, in the worst case, radicalized. In many cases, political leaders utilize participation for ulterior motives, e.g., to reinforce their current position or undermine the position of the opposition. By including more people in the process, however, the elites become increasingly accountable to their constituents, thereby perpetuating and strengthening the participatory process. In Honduras, the civilian and military elites have increasingly accepted the importance of mass participation, particularly through political parties and elections. The leadership recognizes that participation cannot be limited only to political parties, other organizations and elections. To assure legitimacy and continuity, Honduras requires effective public institutions to support the participatory process.

The existing institutional mechanisms, if properly utilized, offer access for those willing to participate under an accepted set of rules. To be effective, the institutions designed to uphold the democratic tradition must have credibility. To gain credibility, the institutions must operate in a manner consistent with the pronounced rules and regulations. Also, the public has to be aware of the institutions and how they function. In order to fulfill their obligation, the institutions require professional staff who are knowledgeable about their jobs and the purpose of their organizations. This project will concentrate on improving the credibility and effectiveness of the Judiciary, the Congress and the National Elections Tribunal and its dependency the National Registry of Persons, three institutions that have been neglected in the past.

2. Strategy: This four-year project is intended to be the first phase of a long-term commitment by the U.S. Government to strengthen democracy in Honduras. It is anticipated that this long-term program of support could last ten years or longer. Experience in other democracies has shown that the evolution of democratic institutions is a long, slow process involving periodic adaptation and restructuring in response to experience and unforeseen historical circumstances. This four year project, then, will give A.I.D. and the Government of Honduras experience which will serve as a basis for designing subsequent, follow-on activities. Also, the project will undertake a number of studies, analyses, and experimental activities which will help establish priorities for future assistance. It will provide technical assistance, training, commodities and public awareness activities which will be evaluated to determine the kinds of assistance that might be most useful in the future.

Based on the information and experience that will be gained in this project, it is expected that USAID/Honduras will design follow-on activities during the third and fourth years, so that a new project can be initiated in 1991. The magnitude of the follow-on project and its specific components will depend on the success or failure of activities under this project.

Of course, in a relatively new area of AID programming and in the politically volatile Central American region, it is impossible to anticipate future events or U.S. Government priorities with any certainty. For this reason, this four-year project is designed to provide essential election and institution-building support that would be justified and sound even in the event that follow-on activities do not materialize.

The project design incorporates a number of diverse activities, all designed in one way or another to improve the functioning of democracy in Honduras. The components and activities are, in most cases, not highly interdependent, so that if one particular activity gets bogged down others can continue as planned. No single activity can paralyze the project nor can the failure of any one activity or component entirely jeopardize achievement of the project's overall objectives. Since the project will have to function in territory which is largely uncharted for A.I.D., the design incorporates considerable flexibility. Each of the three components begins with detailed analyses of needs, problems and alternative solutions. These analyses will be participatory, using a "management by objectives" approach to achieve consensus and commitment on the part of the leadership of the three key institutions involved in the project. Since this project is the initial effort, we would expect that specific activities and benchmarks will be further refined during implementation.

Each of the three components has two kinds of activity - institution building and public awareness. Each of these is discussed briefly in this section, followed by a specific description of each of the three components.

a. Institution Building

The three participating institutions - the judiciary, the legislature, and the electoral system - are fragile public institutions compared with some of the mainline ministries in the executive branch of the Honduran Government. These three participating institutions all suffer from a degree of uncertainty about their authority; weak and ineffective support services; deficient information storage, retrieval and transmission capability; a constantly - changing and untrained human resources base; and inadequate physical facilities and equipment.

The project will help strengthen and build these three institutions by providing policy alternatives, technical assistance, staff training, management information systems support, and upgrading of facilities and office equipment.

(i) Policy Alternatives

The project has a number of policy objectives, the most important of which is shifting many positions in the three participating institutions from temporary political patronage jobs to permanent professional career service positions.

Other policy issues that will support the project's institution building effort are establishment of new reference and documentation services, development of a public defender programs, utilization of law students in public service legal roles, and obtaining full budgetary support for the judiciary.

(ii) Technical Assistance

Technical assistance will be provided to help the participating institutions improve their operations. Experts from the US and other Latin countries will serve as short-term advisors in all areas and components of the project. Development of long-term collegial and institutional linkages will be promoted through the technical assistance effort.

(iii) Training

The project training activities are designed to improve the quality, quantity and responsiveness of services that are supplied by Honduran democratic institutions. Strengthening the human resource base of the institutions will

result in improved efficiency and productivity. The participating institutions will be able to perform their assigned functions in more predictable, systematic and professional ways; resulting in a more stable, efficient, and credible democratic process. As staff technical and administrative skills improve, the possibilities for corruption and serious errors will be reduced. The institutions will become less vulnerable to transitory political influences and more responsive to the needs of the population of the country, earning them greater confidence and support on the part of the Honduran people.

(iv) Management Information Systems Support

All of the participating institutions suffer from a chaotic and rapidly accumulating document and information glut. Records of deliberations and decisions are not systematically organized. Data and reference material needed to support policy and debate are not accessible. Production of documents is slow and error prone. The project will improve information management by establishing reference services and helping to mechanize information storage and retrieval.

(v) Upgrading Facilities

The project will provide commodities -- office equipment, microcomputers, office furniture and fully-equipped reference rooms -- to improve administrative, information processing, and other capabilities.

b. Public Awareness

The project's public information activities are designed to change knowledge levels, attitudes, and practices of the Honduran population with regard to the country's democratic institutions and processes.

By improving the electorate's knowledge of the country's political processes and institutions, the quality of political participation will improve. Political participation in Honduras presently tends to be reflexive and manipulated rather than well-informed and principled. Voting decisions, for example, are often not based on clear knowledge of candidates' positions on important policy issues. Decisions concerning legal assistance and recourse are often made without knowledge of citizens' rights under the law.

Uninformed participation in democratic processes results in a hollow process where only the trappings and symbols of democracy are present. When the electorate votes without understanding the issues and candidates' positions, they have not fully exercised their right of suffrage. The result can lead to policies and programs unresponsive to the needs of the voters.

By promoting a more positive attitude on the part of the public toward the country's democratic institutions, the political process will become stronger and more stable. The pervasive doubts, rumors and suspicions that characterize the public's attitude toward any political activity in Honduras should, as a result of the project's public information activities, gradually be replaced by an attitude of greater confidence and trust in the integrity in the democratic system.

With regard to the actual political practices and behaviors of the population, public information and education activities, can have three beneficial effects. First, public awareness activities will increase information-seeking on the part of the population. Individual Hondurans should come to value being well informed so that they can understand the political process and important public policy issues. As people become better informed, they become more willing and able to make their own independent political decisions and voting choices rather than being manipulated by political groups. Second, an informed electorate will be more vigilant, watching the functioning of the country's democratic institutions and elected officials and demanding responsive and conscientious service from them. Third, an informed electorate will make greater use of the country's democratic institutions, by knowing when, where, and how to seek recourse and services to which they are entitled.

In short, the objective of public information activities under this project is to increase direct participation by individual Hondurans in democratic processes, making their participation less of a reflexive response to political leaders and more an informed activism based on analysis of what is best for individuals and for the country.

D. Project Design: Components, Activities, Outputs and Inputs

1. COMPONENT I - Administration of Justice (\$1,642,000 US and \$400,000 GOH)

a. Objective: To strengthen the court system, making it more efficient and responsive to the Honduran populace in matters concerning civil and criminal justice and better able to execute its functions as a mediator of intragovernmental conflicts.

b. Background: The Judicial System

The Judicial sector touches the whole society and political system, including all individuals and institutions, and both the public and private sectors. Almost all elements of the judicial system require support or reform.

The primary function of the courts and tribunals is to administer justice in the name of the state. The Judiciary, according to the Constitution, is independent from and equal with the other branches of the government. The Judiciary is composed of the Supreme Court, the Court of Appeals, the Court of Order and the Justices of the Peace. The process of administration of justice is supported by an administrative system, prosecution and public defense capabilities.

The Supreme Court is composed of nine justices and is divided into three specialties - civil, penal and laboral - with three justices assigned to each specialty. The Supreme Court has the following functions: to approve its own internal regulations; to hear cases of official and common crimes of high ranking functionaries of the Republic when the National Congress has ruled that they may be subjected to a process of law; to hear, in second instance, the cases which the Appeals Courts have heard in first instance; to determine whether there is or is not a cause for subjecting to the process of law functionaries and employees as determined by the law; to be cognizant of the causes for extradition and other causes which must be judged in accordance with International Law; to hear the appeals for dismissals reversal, pardon and review of cases which have been ruled upon; to appoint magistrates, judges, state attorneys and other functionaries and employees in accordance with law and to accept, or refuse to accept, the resignation of same and grant license both to these and to its own members; to rule on the unconstitutionality of the laws in the way and in the cases contemplated in the Constitution; to prepare the budget proposal of the Judicial Branch and forward it to the Executive for inclusion in the General Income and Expense Budget; to appoint the Special Paymaster of the Judicial Branch; and all other attributes conferred upon it by the Constitution and by the Law.

The Judicial Branch has eight Appeals Courts, each made up of three magistrates and two alternates appointed by the Supreme Court. These Courts are distributed as follows: three in Tegucigalpa, two in San Pedro Sula, one in La Ceiba, one in Comayagua and one in Santa Barbara.

The Judicial Branch has a total of 49 Courts of Order distributed as follows: 5 Civil Courts, 6 Criminal Courts, 2 Juvenile Courts, 2 Tenancy Courts, 6 Labor Courts, 15 Departmental Courts and 13 Sectional Courts. These courts hear in the second instance those cases heard in first instance by the 315 Courts of Peace.

c. Constraints

The judicial system faces the following policy, social, institutional, technical and financial constraints that will be addressed by the Project.

(i) Lack of Staff Professionalism and Continuity

A stable judicial career service does not exist, neither for judges nor for support personnel. A Judicial Career law was passed in 1980, but the Supreme Court has yet to approve the guidelines that are necessary for the law to be implemented. In the absence of a career service most personnel decisions are based on political patronage. As a result of the very close 1985 election, the two major parties negotiated an equal share of judgeships and support posts. The only exception is the nine member Supreme Court with five representatives from one party and four from the other. This situation enables the patronage system to prevail, rather than any requirement for efficiency and competency. It is interesting to note, though, that some employees, especially senior secretaries (court administrators), have been in the system many years. They manage to survive in the highly political environment because they are sometimes the only ones who understand how the system operates and carry with them whatever institutional memory exists in the court system.

A system totally dependent on political appointments leads to incompetency and corruption. New judges and administrative staff generally have little or no experience. Given the complicated system of laws and procedures, the process of learning is long and arduous. Coupled with the lack of sound hiring criteria and politically based decisions, the system has high turnover rates. The system is filled with people who cannot meet minimum performance expectations and who are subject to the influences of corruption. In sum, incompetency and the high potential for corruption delegitimizes the process of law, impinges on the rights of victims and criminals through poor interpretation of laws and compromises the credibility of the system in the eyes of the general public.

(ii) Lack of Training

An important variable in support of a modern judicial system is the human resource base. Training for new judges and administrators and in-service training programs for those already employed does not take place. A professional career service for judges and administrative staff based on objective hiring criteria will strengthen the system. However, to assure improved performance, the people in the system require entry training and periodic skills update training.

(iii) Ineffective Administrative Support

The judiciary does not have a functional administrative system. The personnel processes of recruitment, selection, promotion, and so forth are almost

entirely in the hands of the political parties. There is no institutional planning, needs assessment, or evaluation. Budgets are prepared by simply copying the previous year's figures. Purchasing and maintenance are so highly centralized in Tegucigalpa as to be almost useless to courts in outlying areas. Local courts cannot make the simplest purchases such as pencils and brooms.

The entire administrative system is tightly centralized in the person of the President of the Supreme Court who makes even the most trivial decisions such as janitorial workloads and small purchases. An administrative structure exists on paper, but administrative offices are understaffed or not staffed at all. Since even minor decisions revert to the President of the Supreme Court, there is no sense of accountability, very little collaboration among offices, and little understanding of the objectives of the institution.

Accompanying the antiquated and ineffective administrative mechanisms is an equally unsatisfactory information network. An effective information system is indispensable to the efficient functioning of the court. For example, there is no way to monitor progress or disposition of cases, and no information exists on comparative caseloads among judges. In part because of lack of a monitoring system, only 20 percent of jail inmates are convicted offenders. The rest are awaiting trial -- an average wait of 17 months for inmates, with 24 percent of the prison population in jail for more than two years without trial. In sum, without an acceptable administrative system supported by accurate and up-to-date information, the legal system can not function.

(iv) Lack of Planning

Honduras does not have a formal national judicial policy-making system. No acceptable mechanism is in place that identifies problems, studies alternatives and promulgates recommendations. Therefore, the Judiciary muddles along utilizing 19th century policy norms that have not been adapted to the conditions of modern Honduras. An isolated but important example of this is that the judiciary received an unexpected budget increase this year after years of having the same level of funding. Virtually the entire increase went towards salary support, because no alternative uses could be identified. Without a strong policy-making system, the Judiciary will never be considered an equal and independent branch of government, because decisions will be made on an ad hoc basis, will not include long-term planning objectives and will be deferred to other, better prepared institutions.

(v) Inadequate Budget

By law, the Judiciary should receive 3 percent of the national budget. The actual level received has varied between 1.2 percent and 1.9 percent (this year). Given the lack of a policy-making capability and a weak administrative system, it would be hard to argue for the appropriate levels. Nevertheless, an improved judiciary can justify the necessary budget support.

Without budget support, the Judiciary will not be able to sustain the advances planned under this project. Since provision of the 3 percent is dependent on the Executive Branch, this issue will be addressed outside the framework of this project.

(vi) Negative Image

It is widely thought by judges, attorneys, and the public that corruption is widespread both in terms of political favoritism and advantage for those who can pay. Whether corruption exists or not, the image and perception of the Judiciary as a corrupt body seriously effects the willingness of the people to participate in the system. Without participation, the system loses its legitimacy as a body that upholds and protects the principles of democracy.

d. Strategy, Activities and Outputs

The emphasis of this program will focus on improving the judicial process and its support mechanisms. The project will also improve access of the Honduran population to effective legal services. The project will not focus directly on the political goal of strengthening the power of the Judiciary vis-a-vis the other branches of government. Certain key policy changes will be essential to the success of the project.

This component will depend heavily on the National Judicial Reform Commission (NJRC), a group of powerful lawyers and Judiciary experts reporting to the Supreme Court, which has responsibility for overseeing and stimulating Judicial Reform. The Commission currently is held in high regard by the Supreme Court as an advisory resource. Given its current status, the Commission can play an effective role in formulating and advocating particular measures to rationalize the behavior of the Judicial Power as a functioning institutions.

The leadership within the judiciary and key actors such as the Bar Association, the National Judicial Commission and the law school in the National University recognize the limitations of the Judicial sector, and realize changes are necessary to upgrade the system. The recent Judicial

Sector Assessment managed by ILANUD and Florida International University surveyed key participants and the general populace and discovered there is widespread consensus on the problems affecting the Judiciary.

Opposition may be expected from both external and internal sources. Externally, the two major political parties may resist, in some degree, the professionalization process. Significantly reducing the number of patronage jobs may be perceived as a loss of power. Internally, the potential loss of jobs could create morale problems as uncertainty pervades until the new system is in place.

Initial priority will be given to four tasks: implementing a professional judicial career service, including establishing experimental development programs for Justices of the Peace and Public Defenders; strengthening the Judiciary's administrative structure; instituting a major training program to support the career service; and developing a public information program to increase awareness, understanding, appreciation and utilization of the legal system by the population of the country.

(i) Implementing the Judicial Career Service/Experimental Programs

This activity includes two major sub-activities: (a) support for implementation of a professional legal career service, and (a) experimental programs to assess the feasibility of using graduating law students as temporary justices of the peace and public defenders.

(a) Career Service: A Judicial Career law was passed in 1980 which, when implemented, will provide the basis for a career service. In order to implement the law, guidelines covering different aspects of the law must be approved by the Supreme Court. The Regional Administration of Justice Project provided technical assistance for four months in 1986 to write the required guidelines. The guidelines were delivered to the Court in July of 1986 and still await formal court action. The belief exists within the Supreme Court that the guidelines already elaborated will require further refinement.

The project will work to achieve full implementation of this Judicial career law. During the Project, technical assistance will be provided to review the guidelines already developed. The Supreme Court, with the help of project technical advisors, will determine the specific nature of the needed guidelines. It is currently believed that the guidelines do not require a complete overhaul. However, if the determination is made otherwise, then funds will be made available to redraft the guidelines.

Contingent on Supreme Court approval of the completed guidelines, the technical assistance will help develop an implementation strategy. This strategy will include identification of significant milestones and target dates.

To expedite implementation of the career service and reduce possible political party and employee opposition, implementation will begin by guaranteeing the continued employment (although not necessarily in current posts) of those now in the system, except for those guilty of misconduct and non performance, through the term of the current administration. Attempts to evaluate current employees and certify only the most competent would be met with serious opposition and delay. When the next administration assumes power, the career system will be put into full effect. A mechanism, such as a panel with political party representatives, could be utilized to maintain a relatively even political party split based on competency requirements to mirror the virtue of the current situation in that the major parties are represented equally both among judges and support personnel. Under the new system, current and former employees will be eligible for employment.

(b) Experimental Justice of the Peace and Public Defender Programs: This activity will test the feasibility of using law school graduates as interns in the Judicial sector as a means of improving legal training, of upgrading legal services in the rural areas, of establishing practical criteria for lawyer status, and of promoting career possibilities in the Judiciary.

Currently, law school graduates who wish to pursue a career in law must wait at least five years before having the opportunity to become full-fledged lawyers. During this time, they serve as apprentices in established law firms, write theses and take exams. Given the weaknesses existing in the Justice of Peace System -- uninformed, untrained and sometimes even illiterate justices -- plus the practical experience required by the graduates, an internship program represents an opportunity to address a number of problems.

A second area of the system that has been neglected concerns the rights of the accused. The public defender system can be best described as confused and ineffective and, at worst, non-functional. There are myriad regulatory laws and procedures, as well as a number of institutions responsible for implementing the system. This problem produces a situation where few defendants receive legitimate legal defense, alleged criminals languish in jail without trials, personal connections dictate expeditious trials and judges arbitrarily appoint lawyers to defend accused criminals as part of deals on other cases. Improving this element of the Judicial system will reinforce its efficiency, responsiveness and reliability, and strengthen the image of human rights in Honduras.

--- Justice of the Peace and Public Defender

Program: The first step in integrating a new generation of career employees is to reach agreement on a plan to have recent law school graduates assigned as justices of the peace and public defenders for a period of one year. Contingent upon the agreement, the project will finance an office within the National Judicial Reform Commission (NJRC) to support logistics and job performance. The selected graduates, approximately 27 each year, will be accountable to the Supreme Court, but the NJRC will provide all other support necessary for the graduates to excel in their one-year posting. The NJRC is the appropriate place for the program because it has the mandate to investigate judicial reforms and because NJRC members represent the Judiciary, the University Law School and the Bar Association. The NJRC office will provide the following: salary support; legal manuals, books and other resource materials; orientation sessions and periodic group meetings so that the graduates can share experiences; periodic in-service training programs to reinforce on the job experience; individual consultation services; and basic supplies such as paper, pens, pencils, etc.

A Program Coordinator will direct the office. The Coordinator will interface with the the Supreme Court, the Bar Association and members of NJRC to assure the widest range of knowledge is being passed on to the graduates. An administrative support staff will conduct the day-to-day execution of project activities. The staff will include counselors, an administrative assistant and secretaries.

The program will address the initial needs of law school graduate training, of enhancing the capability and efficiency to defend the accused, of establishing practical criteria for receiving lawyer status and of raising the status of this public service.

If successful, this program could be an important source of career judges and experienced public defenders with permanent appointments offered to the most promising participants.

Initially, all financial support for this program will be provided by the A.I.D. project, channeled to the NJRC through the project's institutional contractor. A line item in the Judiciary annual budget will be created for this program, if the experimental program is successful. AID's assistance to the NJRC office will decrease during the initial stages of any future phase of the program, while the court's budget will increase to assume more of the burden. In this way, the project will establish a long-term, sustainable tradition. If the determination is made to continue the program, an office will be created to the administrative structure of the Judiciary. Employees will be incorporated under the judicial career service and the program will remain permanent. It is contemplated that this service may become one criterion in determining an individual's status as an official lawyer.

--- Public Defender System Study. The project will finance a study examining the requirements to consolidate the laws and procedures regulating the public defender capability in Honduras. The study will recommend legislation strengthening the public defender function, and will include alternatives on how to organize and manage a public defender unit in the Judiciary. The study will recommend hiring criteria, training programs, and salaries and benefits within the parameters of the Judicial career law. The study will also analyze the best and most equitable way to tap other lawyers to become public defenders on an occasional basis.

The study will be carried out under the auspices of the National Judicial Reform Commission as part of their reform mandate. The NJRC will make its final recommendations on all aspects pertaining to this issue to the Supreme Court for their decision. The decision will result in a public defender law incorporating a unit into the Judiciary or into another appropriate institution.

The project, through the institutional contractor, will finance the necessary administrative costs to support the start up and the initial functioning of the Public Defender Office.

(ii) Strengthening the Administrative System of the Judiciary

The absence of a good system of administrative support constitutes one of the most fundamental problems of the Judicial Sector in Honduras. The project will assist the Honduran judicial system in an administrative reorganization that will result in a better integrated and more efficient institution. This activity will be carried out in two mutually supporting steps.

First, the National Commission will work with local planning and budget experts, as well as short-term technical advisors, to begin the process of specifying short and long range plans and studies for the Judiciary. The plans and studies will be provided to the Supreme Court for consideration and, in the case of the annual budget, for submission to the Executive and Congress Branch. This activity will enable the second step to begin without the extreme pressures of planning and budgeting. The Commission will initiate the following activities:

- evaluate the current budget;
- identify the preliminary needs of all the dependencies of the Judiciary, including a procurement plan for the short-term;

- elaborate a system of salary structures and corresponding classifications;
- design a methodological manual for the elaboration of programs, projects and activities;
- prepare the goals, policies and quantifiable objectives for the Judiciary for 1988;
- develop the Operation Plan for 1988 as well as the corresponding budget levels for each activity. These will be submitted for approval to the Supreme Court. Pending the Court's approval, the budget will be presented to Congress during its allocation and appropriation process;
- elaborate the necessary documentation to assemble and present requests for technical and financial assistance over the next five years; and
- repeat the process for 1989.

Second, the project will establish a highly competent team of professionals to spearhead the development and implementation of basic support services. This team will work directly with and advise the President of the Supreme Court who is currently responsible for administering the entire system.

The team will consist of about six highly qualified professionals in fields such as organizational analysis, financial analysis, management systems, personnel management, computer applications, and judicial procedures. These professionals will be among the first hired under the Judicial Career Law. They will be permanent employees of the Judiciary, and their office will report directly to the President of the Supreme Court. The Office will also be placed at the top of the judicial administrative hierarchy, with the occupants placed clearly in the line of command. Much of their influence could be diluted if they were organized as a staff service with only advice-giving responsibilities. This group must be willing to involve itself in program implementation.

A conference will be convened to elaborate the redesign of the Judicial administrative system. The team will mobilize members of the Supreme Court, National Judicial Reform Commission, the Bar Association and technical assistance experts for two weeks to hammer out agreements relating to the restructuring of the court, to analyze possible ways of modernizing its organizational structure, to update various functions, to create other new technical and support units, to design a new information system, and to develop streamlined administrative procedures. The recommendations

resulting from conference will cover the role for each office of the court and the financing necessary to carry out activities. The conference will analyze the possibility of creating regional administrative offices. The conference will also review the procedures and paperwork processes now employed by the Court system and recommend changes to improve the system. It will not only focus on Supreme Court procedures, but those utilized in the Court of Appeals and the other tribunals to assure compatibility and simplification.

Once agreement is reached, the technical assistance specialist, in coordination with local professionals, will fine tune the specifics for the entire administrative structure. The following activities will be accomplished:

- put into effect the administrative guidelines approved under the Judicial Career Law;
- develop the organization manuals outlining the functions and procedures of each dependency and office in the Judicial system. This will enable professional and support employees to know the objectives, functions and activities of each office as well as of the institution in general;
- formulate annual work plans for the institution and the offices in relation to the priorities of the Judiciary;
- develop a supply and distribution system to allow timely and reliable deliveries of material and equipment to tribunals located outside the capital city;
- elaborate a long-range procurement plan;
- formalize a personnel system with appropriate recruiting and selection programs and a career service pattern based on merit principles rather than patronage;
- institute an information system that will concentrate on the following:
 - a system to monitor caseloads among judges. At present the caseloads are assigned haphazardly with no attempt to equalize workloads or to reallocate personnel or cases to reflect patterns of demand.
 - procedures by which the results of caseload monitoring can be used to bring about a more rational spatial distribution of courts and judges.

- a system to monitor the progress of cases through the system, to increase the efficiency with which cases are resolved and reduce the current long periods of pre-trial confinement in penal institutions. Supreme Court justices say that, under the current system it can take a full day to determine the status of a pending case and a week or longer to acquire current information on offenders who have been convicted.
- a system to provide judges with up-to-date information on what the law actually is in a given situation. This should include a tracking system in which laws passed by the Congress are followed to determine whether appropriate implementation regulations have been passed, and a continuing systematic effort to identify laws that are out-of-date and laws that duplicate or contradict other laws.

The information obtained through these activities will be packaged in straight-forward, easy-to-read manuals for the use of judges and administrators. The manuals will include annotated commentary on the law and will be kept as free as possible from legal jargon.

(iii) Training programs to support the career service

Historically, the Judiciary has taken little interest in training, whether for judges or administrative staff. This situation is understandable given the high rate of turnover. Nevertheless, the implementation of a career service will require a training support mechanism ensuring new officials' awareness of laws and procedures as well as a system for updating the skills and knowledge of sitting officials. A key ingredient for conceptualizing, implementing and sustaining a superior training program will be the collaboration of the Judiciary with its support institutions and individuals, i.e., the National Judicial Commission, the Bar Association, the public and private university law schools and individual lawyers. These groups will form a collective unit that will establish learning objectives, course content and training plans. A new position of "training director" will be instituted in the hierarchy of the Judiciary. Initially, all training will be run under the auspices of the project contractor. While the Judiciary is undergoing administrative changes, it is essential that a sound and innovative training system proceed apace. Approximately 400 judges and 20 administrative staff will receive in-service training over four years. Approximately 1,000 judicial employees including judges and administrative staff will receive quarterly journals which discuss new laws, procedures, administration, and articles of general interest to

to the legal sector. The project will also explore ways to strengthen pre-service training. The Judiciary's Director of Training will participate in all phases of the training program, so that at a later date the training program will transfer to the Judiciary for future implementation and responsibility.

The project will analyze the requirements for a permanent preservice training program for new judges. Based on the analysis, a national training institute or program for new judges will be designed, for probable funding and implementation under a follow-on Phase II project beginning in 1991 or 1992.

e. Inputs:

The project will finance a range of administrative support, technical assistance and commodities to facilitate the implementation of this component.

(i) Implementing the Judicial Career Law/Experimental Programs

-- TA: The project will provide technical assistance in three areas. First, four person months of judicial administration TA will be provided to review the present career guidelines, rewrite the guidelines if necessary, and establish an implementation strategy. Second, four months of TA will be provided to the NJRC to devise the experimental justices of the peace (JP) and public defenders (PD) program. The assistance will be provided by a judicial and public defender programmatic trainer. It is contemplated that this person will participate in the design and organizational structuring of the program for three months the first year, and will return for one month the subsequent year to observe implementation and recommend adjustments. Third, the project will finance four person months of technical assistance that will analyze the current public defender system, produce a report outlining what should be done, and assist in the establishment of an office in the Judiciary to implement the new system. The team will consist of public defender system experts.

-- Administrative Support: The project will finance a director/coordinator to be responsible for implementing JP and PD experimental training activities, two orientation/counseling/training officers, one administrative assistant and one secretary. The project will provide salaries of the trainees for two years and per diem for travel to counseling and meetings. The project will provide salary support for the Public Defender's office for two years; this includes an office director, legal assistant, administrative assistant and a secretary. The Judiciary budget will assume

responsibility for covering salaries of any additional personnel. The Judiciary and/or the NJRC will be responsible to provide appropriate office space for all these activities.

-- Commodities: The project will fund training materials, judicial manuals, books, office machines, a vehicle and other supplies. As mentioned earlier, the administrative and commodity support costs will be gradually assumed by the Judiciary as its budget increases.

(ii) Establishing An Administrative System:

--A: The project will finance a long-term Honduran coordinator for all activities relating to the Judicial program. Specifically for this activity, 14 person months of short-term technical assistance will be provided in all areas of organization/management and budgeting/planning. This will include initial design and implementation support, as well as follow-up activities to assure the system is as dynamic and adaptable as possible.

-- Administrative Support: The Judiciary will be responsible for providing salary support for all employees contemplated in the organizational plans. The current Judiciary budget has a line item of L300,000 to begin implementing the Judicial Career Law

-- Training: Four kinds of training designed to strengthen the justice system will be offered under the project: (1) in-service legal training for judges, (2) technical training for permanent staff of the support office for the judicial system, (3) observation visits, and (4) long term training.

(1) In-Service Legal Training for Judges

-- Justices of the Peace

A national series of 18 one-week Departmental training workshops will be carried out to provide in-service legal training to all 350 Justices-of-the Peace in the Country. The workshops will feature practical matters needed by Judges, including administrative and recordkeeping techniques.

The seminars will provide an easy-to-use decision model that will be developed both for the training program and for use as a permanent reference. The decision model will help Justices make legal judgements in the matters with which they normally deal. The training will be taught by faculty and law students from the UNAH Law School, with technical assistance, instructional materials, logistical support, salaries, and all field expenses provided by the project Contractor.

--- Municipal Judges

A related program will be in-service training for the 38 municipal judges in the Courts of Order working throughout the country. This program will provide resources to bring the judges to Tegucigalpa for intensive practical legal instruction at the UNAH Law School once a year during the three years of the project, for a one-week period each year.

These two in-service professional upgrading programs for judges will be supported by a distance education program which will provide reinforcement of seminar information by publishing a quarterly journal dealing with Honduran law. The journal will be provided free of charge to all practicing judges, but it will be designed to be of interest to the entire Honduran legal community. In addition to readable reviews of pertinent legal subjects, the journal will promote the importance of social responsibility and accountability as a fundamental orientation that should permeate all levels of the country's legal system. The journal will include constructive criticism and will feature human interest stories of individuals and legal cases illustrating ways in which lawyers and judges were responsive, idealistic, creative, conscientious and compassionate in response to difficult legal circumstances that affect the population of the country.

The project will subsidize the writing and publication of the journal over a four-year period, but will try to leave it self-supporting through sales to readers by the end of the project.

(2) Technical Training for Court System Support Staff

A professional Staff of about ten individuals will be given technical training to operate the support office that will be established with project support. The support office will be an information and research service which will support the court system with background studies of legal precedents relevant to specific cases and policy studies and recommendations relevant to the administration of justice. On-the-job training averaging six weeks per staff member will be provided through a specially-developed program that will be designed jointly by the project Contractor and the UNAH Law School. Skills that will be taught will include data base management, legal case reporting, public administration as applied to administration of justice, apportionment of casework in a decentralized legal system, etc.

(3) Observation Visits

The project will provide up to 8 international observation visits for key court system administrative staff or Law School Teachers to visit Spain, other Latin American countries, or the U.S. to study relevant models of administration of justice systems.

(4) Long-Term Training

Up to two long-term graduate level fellowships will be offered to train professionals in areas related to administration of justice or legal training. These two fellowships will complement the two scholarships offered every year by ILANUD under the Regional Administration of Justice Project.

-- Public Information Activities To Support The Court System

Two mass media campaigns designed to increase the understanding by the population of Honduras of the country's legal system will be financed under the project. These two campaigns will each last approximately 4 months, and will take place in 1988 and in 1989. They will be similar in content, conveying information about the laws of the country and the functioning of the court system. The campaigns will be designed to reach the 83% of the population which has less than a sixth grade education. They will use popular, widely-available media with information packaged in dramatic, entertaining formats. They will feature human interest stories and readily-identifiable, real-life problems. Broadcast radio and low-cost "photonovels" will be used extensively.

-- Commodities: The Judicial system will require equipment and materials to facilitate the functioning of the administrative system. The project will finance the purchase of the majority of these items to ease the transition taking place in the organizational area. Key items required include computer equipment, office equipment and supplies, and office furniture.

2. COMPONENT II - Legislative Enhancement (\$1,134,000 US and \$309,000 GOH)

a. Objective: The purpose of this component is to improve the effectiveness of the Honduran Congress in formulating and passing laws and to increase contact with the public.

b. Background: The Honduran Congress: The Honduran constitution establishes the Congress as a separate branch of government, not subordinate to any other branch of government. The 134 members of Congress serve four year terms. The election of Representatives to the National Congress is done on the basis of one proprietary Representative and one alternate per every 35,000 inhabitants or fraction that exceeds 15,000. In those departments whose population is less than 35,000 inhabitants, one Representative and alternate will be elected. The National Congress, taking into account the changes in population, can modify the basis for election of Representatives.

The major responsibilities of the Congress are: proclaim the laws of the nation; approve international treaties established by the Executive Branch; restrict or suspend rights as prescribed in the Constitution; appoint the Commander in Chief of the Armed Forces, Director of the Controller's Office, Director of the General Attorney's Office of the Republic and the Director of the Administrative Probity Office (as well as the respective Deputy Directors); grant or deny permission to the President and Designates for an absence from the country of more than fifteen days; confer superior military ranks; authorize transport of foreign troops through national territory; declare wars and make peace; and approve the General Budget of revenues and payments.

Of the functions closely connected to the Justice System, the following are: selecting nine proprietary judges and seven assistants to the Supreme Court of Justice for the constitutional period, and appoint the Chief Justice; passing judgement on the administrative conduct of the Judicial Branch and other agencies and institutions; and declaring if there is or is not sufficient cause to initiate legal procedures against the President, Designates, Congressional Representatives, Supreme Court Justices, members of the National Board of Elections, Commander in Chief of the Armed Forces, Secretaries and Sub-Secretaries of State.

The unicameral Congress is structured in the following manner: The Executive Committee is elected by members which includes a President, three Vice-Presidents and three Secretaries. The President of Congress is the President of the Executive Committee. The Committee, prior to closure of session, designates nine proprietary members and their respective assistants to compose the Permanent Commission which has virtually the same powers as the full session of Congress.

The Congress is legally empowered to issue its own internal regulations and apply sanctions against those who do not comply, authorize the appointing of select committees to investigate matters of national interest, and maintain subpoena authority for committee investigations.

The National Congress also authorizes Standing Committees for the study of issues which are presented to the Congress. The most important committees are the following: Legislation, Government and Justice, Foreign Relations, Economy and Commerce, Treasury and Public Credit, National Defense and Public Security, Public Health, Public Education, Communications and Public Works, Labor and Social Welfare, Natural Resources, Culture and Tourism, and Budget and Protocol.

The processing of bills into laws follows a track similar to the process in the U.S., although the initiation of the procedure formally may come from the Congress, the President through the Ministerial Secretaries, the Supreme Court

and the National Elections Tribunal. All bills are considered by the Congress as a whole. Once voted out, the President has veto authority. A veto can be overridden by a two-thirds majority vote. Vetoes based on issues of constitutionality must be decided upon by the Supreme Court prior to being resubmitted to Congress for reconsideration.

c. Constraints: The Congress faces a number of policy oriented, social, political, institutional, technical and financial constraints affecting its performance.

(i) Indirect Representation: Although stated otherwise in the Constitution, Congressmen are not elected on a direct representative basis. The parties compile lists of candidates from a particular geographic department. The percentage of votes that each party's Presidential candidate gets determines the number of deputies from the party in each department who will be selected for the Congress. The voters are not sure who their votes will elect. The result of this policy is that individual congressmen respond directly to party leadership, since the leaders determine the chances for being elected to Congress. Therefore the electees do not feel accountable to the voting constituents. In sum, this policy reinforces party loyalty and bloc voting, but limits constituents' perception of access to elected officials and of influencing actual decision-makers.

(ii) Deferred Lawmaking Responsibilities: In a defacto sense, the Congress has deferred lawmaking responsibilities to the executive branch. This is due to a lack of tradition and to the lack of political will to assume responsibility for the institution's obligations. Legislative proposals generally are considered on political merits rather than on their possible impact on society. It is generally perceived that the leadership tends to use the Congress as a vehicle to attain higher political office. The public perceives that members of Congress use the office for purposes of personal gain. They are neither sure of what the Congress is supposed to do nor what it does. The reputation of Congress leads people to contact executive branch officials to promote causes. In sum, the inability of the leadership to mobilize the Congress as an equal partner in the governing of Honduras has reduced its credibility with the public.

(iii) Underutilized Committee System and Lack of Research Capability: Most decisions are centralized within the Executive Committee and the President of the Congress. The standing Committees play only a minor role in Congressional decision making, due to the fact that no staff is attached to the committees and necessary studies are solicited from sources outside the Congress, usually from executive agencies. The Congress lacks adequate research facilities to help legislators gain knowledge of their

responsibilities and the issues. The problems that the society must cope with are increasingly complex, technical in nature, interrelated and require a more rapid response.

(iv) Lack of Administrative System: In conjunction with the lack of technical expertise, the administrative and staff support system does not function effectively. None of the legislators and staff can furnish a coherent picture of the internal administrative organization. The staff is provided employment through political patronage. Qualifications of staff are not always strong and even competent individuals turn over quickly in their positions due to political considerations. In short, the highly centralized authority structure coupled with a low level of administrative competency has produced a Congress lacking in ability to tackle and resolve the important issues facing the country.

The problems relating to administrative infrastructure is reinforced by the fact that the Congress lacks enabling legislation to formalize a professional career, administrative staff. Without this ingredient, the Congress could continue to languish, subjected to the whims of the leadership and the Executive Branch on what role the body will play. To perform as a truly representative body of the people, the Congress must raise its qualitative standards to assume a professional role in the governing of Honduras.

d. Strategy, Activities and Outputs: The emphasis of the project will be placed on providing technical support rather than on the political goal of strengthening the power of the Congress in relation to the Executive.

The congressional leadership is aware of the institutional weaknesses of the Congress. The Congressmen are eager to improve the functioning of the congress, and promise strong support to programs designed to strengthen staff support services, internal administration, and the committee system.

A potential source of opposition within Congress to some aspects of this project is the Executive Committee, whose arbitrary control over the legislative process may be reduced if standing committees and procedures are strengthened. However, representatives of this group have pledged support to the project, and it seems that they are willing to trade a degree of internal control in order to strengthen the overall position of Congress itself. It is also true that, at least over the short-term, they will have significant control over the use of the new resources.

More so than is the case in the other target institutions, project assistance to Congress can be perceived by the important actors in non-threatening terms. To a considerable extent the project is creating new resources rather than attempting to rearrange ongoing programs.

Clearly the new resources will be helpful to Congressmen at all levels. The major losers will probably be the heads of the small, free-wheeling administrative units that seem to be largely autonomous at present and which the project hopes to bring into a consolidated network. And even the employees of these units are being offered the possibility of greater job stability.

The thrust of this Component will focus on two priority areas: (1) establishing a series of services designed to provide legislators with more and higher quality information; and (2) streamlining procedures and consolidating existing internal administrative services and strengthening of the committee system.

1) Establish a Center for Legislative Support Services

A Center for Legislative Support services will be created to provide legislators with more and higher quality information. In developing this concept, discussions were held with a number of Congressional leaders and Congressmen. The consensus supported the idea that these services could be delivered by a permanent, nonpartisan staff of trained professionals. One concern, however, that this might prove to be impossible if the professionals were employed directly by the Congress. It would be impossible, under that condition, for the staff to escape the currents of political partisanship that flow so strongly through the Congress. Congressional leaders were very receptive to the suggestion that the new services need not be controlled directly by Congress, that they could be housed in a separate institution, funded by Congress the Congress' Executive Committee would retain indirect administrative supervision. Thus evolved the idea of a National Center for Legislative Support -- with an institutional base somewhat similar to the United States Library of Congress.

Under the project, the Congress must pass enabling legislation along with the necessary guidelines to establish the Center and a complementary career support service. The legislation will be cast in such a way that Congress appoints the Director of the Center, perhaps from a list of candidates compiled by a blue ribbon panel, but has no further right to interfere with staff appointments. The remaining staff would be selected competitively, based solely on objective hiring criteria. Current employees will be eligible, but it will be made clear that party affiliation will not be accepted as a substitute for competence. If these conditions are not met it will be virtually impossible to recruit highly competent people. The center will require an administrative structure with the appropriate financial and management systems to complement the programmatic offices. A personnel system will be established so that the Center can formalize salary and benefit scales, hiring criteria, career paths and retirement programs. This system could be linked with that established under the Legislative Career Administrative Service discussed below.

The functions of the Center will include the following:

(a) A Legislative Reference Service will function as an information/data base for legislative policy makers. The reference service will focus on action-oriented data -- policy documents, economic and social data, executive branch reports and other policy research. Periodicals will be more important than complete books, and the fundamental criteria for selection of any materials should be timeliness and relevance to current policy discussions.

(b) A Policy Research Service will provide a dynamic and rapid source of policy and position papers. The research service will be staffed by professionals who understand policy research and evaluation. The individuals will undertake short, incisive, action-oriented presentations of policy alternatives and consequences, and avoid scholarly productions. The work will concentrate on the key issues effecting Honduras today and into the future, especially those related to macro-economic policy changes supported by AID's Economic Support Program. The right to use these services will be allocated systematically to congressional leadership and committees. Each clientele group will have guaranteed access to specific percentages of available staff time.

(c) A Materials Dissemination Service will provide legislators with general materials to help them function on a day-to-day basis and to inform them of data useful for full session debates and for conversations with constituents. The information will include annotated copies of the Constitution and key laws, summaries of relevant economic and social statistics, glossaries of basic terms and concepts used in policy dialogue and pertinent press stories from Honduras and around the world.

An important area to be incorporated into this service is the record keeping and reporting of Congressional deliberations and activities. A study in Phase II of the SDI program will be undertaken to analyze the most economical and effective means to carry out this activity recognizing the financial constraints of maintaining a full-blown, daily Congressional Record. The study will provide various alternatives to accomplish this action. Depending on the results of the study, the office will be tentatively staffed by one information distribution expert, two stenographers, a translator, a wire service operator, two copying experts and one secretary.

(d) A Legislative Orientation and Training Service will provide training courses, briefings and seminars to the legislators. This service will focus discussions on substantive policies and legislative procedures.

The training will emphasize ways of making the Congress more effective and efficient; one specific area will be the use of the Committee System.

This service will also be in charge of organizing and financing legislative tours to other countries, so that the Congressmen can witness and learn from other countries' successes and failures and develop first-hand knowledge about the systems and procedures in other democratic countries. It is planned that over the life of the project, approximately 23 elected Congressmen will have the opportunity to participate in this program.

For Phase I of the SDI program, the project will concentrate on developing the Reference and Research services. Therefore, the reference service will be staffed by one full-time professional librarian. It will be provided with a budget from which to order books, periodicals and other documents. This service will develop inter institutional loan relationships, so that important government documents and private sector studies can be incorporated into the library. The service staff will be responsible for responding to Congressional requests for materials. They will devise a system for loaning books and documents to Congressmen and their staff. The service will have book shelves, periodical racks, document files recorded under a Library of Congress or similar type of reference system. Access to the public will be limited during the initial years. However, once the service has been established and stocked, the reference service may wish to open to the public on a basis of limited access, i.e., documents may be examined but not removed from the premises. A small charge or membership fee for individuals and institutions who wish to access the service might be collected as a source of revenue.

The Research service will be staffed by three highly qualified professionals, including at least one economist. The service will have one full-time administrative assistant and one full-time secretary who will be shared with the Reference service. A consultant fund will augment the Policy Research Service. The demands for quality research will most likely increase during the project, and the service will not have the permanent staff available to respond. Therefore, the fund will be utilized to contract Honduran consultants from the university community and the private sector to perform studies when necessary.

The orientation and training activities will be implemented by the project contractor during this phase. The Research service and the Materials Dissemination Service will be further developed during Phase II.

2) The Congressional Administrative Office (CAO)/Committee System

A Congressional Administrative Office (CAO) will be created to house all of the functions related to internal administration. The new CAO will also work to streamline the legislative process and to make it more systematic. The CAO will be attached directly to the First Secretary's Office in the Executive Committee, who is responsible for the day-to-day operation of the Congress.

The CAO must learn to live within the highly politicized atmosphere of the legislature. Its work will be so closely related to that of the congressional leadership that it is impossible to offer the same "distance" from direct congressional control that was given to the National Center. Nevertheless, a firm commitment must be secured that the core members of the CAO will be chosen on the basis of professional competence. Enabling legislation will be required to create a Congressional career service to maintain a technically capable leadership core through the transitions that will occur over the years.

The functions of the CAO will include:

(a) Enhancing the current administrative structure, based on careful analysis of the existing system and evaluation of alternative recommendations for change. The project will establish a team of qualified professionals to develop and implement basic administrative services. The unit will be assisted by technical assistance experts.

The Unit will consist of five professionals in fields such as organizational analysis, congressional procedures, management systems, planning and budgeting, and personnel systems to work with current administrative personnel and the Executive Committee in the development of the basic administrative support systems. This group will be the first hired under a Legislative administrative career law. The members of the unit will be placed, in the designated offices, at the top of the hierarchical structure, with each professional clearly identified in the line of command.

The Unit will supervise a study to recommend restructuring of the Congressional administrative system, proposing ways of modernizing the organizational structure, updating various functions and creating and developing streamlined procedures. The report will recommend the role for each office and the financing necessary to carry out activities.

Upon completion and approval of the report, the following activities will be accomplished:

- put into effect the guidelines for the Legislative administrative career;

- elaborate the organizational manuals outlining the functions and procedures of each office in the Congressional administrative system;

- formulate annual work plans for the institution and the offices in the Congress;

- formalize a personnel system that develops recruiting and selection programs and a career service pattern based on merit principles rather than patronage;

- initiate a policy, planning and budgeting process; and

- coordinate an internal information system with the Legislative Resource Center.

(b) Streamlining the legislative process by creating guidelines that will focus on: establishing the legislative calendar, scheduling issues for debate, establishing deadlines for consideration of key bills and issues, and developing a tracking system to monitor the progress of bills through the system.

To facilitate the process, the project will undertake an efficiency study to determine the organizational needs of the system, to design a system, to recommend an implementation strategy and to write the functions and procedures to guide the day-to-day operation of the system. This may be accomplished by establishing a Legislative Scheduling and Procedures Office in the general hierarchial structure of the administrative system.

The project will provide the technical, administrative, training and commodity support to assist in carrying out these changes, contingent on any policy changes required during Phase II of the SDI program.

(c) Strengthening the Committee System

Serious analysis of complex policy issues and governmental programs is the function of the committee system. A Congressional committee can focus on specific areas and issues. The constant coverage of similar topics builds expertise of the individual members and the committee as a whole. Every member does not have to be intimately knowledgeable about every subject. The committee system allows more subjects to be tackled, in more detail and

in less time. The committee system is more efficient and the knowledge gained makes the Congress a much more alert and effective partner in the governing of a country.

Crucial to the functioning of a committee is competent staff. Generally, staff members undertake studies on topics being considered, as well as providing administrative support for processing paperwork and making informational requests to other institutions. Without this support and expertise, the committees must rely totally on the individual Congressman, who does not have the time or training to develop well-researched analyses and recommendations.

At present, the only written guidelines and by-laws for Committee procedures are those for Congress meeting as a committee of the whole. By-laws for the functioning of other committees have never been drafted.

The project will undertake a study to examine the current committee system and to recommend how the system should work, including structure, support staff, functions, responsibilities and inter-relationships among committees and the full Congress. The study will advise on an implementation strategy.

The project will provide the technical assistance, limited administrative support and training to facilitate the implementation of these activities in line with any external and internal policy changes required. A more elaborate program may take place during Phase II of the SDI program, depending on the results of these initial activities.

d. Inputs

(i) The National Center for Legislative Support:

-- TA The project will finance six-person months for a library and information system expert to study the requirements and structure of the Center. Upon approval of the study, the TA will be in charge of establishing and helping to implement the system. The tasks will include performing a legislative information needs assessment, designing an efficient organizational structure, developing office functional statements, designing procedures, writing the guidelines and details of a personnel system, defining the content of the library and information system, making hardware and equipment recommendations for the center, and assuring appropriate management and financial controls.

-- Training: The project will provide five different categories of training to support the work of the elected representatives in the National Congress. These include: (1) one legislative workshop for the entire Congress in 1990, (2) one two-year MA scholarship, (3) four on-the-job

training programs for the Center's professional staff, (4) twelve three-day technical seminars for different congressional committees and (5) twenty three international site visits for key selected congressmen. These are described in more detail below.

--- 1990 Congressional Workshop: Around January, 1990, after the new Congress has been elected but before its work begins in earnest, a three or four day working retreat for the entire Congress will be held. Similar to the successful 1986 workshop that was held in San Pedro Sula, the workshop will cover a variety of legal, administrative, and policy matters that will be of interest and importance to the new Congress. The workshop will be serious, professional, and nonpolitical in tone and content, providing a transition from the intensively partisan activity of the political campaign into the serious business of defining a legislative agenda and the substantive work of the Congress. Subject areas such as the economy of Honduras, foreign relations, agrarian reform, the country's education problems, demographic trends, the budgetary process, the committee system, administrative and support services, and parliamentary rules of order will be covered in the workshop.

--- MA-level scholarships: The project will provide one Masters Degree scholarship for the technical staff member selected to run the reference or research system. The scholarship will be for the study of library science, bibliographic data bases, legislative affairs, or other areas essential to the operation of the information system.

--- On-the-job Training: The project-supplied computerized Legislative Reference Center will require permanent professional staff in a number of skill areas. The five initial employees will be trained to input data, adapt and upgrade software, clean and maintain the computerized data base, and provide minor equipment maintenance. With respect to data analysis, the two research experts will be trained to manage the storage and access of information in the system. These employees will require knowledge of economic and demographic indicators and of legal research techniques. All the professional staff members will be trained to provide information services to the congressmen on demand. They will be trained to provide quick, customized statistical analyses in response to specific questions, background and research papers on substantive issues relevant to proposed legislation, and legal research on precedents and prior legislation.

Training for the staff-level professionals will be provided by the technical assistance contractor's advisors who will be present in Honduras under the project to design and install the Reference Center. It is estimated for budgeting purposes that 15 people will receive on-the-job training in three seminars of three weeks each.

--- Congressional Committee Training: A variety of specialists in different substantive areas relevant to the legislative agenda of the Congress will, over the life of the project, provide 12 intensive two-day workshops to selected Congressional Committees. Areas covered will coincide with the areas of key Congressional committees, such as education, agrarian reform, civil service, budget, etc.

--- Observational Travel: The project will provide up to 23 individual trips for key Congressmen to visit US or other Latin American congresses. The trips will, to the extent possible, be planned by a panel of selected Congressional Leaders, who will review proposals from individual congressmen and award trips based on the most serious and relevant proposals.

-- Administrative Support: The Congress will be responsible for locating and paying for the appropriate building or office space required for the Center. The project will finance salaries for all staff mentioned in the output section for approximately two years. During the planned Phase II of the SDI program, A.I.D. financing will be reduced by 25% from the original total each year, while the Congressional budget assumes the balance. The Congressional budget will assume financial responsibility for any other administrative support. The Center may wish to charge a small fee for institutions and individuals who wish to use the services, to recover some costs.

-- Commodities: The Center will require a significant level of commodity support. The project will finance a computer with data management and word processing ability to maintain a secondary library reference source, track document distribution, write policy analyses and maintain financial records. Various software packages will be purchased. The project will finance two funds; one for purchase for books, documents and periodicals for the research service and one for the purchase of consultant services and copying of documents distribution purposes. Office equipment, furniture and supplies will be purchased utilizing project funds.

(ii) The Congressional Administrative Office (CAO):

-- TA: The project will finance one long-term Honduran coordinator who will coordinate and provide technical assistance to the whole legislative enhancement component over the life of project. For this particular activity, 8 PMs of specialized, short-term TA will be financed to work with the Honduran team to study the administrative structure, recommend redesigns and help implement changes.

The TA and local team will also be responsible for drafting the specific guidelines that govern the administrative structure, office functions, personnel, financial and managements systems, and committee system.

-- Training: The Honduran National Congress has an administrative office which performs essential personnel, record-keeping, budgetary, payroll, accounting, building maintenance and other support functions. This office is presently staffed with political appointees. As with other components of the project, a policy objective will be to encourage the conversion of some or all of these positions from political patronage jobs to professional civil service jobs. For each position that is converted to a permanent professional career position, the project will offer professional training, as follows:

--- Long-Term Training: One two-year scholarship will be offered to study public administration to the M.A. level for the administrative office director or assistant director.

--- Short-Term Training: Professional upgrading will be provided for up to 24 individuals. In most cases, this will consist of short intensive seminars, averaging two weeks in length. The seminars will be tailored to the needs of specific subgroups. For example, seminars in accounting practices will be offered to the budget and accounting staff; a course in word processing will be offered to the record-keeping and archives staff, and a course in maintenance of office space and equipment will be given to the maintenance staff.

--- Observational Visits: Up to five international site visits will be provided for Honduran Congressional administrative staff members to permit observation of the functioning of administrative support mechanisms in other relevant settings. Visits to US state legislatures and other Latin American congresses will be financed.

-- Public Information Activities Relevant To The Congress: The project will support two major mass media voter education campaigns designed to inform the public about the functioning and responsibilities of the National Congress. Each will run for approximately three months and will use entertaining, "social marketing" techniques to make the information accessible, relevant and attractive. The campaigns will primarily try to reach rural and lower socioeconomic status segments of the population. The campaigns will be both educational - trying to increase the public's knowledge and understanding about the Congress - and motivational - encouraging the public to take a more active role in selecting congressional representatives and communicating their interests and concerns to them. They will emphasize accountability and action. They will emphasize the responsibilities of the electorate to be informed, to communicate, and to participate in support of the Congress and their own Congressman. They will also highlight the duties of the Congress and the Congressmen to be responsive and to provide services to their constituents.

These two campaigns will make extensive use of broadcast radio, providing pre-recorded programming and promotional spots to radio stations throughout the country. The principal target audience will be Hondurans with 6 years or less of primary education. The campaigns will also make use, to a lesser extent, of the national newspapers and television to reach a middle and upper class audience.

-- Administrative Support: The GOH counterpart will finance at least a core group of 5 professionals, 2 committee support staff and 2 secretaries over the first two and one half years of the project contingent on the results of the studies. The Congress will have full responsibility for any other staff requirements. The Congress will be responsible for providing appropriate office space.

-- Commodities: The project will finance a computer with data management and word processing capabilities with appropriate terminals, printers, and a generator and voltage regulator. The terminals will service the administrative offices as well being available for members of the Executive Committee. The project will procure electric typewriters for administrative staff. Office equipment, furniture and supplies will be purchased. An electronic tally board for the fast and accurate counting of legislative votes will be provided.

3) COMPONENT III: Voter Registration and Elections (\$3,026,000 US and \$1,771,000 GOH)

a. Objective: The objective of this Component is to assist in the improvement and the professionalization of the TNE and the RNP, enhancing their ability to manage an effective registration process and guaranteeing universal suffrage and fraud-free elections in the future.

b. Background: The TNE and RNP

The National Elections Tribunal (TNE) is an autonomous governmental entity organized as part of the Executive Branch, with dependencies at the Departmental and Municipal levels throughout the Republic. The ruling body of the TNE is composed of one representative of each political party and one representative of the Supreme Court.

The TNE is responsible for all elections for governmental positions. It registers voters and candidates, establishes the times and places for voting, supplies all equipment and materials (ballots, ink, ballot boxes), trains poll workers, counts the voters and reports the results.

The National Registry of Persons (RNP) is a dependency of the TNE. The RNP is responsible for keeping a complete and up-to-date registry of all Honduran citizens. All Hondurans are required by law to register with the RNP. Upon

registering, they are issued an official identity card which is an essential credential for most official and/or personal transaction in Honduras. Prior to an election, the RNP supplies the official list of all Hondurans who are eligible to vote.

The TNE and RNP perform the critical mechanical functions without which there would be no democracy in Honduras. Without an efficient voter registration process and well-run elections, the people of Honduras and international public opinion will not believe that the wishes of the population are being legitimately expressed in election results. If the mechanisms for registering and voting appear politicized, improvised or ineffective, the credibility of the country's democratic process can always be questioned. An open, honest, fraud-free, systematic electoral mechanism is essential if the people of the country are to believe in and support democracy. If registration and voting are managed professionally and efficiently, the democratic process will have a chance to mature and become a permanent part of Honduran political, cultural and institutional life. If the electoral process functions in an erratic and unpredictable, fashion, the results of elections will always be suspect, and the present popular support for democracy may erode.

These two electoral institutions - the TNE and the RNP - have adequately designed and workable structures. The successful 1985 national voter registration drive and presidential election demonstrated that the TNE and RNP are capable of carrying out their assigned functions. A major restructuring or reorganization is not required. Instead, a package of training, technical assistance, and material support will be offered to strengthen the two organizations by making their operations more professional and their administration more orderly and systematic.

c. Constraints

The deficiencies that will be addressed by the SDI Project fall into five categories: (1) a backlog of old registration records that are not entered into the TNE/RNP data base, (2) inefficient administrative services, (3) lack of professionalism and continuity of staff, (4) inadequate equipment and facilities, and (5) cumbersome information processing and documentation capability. Each of these constraints is summarized briefly below.

(1) Backlog of Old Records

The registries and supporting documentation are not fully up-to-date, have not been totally verified and crosschecked, and are stored in a haphazard, unorganized fashion. These registries date from 1880 to 1983. In some cases, people who have died are still on file as living, personal data such as number of family members conflict from varying support documents, and transactions such as adoptions are not well recorded. This type of unreliability can affect the credibility of elections. Therefore, it is important that these records be updated and verified.

Furthermore, since the registry consists of tens and thousands of books and millions of documents, it is very difficult to access the materials. Therefore, there is a need to find an efficient, easily accessible, safe and secure system that stores the information.

(ii) Inefficient Administrative Services

Because of the large budget and staff of the TNE and RNP, the constantly-shifting political winds that effect their functions, continual changes in executive-level leadership, and the sharp increases in their staffs and activities prior to elections, routine administrative functions have never been systematized. Administrative staff turnover is high, and many members have little or no formal training in how to accomplish their particular administrative responsibilities. Many critical administrative functions such as budgeting, personnel management, planning, payroll, recordkeeping and filing are accomplished in a haphazard and unsystematic way. There is little long-term institutional planning. Administrative actions often drift until there is a crisis. Accountability for important administrative actions is sometimes not clearly assigned, and delegation of decision-making authority from the executive level to the staff is rare. Office equipment is obsolete and inadequate.

As a result, the operations of the TNE and RNP are unnecessarily slow, costly and error-prone. The organizations are not highly regarded, even by their own employees. The consequences of this bureaucratic and administrative inefficiency is a significant waste of money, poor service to the public, and reduced credibility of the democratic process.

(iii) Lack of Professionalism and Staff Continuity

The staff members of the RNP and the TNE are predominantly political patronage appointees. From the Directors at the top to the custodial staff at the bottom, employees are picked for their loyalty and activism in their political party rather than for their competence, qualifications and commitment. Tenure is only a few years, so there is no reason to invest resources in staff training to upgrade professional skills. Since staff members know that their employment in the TNE or RNP is only for a short time, they must devote a certain amount of time and effort to activities that will eventually lead to new employment somewhere else. This lack of professional commitment and a career orientation results in low-quality technical and administrative work by TNE and RNP employees, an indifferent or cynical attitude, high costs, low productivity, and a negative public image.

(iv) Inadequate Equipment and Facilities

The TNE and RNP work in uncomfortable physical facilities with inadequate equipment and supplies. Their regional and municipal offices have minimal office equipment and furniture.

(v) Cumbersome Information Processing and Documentation Capability

The TNE and RNP have made progress in mechanizing and modernizing their information storage and retrieval capability. There are a number of problems remaining, however. One is a great backlog of registration paperwork that is stored in cabinets and boxes, making record access, retrieval and research almost impossible. Another problem is the lack of a modern data transmission capability enabling registration information and election tabulations to be sent quickly and accurately from regional centers to the central master registration file in Tegucigalpa and back. The present system, which depends on shipment of boxes of forms, results in delays of many months in registering people, errors and lost data, and inability on the part of the population and election officials outside of Tegucigalpa to check or revise their registration records.

d. Strategy, Activities and Outputs

This component of the project will focus on improving the technical aspects of the civilian registration system now in place and improving the access of the Honduran voting age population to the entire electoral process. In order to achieve success in the improvement of the technical aspects of the two institutions, important policy reforms will need to be instituted to professionalize the staffing and operations of the TNE and the RNP. The Director of the RNP and the governing board of the TNE recognize that policy changes are necessary. The crucial change revolves around the establishment of a core staff of professional career employees within the RNP, through legislation reforming the Registration law. There is a consensus that many of the problems confronting the RNP, and to a lesser degree the TNE, are the result of the political patronage system, which allows appointment and removal of staff members on the basis of political affiliation. Reform of the Registration Law, converting many of the present political patronage jobs in the TNE and RNP to career civil service jobs, will be a condition precedent to future assistance under the SDI program. Initial activities will concentrate on a variety of activities within the RNP and TNE: the completion of the up-dating, microfilming and computerization of the civilian registration lists; the establishment of a trained professional administrative RNP staff; institutionalization of an effective registration process; the training of the existing TNE administrative staff; improving the TNE's capability to effectively conduct national elections; and establishment of an administrative training infrastructure.

(i) Up-dating, microfilming and computerization of the Civilian Registration lists

The Civil Registry is the basis for obtaining a reliable and acceptable election process. It is the primary unit in the identification system available in Honduras. The basic system is functional, but needs to be refined and strengthened.

The initiation of the election identification process was begun 23 months prior to the 1985 elections. Due to this short period of time, the National Registry was dedicated exclusively to the issuance of identification cards for the election process of the approximately two million voting age Hondurans. The process was largely successful, as witnessed by the high level of voter participation at the elections of 1985. However, attention must now be concentrated on the problem of up-dating and verification of the Civil Registry. If not completed, future electoral processes could present voter abnormalities and contribute to loss of voter confidence in the entire process.

This will be carried out in two steps. First, to assure rapid achievement of the updating and verifying of earlier registries, the project will contract the activity to a U.S. or local firm, thereby enabling the RNP to proceed with institutionalization activities without the burden of this massive effort. An effort will be undertaken to update, verify and microfilm all documents from 1880-1983, required by the Civil Registration process. The terminal date for this activity will be 15 months from the signing date of the Agreement to assure all documents are ready approximately one year in advance of the election.

The activity will include the following steps:

- The RNP will collect and make available all documentation necessary to carry out the process of improving the Civil Registration process. All local RNP offices will assist the contracted firm to complete the tasks.

- The TNE will contract a private firm to undertake the following activities:

- The contractor will update all archives and registers relating to Civil Registration. This documentation includes:

- Approximately 45,000 registers of information relating to Civil Registration containing approximately 20,000,000 documents and 2,200,000 Identity Card requests and an equal quantity of electoral photographic matrices.

- 18,000 copies of original registers from Civil Registration that will be indexed manually only.

- Research of approximately 400,000 official files of Birth Registers replacement requests emitted from 1979 to the present.

- Research of approximately 8,000 duplicated Identity Cards.

--- Research of approximately 4,000 Identity Card requests soliciting certificate reinstatement.

-- The contractor will collect, number and qualify all the Civil Registration books throughout the country required for achieving the purpose of the Project. Likewise, the contractor will verify all the information contained in the updated documents and archives. Irregular, contradictory and inconsistent information will be returned to the RNP for correction.

-- The contractor will microfilm all documents, archives and registers.

-- Once the correct information is received and duly certified by the RNP, the contractor will return all documents, registers and archives to the offices of the respective Municipal Registration offices throughout the country. The contractor will provide the filmed material in accordance with the stipulations of the contract.

-- The RNP will verify and certify that all documents, registers and archives are returned properly. RNP staff will review the microfilm to ensure the process has been completed properly.

(ii) Institutional Strengthening of the RNP

In the second step, the project will support the institutionalization of an improved and effective civilian registration process at all levels of the Republic. This will first be done by the establishment of a technical unit composed of representatives of the TNE, the RNP, and short term experts in various disciplines. This team will assess the needs of the municipal level registry offices, and their ability to effectively carry out the registration process as directed by the National Registry office. The unit will carry out an assessment related to restructuring, equipping and operating the municipal registries, modernizing procedures, preparation of procedural manuals, study of existing and future physical spacial needs, and up-dating of various functions.

The unit will make recommendations for the improvements needed at all levels and the financing necessary to carry out these activities. Based on the analyses and recommendations of these initial studies the following actions will be undertaken during the remaining life of the project.:

- Put into effect the Civil Registry Career at all levels of the RNP;
- Formulate a recruitment and promotion system that stresses merit rather than political patronage;

- Write, produce and distribute procedural manuals for use at all levels of the RNP; and

- Institutionalize planning and budgetary processes.

Upon completion of project-financed activities under this Component, a significant financial saving in administrative costs will be realized by the RNP. This saving in the budget will result from a reduction in personnel derived from matching jobs with organizational requirements, training in efficient work habits and using of data processing, microfilming and office equipment. It is estimated that 175 positions will eventually be eliminated, through attrition, over the life of the project. This reduction in administrative costs will be approximately 1 million Lempiras annually.

(iii) Election Support

The improvement of the RNP to effectively fulfill its obligation of providing accurate voter lists provides the basis of an election process. However the responsibility of managing and conducting the entire electoral process is that of the TNE. Project funded activities under this component will assist the TNE in effectively conducting these elections. The commodities, training and equipment, to be described in detail in the following section, will be in place prior to the 1989 National elections, and will form a base for the future electoral processes. This sub-component of the TNE/RNP activities will assist in the 1989 National election and will further the objective of strengthening the democratic process in Honduras.

A more efficient and effective electoral system, in accordance with the recent electoral reform, will require a substantial increase in the number of polling places, which will place an increased burden on the capability of the TNE to effectively conduct the electoral process. Due to personnel turnover, the administrative staff of the TNE at all levels lacks proven capability and experience in electoral matters. Therefore the project will finance in-service training of administrative personnel and of election workers who will be manning the individual polling tables.

The project will also provide technical, and administrative, training and commodity support to facilitate the implementation of the general elections scheduled for November 1989, and to strengthen the permanent institutional base for future elections.

Prior to the 1985 elections, at a cost of approximately \$30.00 each, USAID/Honduras funded the procurement of materials and construction costs of 7,000 ballot boxes. An estimated 10 percent were irreparably damaged during the electoral process. To avoid this recurrent high cost of replacement of ballot boxes each election, the project will fund the purchase of a quantity

of transparent heavy duty plastic bags, sufficient to cover the shortfall of ballot boxes, and the construction of polling tables to hold the bags. Following the 1989 general elections, the remaining ballot boxes will be retired, and only plastic bags, and appropriate tables, will be used for future elections. This relatively inexpensive system of using transparent heavy duty plastic bags for the transport, collection and return of the voting materials and ballots has been successfully used in recent elections in Guatemala, El Salvador and Costa Rica. The use of plastic bags has been highly recommended by the members of the elections commissions of the three countries.

d. Inputs.

(i) Up-dating, microfilming and computerization of the Civilian Registration process:

(a) Updating 1880-1983: A U.S. or local contractor will carry out these activities to assure rapid implementation. The contract will include costs to collect, store and return all registries, to pay salaries and benefits of up to 500 short-term employees, to develop training programs and work manuals, and to purchase supplies.

(b) Institutional Strengthening:

- TA: The project will finance an assessment and design unit composed of representatives of the TNE, RNP and technical experts with knowledge in the following areas: personnel management and structuring, budgeting and planning, documentation, the use of data processing systems and other office equipment, the designing of facilities for the secure cataloging and storage of vital documents, the preparation of procedural manuals, and the establishment of appropriate management controls. This unit will have available eight months of short team technical assistance over the period of time necessary to complete the needed studies and designs.

- Training: Up to two MA level scholarships for the study of Public Administration or other relevant fields will be offered to individuals who will become RNP senior staff. Ideally, the two scholarships will be for the positions of RNP Director, Subdirector, Chief of the Civil Registry or Chief of the Electoral Registry.

On-the-job training of three kinds will be provided. First, one two-week professional seminar will be offered to about 30 technical staff members in the TNE headquarters. The seminar will cover such subjects as demographic statistics, the utilization of TNE computer software, budgeting, personnel management, data base management and microfilming. Second, an ongoing program of in-service workshops will be organized for the 620 employees who staff the RNP headquarters. These one-day workshops will review the procedures for

receiving, entering, processing and retrieving registration data accurately and quickly. Third, training will be provided on an ongoing basis for the 900 local registrars working around the country. One-day seminars will review registration procedures, discuss the importance of dealing courteously and conscientiously with the public and explain the functioning and importance of the RNP.

- Public Information (Description in TNE Section)

- Administrative Support: The TNE and the RNP will be responsible for locating and securing appropriate office and storage space, at the national and municipal level, which will be required for installation of project financed data processing, microfilming and additional office equipment needed for the successful implementation of these activities. The TNE and the RNP will continue to assume financial responsibility for all other administrative support

- Commodities: The project will finance commodities to upgrade the equipment of the national, departmental and municipal level RNP operations. The following commodities will be supplied: three complete microfilm units, with readers and copiers; 1 microfilm transparency developer, with accessories; an electronic density transparency measuring device and microscope; a transparency duplicator; one COM (Computer Output Microfilm) system; one VS5 computer and accessories (a regional system which will interface with the National registry system via MODEM); a printer, for the production of legal copies of microfilmed documents; 30 microfilm readers, (to be located in the departmental capitals and major cities); 30 storage units for the microfilm transparencies; an electrical generator and a voltage stabilizer unit; a fingerprint classification and computerized identification system; and a unit for the lamination of electoral identification cards. Following the study and report of the technical/administrative assesement unit, additional office equipment and furnishings for the departmental and municipal offices will be purchased.

(ii) National Elections Tribunal

- TA: The project will finance a total of six person months of short term technical assistance. This TA will be provided by individuals with expertise in public administration who will assess the capability of the administrative infrastructure of the TNE national and regional network. These specialists recommend ways of streamlining procedures, assist in the preparation of procedural manuals, and assist in the training needs assessment. Also, the TA and local staff will examine and recommend solutions in the fields of transportation commodities and supplies for the national elections of November 1989.

- Training: Approximately 52,000 election workers will be trained in September and October of 1989, immediately prior to the general elections. The four political parties will be required by the TNE to name their representatives to all of the voting tables, 60 days prior to election day. All 52,000 will receive an intensive one-day training course and a clear, easy-to-use, step-by-step, self-instructional manual on how to carry out their responsibilities. The training will be carried out using a multiplier model, with a core staff of trainers providing orientation to field trainers in all the Departments who will, in turn, provide training and materials to the election workers themselves in their communities.

Also, up to two intensive two-week training seminars will be offered to TNE and administrative staff, totaling about 80 individuals in all. The seminars will cover critical areas such as budgeting, personnel management, operation of TNE computer software and public relations.

- TNE/RNP Public Information: There will be three major public education/information campaigns regarding the TNE, the RNP, and the electoral process. The first will be a general educational campaign, designed to raise the awareness of the public about the advantages of the democratic system, the rights and responsibilities of citizens under the Honduran constitution, the functioning of the Government, the importance of a well-informed electorate and active participation by the public, the functioning of the TNE and the RNP, and the importance of registering. This campaign will run for about six months in 1988. The second will be a more specific campaign to promote registration, telling the public why, when, where, and how to register. This will take place early in 1989. The third campaign will take place during the months of September and October, 1989, immediately prior to the general election. This campaign will have two components. One will explain the mechanism of finding the correct voting place and actually voting. The second component will be an effort to present key issues and the principal candidates' positions. A prestigious non-political Honduran PVO will be selected to identify a few key policy issues and then sponsor Radio/TV debates and newspaper summaries in which the candidates will be asked to clearly articulate and contrast their positions.

- Commodities: Election Support: November 1989
General Elections

To encourage the TNE to continue with the improvement of the electoral process, and further necessary reform, the project component will finance some consumables needed for the 1989 general elections as well as certain one-time expenses necessary for the successful implementation of General elections scheduled for November 1989. These include: high quality water marked paper (sufficient to print 2,500,000 ballots), indelible ink, transparent heavy-duty plastic bags for use as ballot boxes and purchase of materials for the

construction of voting tables, printing costs for approximately 2,500,000 ballots, funding for short term personnel required for sorting and packing of materials, additional materials such as curtains, marking pens, etc. In addition, funding will be provided for international observers, election return centers, an election return system, and contingencies.

4. COMPONENT IV - Democratic Leadership Training (\$300,000 US)

In addition to the training that will be provided to the Congress, the RNP/TNE and the Judiciary, the project will support a broad-based program of training conferences for locally-elected officials and key individuals in organizations that participate in one way or another in the democratic process in Honduras.

Each year during the life of the project, the project contractor will organize several national seminars for specific groups of officials or organizations to analyze their role in the democratic process and to identify ways to more effectively involve their constituencies in constructive support of the democratic institutions of the country. A total of 10 specialized national leadership conferences will be sponsored by the project over a three year period.

The conferences will be professionally planned and organized. In most cases, the project contractor's training coordinator will work together with a local organization or coalition to plan the content, materials, agenda, logistics and financing of each national conference. An objective will be to obtain large-scale participation by a diversity of people and organizations. The National Conferences may range from as few as 50 to as many as 1000 participants.

The project will initiate about half of the conferences. The other half will be sponsored in response to proposals submitted to the project by Honduran organizations. Preference will be given to proposals which demonstrate relevance to strengthening participation and support for Honduran democratic institutions, which are constructive rather than contentious in approach, which are politically non-partisan, and which offer a counterpart contribution to the conference. Conferences will be well-planned, well-organized, and adequately financed to produce an image of a serious, professional program. All conferences will be publicized in the Honduran news media.

Groups such as the following will have access to the National Leadership Conference Program:

- elected officials, including mayors and governors
- labor leaders
- rural sector campesino organization leadership
- journalists and media owners
- small businessmen

V. Project Administrative Plan

A. Project Agreements

The project will work with two separate branches of government, Congress and Judiciary, and an autonomous agency, TNE/RNP. Despite the inherent interrelationships in pursuit of a stronger democratic system, the Mission recognizes the necessity to implement the four project components separately. Other than some small grants, the participating organizations will be working with A.I.D. for the first time in a formal, bilateral project setting. Each organization requires significant assistance to formalize its administrative systems. Each component will most likely progress at different rates and will confront different problems. It is important that problems confronting one component do not impinge on the potential progress of others. Also, the recipient institutions represent independent governmental branches as expressed in the Honduran constitution. Therefore, it is in the interest of effective implementation to carry out project activities under separate agreements.

The Agreement Plan is as follows:

1. A global agreement will be signed with the President of Honduras, the Presidents of the Supreme Court, Congress and TNE, and the Minister of Hacienda(MHCP). The MHCP is the legally constituted body to sign international agreements and is also responsible for assuring that counterpart resources are available. This agreement will discuss the project and its activities in general terms. It will contain the general conditions precedent applicable to all bilateral agreements. The agreement will indicate that Memoranda of Understanding (MOU) will be signed with each organization and that said organizations will be the direct recipients of the grant funds. This condition is important to assure the independence of each organization. This initial agreement will obligate sufficient funds to contract for all technical assistance, training and public information services.

2. Memoranda of Understanding (MOU) will be signed with each participating institution. Each sub-agreement will contain only the information pertinent to that particular component, including conditions precedent, covenants and the budget. The standard provisions accompanying the global agreement will govern the individual agreements. Each agreement will be signed by the institution's representative and the A.I.D. Mission Director.

B. Role and Responsibility of A.I.D.

Due to the low level of administrative development of the recipient organizations and their lack of experience with A.I.D. Projects, the Mission will undertake significant project management to assure close monitoring and timely implementation. The Mission will have a direct hire staff member assume overall responsibility for project monitoring. This officer will supervise a U.S. personal services contractor (PSC) who will be knowledgeable about the intricacies of the Honduran constitutional and political system.

This contractor will be involved in the day-to-day managing of the Project. The PSC will supervise three Honduran PSCs who will perform liaison responsibilities with the Judiciary, Congress and TNE/RNP; each will work with one institution with which he/she is intimately familiar and coordinate with an institutional contractor in planning short-term technical assistance for their respective components. The Honduran PSCs will be familiar with A.I.D. procedures and project implementation requirements. Initially, these individuals will play an active role in the actual administration of each component until the technical assistance contractors arrive.

The Mission will contract with one or more institutional contractors to provide technical assistance to all of the components in the project. The contract will be monitored by the U.S. PSC. The specific roles of the technical experts are outlined above. These experts will assume a substantial role in the administration of the project until the new or reformed administrative offices have reached a higher competency level. The institutional contractors will: (1) provide specialized long and short-term technical assistance to all project components, (2) procure project-financed commodities and supply them directly to the participating Honduran institutions, (3) organize and fund all project training and public awareness activities, in some cases through subcontractors, and (4) serve as a conduit for funding of the activities of the participating Honduran institutions under the project. This arrangement will greatly streamline the procurement of services, the implementation of a large number of small activities, the timely disbursement of funds, and the coordination of diverse activities and resources. It is expected that some of the individual activities under the institutional contracts will be subcontracted to other specialized Honduran, U.S., and third country institutions.

To help institutionalize the project-supported training and public information services, the counterpart agencies will provide training and salary support for two new Honduran officials in each of the three participating institutions. One will be a training and staff development officer who will work in his/her institution's personnel office to plan and implement programs to permanently and continuously strengthen the institution's human resource base. The other new staff member who will be assigned by each participating agency will be a public information mass/media specialist who will work with the mass media to provide accurate, factual information on a continuous basis concerning the functioning of the participating democratic institutions. To assure the continuation and institutionalization of these activities, A.I.D. will propose a Covenant to the Project Agreement in which the GOH will agree to provide a permanent budgetary allocation in each of the participating institutions for training and public information activities.

C. Roles and Responsibilities of the Recipient Institutions

The administrative systems of the participating organizations are weak. As mentioned above, in the early stages of the project the liaison officers and the technical support will play an active role in administering project activities. Upon the establishment of viable, professional, administrative units within the Congress and the Judiciary, all responsibilities will shift to the central administrative units. The leadership of each participating organization will appoint a liaison unit to be the pointman in implementing the project and interfacing with the A.I.D. and the institutional contractor. Each unit will assign appropriate staff to fulfill the implementing, monitoring and reporting requirements under the terms of the agreement. Each organization will be responsible for submitting annual implementation plans through the liaison units and be accountable for meeting implementation targets.

The general structure of the administrative offices in the implementing institutions has been discussed in earlier sections. The specific structure will be elaborated during the early stages of the project with the help of the technical assistance.

VI. Financial Plan and Analysis

A. Financial Plan

The total estimated cost of activities to be financed under the four year project is \$10,000,000. A.I.D. will contribute \$7,500,000 in grant funds, of which \$1,700,000 will be drawn from USAID/Honduras funds and \$5,800,000 will be reallocated from A.I.D. regional funds. The GOH will provide a counterpart contribution from ESF Local Currency equivalent to \$2,500,000. A.I.D. will finance 75 percent of the project, while the host country will provide 25 percent.

B. Project Disbursement System A.I.D. Grant Funds

Financing of project costs will follow procedures of direct payment and reimbursement used with most Mission initiatives. Costs associated with technical assistance, training and procurement of certain commodities will be paid directly by A.I.D. to the suppliers. Given the inexperience of the participating institutions, A.I.D. and the participating institutions will share the responsibility of local procurement. Expenditures associated with local currency items furnished by the implementing agency will be met on an advance/reimbursement basis. Periodically, A.I.D. will provide the implementing agency funds to meet identified expenditure needs. A voucher submission review and approval system will initiate liquidation of the advance.

Counterpart Funds

A.I.D. will instruct the Central Bank of Honduras to disburse local currency generations from the Economic Stabilization Facility Program directly to implementing Agencies in the estimated annual project expenditures. GOH counterpart funds will pay for personnel, operating expenses and local training. The in-kind contribution from GOH will be calculated on the basis of building leasing, personnel, vehicles, furniture and equipment.

C. Audits

The amount of \$20,000 will be provided to contract external auditors to make annual audits of project activities. The auditors of RIG/Tegucigalpa may also make periodic audits which should help assure that project funds and property are safeguarded and accounted for. Financial reviews will be periodically performed by the USAID/Honduras Office of the Controller to verify expenditures.

TABLE I
STRENGTHENING DEMOCRATIC INSTITUTIONS
PROJECT NO. 522-0296
SUMMARY COST ESTIMATED AND FINANCIAL PLAN
(US\$ 000)

	A.I.D. GRANT FUNDS			GOH ESF	TOTAL PROJECT COST
	<u>FX</u>	<u>LC</u>	<u>TOTAL AID</u>		
<u>Administration of Justice</u>					
Technical Assistance	312	75	387	-	387
Training	267	129	396	-	396
Administrative support	-	393	393	400	793
Commodities	65	151	216	-	216
Public information	25	225	250	-	250
<u>National Congress Strengthening</u>					
Technical Assistance	168	75	243	-	243
Training	127	330	457	-	457
Administrative support	-	156	156	309	465
Commodities	105	53	158	-	158
Public information	20	100	120	-	120
<u>Registration and Election Support</u>					
Technical Assistance	168	75	243	-	243
Training	120	49	169	250	419
Commodities	765	145	910	-	910
Public information	75	650	725	-	725
Computerization and Micro-filming	-	979	979	1,521	2,500
<u>Democratic Leadership training</u>					
National Conference Program	240	60	300	-	300
<u>Project Management</u>					
Contractor management	670	253	923	-	923
A.I.D. Project Manager	375	-	375	-	375
<u>Evaluations and MBO</u>	50	50	100	-	100
<u>Audits</u>	-	-		20	20
 TOTAL	 <u>3,552</u> =====	 <u>3,948</u> =====	 <u>7,500</u> =====	 <u>2,500</u> =====	 <u>10,000</u> =====

TABLE II-A
STRENGTHENING DEMOCRATIC INSTITUTIONS
PROJECT NO. 522-0296
PROJECT DISBURSEMENTS
 (US\$000)

	CALENDAR YEARS				TOTAL
	1	2	3	4	
<u>Project Activities</u>					
<u>I. A.I.D. (Contributions)</u>					
<u>Administration of Justice</u>					
Technical Assistance	91.5	120.0	120.0	55.5	387.0
Training	-	128.3	139.6	128.6	396.5
Administrative support	-	100.0	196.4	96.4	392.8
Commodities	-	60.0	96.0	60.0	216.0
Public Information	25.0	80.0	100.0	45.0	250.0
<u>National Congress Strengthening</u>					
Technical Assistance	19.5	91.2	90.0	42.3	243.0
Training	-	83.2	282.4	91.4	457.0
Administrative support	-	54.6	73.7	27.4	155.7
Commodities	-	58.0	68.0	31.5	157.5
Public Information	20.0	32.0	40.0	28.0	120.0
<u>Registration and Election support</u>					
Technical assistance	7.5	91.2	91.2	53.1	243.0
Training	24.0	56.4	51.0	38.1	169.5
Commodities	-	408.0	320.0	182.0	910.0
Public Information	-	320.0	260.0	145.0	725.0
Computarization and microfilming	195.8	244.7	244.7	293.8	979.0
<u>Democratic Leadership Training</u>					
National Conference Program	30.0	96.0	120.0	54.0	300.0
<u>Project Management</u>					
Contractor Management	175.2	422.4	176.0	149.4	923.0
A.I.D. Manager	60.0	120.0	150.0	45.0	375.0
Evaluations and MBO	-	20.0	55.0	25.0	100.0
<u>TOTAL A.I.D.</u>	<u>648.5</u>	<u>2,586.0</u>	<u>2,674.0</u>	<u>1,591.5</u>	<u>7,500.0</u>

TABLE II-B
STRENGTHENING DEMOCRATIC INSTITUTIONS
PROJECT NO. 522-0296
PROJECT DISBURSEMENTS
 (US\$000)

	<u>C A L E N D A R Y E A R S</u>				<u>TOTAL</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	
II. <u>ESF (GOH - Contribution)</u>					
<u>Administration of Justice</u>					
<u>Administrative support</u>	50.0	120.0	150.0	80.0	400.0
<u>National Congress Strengthening</u>					
<u>Administrative support</u>	30.9	98.8	123.5	55.6	308.8
<u>Registration and Elections Support</u>					
<u>Training</u>	-	-	200.0	50.0	250.0
<u>Computarization and microfilming</u>	304.2	380.3	532.4	304.3	1,521.2
<u>Audits</u>	-	10.0	-	10.0	20.0
<u>TOTAL ESF</u>	<u>385.1</u>	<u>609.1</u>	<u>1,005.9</u>	<u>499.9</u>	<u>2,500.0</u>
 <u>PROJECT TOTAL</u>	 <u>1,033.6</u>	 <u>3,195.1</u>	 <u>3,679.9</u>	 <u>2,091.4</u>	 <u>10,000.0</u>

TABLE III
STRENGTHENING DEMOCRATIC INSTITUTIONS
PROJECT NO. 522-0296
METHODS OF IMPLEMENTATION AND FINANCING
 (US\$ 000)

<u>METHOD OF IMPLEMENTATION</u>	<u>METHOD OF FINANCING</u>	<u>APPROXIMATE AMOUNT</u>
<u>Technical Assistance</u>		
Direct Personal Services	Direct Payment	750.0
Services Contractor	Direct Payment	273.0
HC Personal Services	Direct Payment	
<u>Training</u>		
HC Contract	Direct Reimbursement	148.0
Services Contractor	Direct Payment	675.0
<u>Commodities</u>		
Direct Profit Making Contractor	Direct Reimbursement	1,000.0
Purchase Order	Direct Payment	283.5
<u>Other Costs</u>		
Local Support cost	Direct Payment	622.5
HC Profit Making Contractor	Direct Reimbursement	2,500.0
HC Administration	Direct Reimbursement	923.0
<u>Evaluation</u>		
Direct Personal Services	Direct Payment	100.0
PROJECT TOTAL		<u>7,500.0</u>

The Mission will be using the Financing Methods of direct payment and reimbursement that are in accordance with A.I.D. preferred modes payment.

D. Recurrent Cost Analysis

The activities under this project will generate recurrent costs, but within the scheme of what the project is attempting to accomplish, it should have a marginal impact. Generally speaking, the professionalization and administrative rationalization that will occur during the project will serve to reduce administrative costs and increase efficiency. This will be accomplished through the elimination of the overabundance of purely political jobs and the matching of jobs with institutional tasks. These more finely honed institutions will be able to accommodate increased costs in other areas without significantly raising their overall costs.

Under the Voter Registration and Elections Improvement Component, the National Registry professionalization process will most likely reduce the personnel roster by approximately 200 over the four-year life of project. The average savings earned by the reduction amounts to approximately \$1 million annually. The savings will easily cover minimal recurrent costs stemming from increased training, public information and equipment maintenance activities amounting to approximately \$100,000 annually.

Regarding the Administration of Justice Component, administrative rationalization as well as the improved case processing enabled through better information systems will reduce costs. It is expected that approximately 200 purely political current jobs will be eliminated over the four years producing savings of approximately \$500,000, and savings derived from more efficient case processing and effective dedication of resources will amount to at least \$1 million annually. Recurrent costs stimulated by the project include: increased administrative-field experts in personnel, financial management, training, management systems and information systems amounting to approximately \$150,000 per year, additional staff for public defenders activities starting at about \$75,000 per year with a possible expansion to \$350,000 per year; if continued, the experimental public defender and justice of the peace program at \$300,000 per year; and increased training, public information and equipment maintenance amounting to \$75,000 per year. The recurrent cost picture must be taken in context with the issue that the Judiciary receives from one half to two thirds of its constitutionally mandated, three percent of the national budget. Even a tenth of a percentage point increase in the Judiciary's allocated budget will cover the approximately \$900,000 annual recurrent cost budget outlined above.

The one institution in which recurrent costs generated from project activities might actually increase the budget is the Congress. The professionalization process will eliminate some jobs while the improved research and information systems will make the legislative body more efficient. The savings generated will amount to at least \$100,000 annually. However, the incorporation of

professional personnel, management systems, financial management and committee staff will initially expand the budget by \$300,000 per year. This budget could increase an additional \$150,000 if the committee support system is expanded. Initiating the Legislative Support Center will augment recurrent cost by approximately \$200,000 per year through personnel, building rent and maintenance. This could double if the Center expands its activities and, hence, its personnel. Other recurrent costs incorporate public information and equipment maintenance that amount to approximately \$100,000 annually. The recurrent costs implications for this component range from \$650,000 to \$1 million annually or from two to four percent of the current Congressional budget. This potential increase is minimal as compared with the benefits that will accrue to society by improving the performance of the Congress.

VII. Implementation Plan

A. Management By Objectives (MBO)

The participating institutions in the project suffer inefficiencies, ineffectiveness and inexperience. Despite policy changes to institute career services, the potential for turnover of executive-level staff, changes in operational staff, shifting levels of interest and commitment, slow coordination of project activities, unfamiliarity with procedures and slipping deadlines will remain high. In order to deal with this potential problem, the project participants will need to spell out clear and detailed sets of implementation objectives, incorporating strong incentives to meet project objectives on time.

The Strengthening Democratic Institutions Project will use formal MBO procedures to address implementation requirements. The MBO approach will generate a clear set of short, medium and long range objectives which will be fully understood and agreed upon by participants in the project prior to full scale initiation of activities. The MBO objectives will provide a clear delineation of responsibilities and establish accountability for all project activities. Agreement of the MBO approach and implementation will be a covenant in the Memoranda of Understanding.

Immediately following the signing of the MOUs, the Mission will arrange, with project funding, for a local organization to sponsor a series of MBO project planning sessions for each participating institution. The MBO conference will be attended by selected Mission staff and by all high level staff in the recipient organizations. Full-time attendance and participation in the MBO conferences will be required. The MBO conference will produce a detailed and comprehensive set of objectives and benchmarks within the framework outlined in this project paper covering all activities in each component. The initial conference will be followed up by quarterly conferences for the first two years of implementation and by semiannual conferences during the final two years of Phase I.

It will be understood that the MBO activity is not simply a mechanism for project tracking, monitoring or evaluation. MBO will be a tool for programming and reprogramming project resources, and an incentive for everyone involved to adhere to project objectives. Based on a review at the end of each year of implementation, A.I.D. will determine what modifications need to be made and will reallocate resources and amend the project as required. Project funds for components or activities that continually fall short of their benchmarks over a two year period will be deobligated or reprogrammed.

The MBO approach institutionalizes the continuity needed to meet the special implementation difficulties created by the potential for management and staff turnover in the participating organizations and A.I.D. Old and new employees will have the previous MBO plan to guide efforts as they become acquainted with their roles. The updates will enable them to negotiate more appropriate targets given the new environment, with the understanding that overall project targets must be met.

B. Procurement of Technical Assistance and Commodities

The Project Agreement will state that all international procurement of technical services and commodities will be performed by A.I.D. or by A.I.D. contractors, at the discretion of A.I.D. Local procurement of services and commodities will initially be performed by A.I.D. and later in the project by participating Honduran institutions, with A.I.D. approvals.

Technical services from outside Honduras will be procured in one major package. The participating institutions will review and concur with the draft scopes of work of the RFP. The Mission will convene a review committee to judge the responsiveness of the proposals.

The PIO/T will be drafted during the interim period between PP approval and ProAg signing, so that the RFP can be published as soon as possible. The contracting process should be completed within five months after agreement signing, with initial staff arriving in-country within six months.

The Mission will contract a local institutional contractor to provide Management by Objectives courses throughout the life-of-project.

Finally, A.I.D. will contract directly for the services of four individuals (one American and three Hondurans) under Personal Services Contracts (PSC). The U.S. PSC will assume the project manager role while the three Honduran PSCs will become coordinators of each component respectively. The initial period of their contracts will be one year, renewable up to the PACD.

C. Evaluation Plan

Tracking of progress toward meeting project objectives will take place in the course of the formal Management by Objectives (MBO) process. The appropriate indicators will be identified, with precise measurement procedures at the initial MBO workshops. Progress will be evaluated by comparing accomplishments against projected annual benchmarks in a major project review to be held once a year for each component.

A final evaluation will occur at the end of the fourth year. The evaluation will focus on the extent to which administrative changes have taken place and analysis of whether these changes are marketedly effecting the functioning of the system. The evaluation will determine how the integration of career services is making an impact on the performance of the institutions. In general, the evaluation will see how the components are performing relative to overall outputs established in the logical framework and benchmarks established during the MBO meeting. Since the 1989 presidential elections will have concluded and the new government, including congress will be in place, the evaluation will be able to view, in impact terms, the results of project assistance in the performance of the the TNE and RNP. For instance, have they become more professional and efficient? Did more people vote in the election than previous ones? Was the election considered fraud-free?

Did the system established perform well or breakdown? Also, relationships between project inputs, outputs and impact will be analyzed. Not only will the evaluation look at the capabilities established and the efficiency and effectiveness of the institutions, but it will also survey the general populace to determine changing attitudes towards the recipient institutions in particular and democracy in general. Specifically, people will be asked whether the system appears more responsive to individual needs, to group needs and to societal needs than before. Respondents will also be queried as to their level of respect for each institution. Finally, the respondents will be questioned to determine levels of participation and levels of their willingness to participate in the system.

VIII PROJECT ANALYSES SECTION

A. Social Analysis Summary (Refer to Annex for complete analysis)

1. Impact and Beneficiaries

The Project will produce the following three kinds of impact:

a. Improved Internal Efficiency of the Country's Democratic Institutions

The participating institutions will strengthen their human and physical resources, streamline their administrative mechanisms, and professionalize their operations. A consequence of this assistance will be a significant

reduction in bureaucratic bottlenecks, costly and wasteful mismanagement, corruption, duplication of functions, delays, and mistakes. Morale and a sense of professional pride and commitment within the country's democratic institutions will improve. A participatory Management by Objectives program will improve the delegation of authority and sense of responsibility among the employees of the democratic institutions.

b. Improved External Efficiency

The country's democratic institutions will provide better, more responsive services to the population of the country. A better-organized voter registration process; more systematic and predictable elections; and quicker, fairer judicial processes will provide greater satisfaction to the citizens of the country, resulting in greater confidence in the democratic institutions and in the democratic system. Elected officials and other local and national leaders will be more conscious of their obligations to their constituencies and more responsive to the needs and desires of the voters.

c. Improved Public Participation

The project will improve both the quantity and the quality of public participation in the country's democratic processes. By providing massive educational and promotional campaigns and training programs, the public's understanding of the importance, the mechanics, and the substance of democratic processes and institutions will be enhanced. More people will participate, and participation will be better informed. Political demagoguery and manipulation, which thrive on the absence of relevant and clear public information programs, will be reduced.

There will be three general categories of beneficiaries:

a. The Honduran Political Leadership

Training services will be provided for all levels of political leadership, from local to national. The political leadership will also benefit from improved support services, such as information systems and improved administrative backup and support.

b. Technical and Administrative Staff

The technical and administrative personnel of the participating Honduran democratic institutions will benefit directly from new training services, improved facilities and equipment, and conversion of their positions to professional career status.

c. The General Public

The ultimate beneficiaries are the people of Honduras, who will receive a more solid, reliable, believable and responsive democratic system.

2. Socio-Cultural Feasibility

The Strengthening Democratic Institutions Project will help to improve the effectiveness and efficacy of the Congress, the National Electoral Tribunal/National Registry of Persons and the Judiciary. The project is ambitious in scope. It proposes to work with these important political institutions and to provide services and commodities to each in a non-political fashion. It proposes to provide public information throughout the country about the political, electoral and legal processes, actions which in the past have been almost exclusively the domain of the political parties. Since few U.S. efforts in Honduras are perceived by Honduran political leadership as apolitical, the project will be under constant scrutiny by individuals and groups who will be looking for favoritism and partisanship. In particular, the conversion of political patronage jobs to career civil service status may be seen as a threat by the established political parties. Thus, there must be sensitivity to the established political interest groups in the country. Some resistance is to be expected to the project in the course of implementation, in part as a result of deliberate disinformation and misinformation which naturally surrounds an innovative project working in sensitive areas.

There are various cultural, economic, historical, and political interests and traditions that could contribute to possible resistance to accomplishing the objectives of this project. These are balanced by two critical factors that, in the judgement of the Mission, give the project a reasonable probability of success. The first positive factor is the new strong consensus in the Honduran population that effective representative democracy is what the country wants and needs. The extremely strong and enthusiastic voter turnout for the 1985 election is an irrefutable indication that the Honduran population wants democracy and is willing to abide by the rules, even if the results do not always coincide with personal preferences and interests. The second positive factor is the high-level political consensus that exists in favor of the project. The project has the active support of political leaders of all parties in all branches of the present Government. There is a willingness to sacrifice some immediate partisan resources -- patronage jobs, for example -- to make the system work better. There is widespread agreement concerning the deficiencies of the country's democratic institutions as they presently function, and consensus that improving their effectiveness is in everyone's long-term best interest.

B. Economic Analysis

The strengthening of democratic institutions in Honduras will have significantly favorable economic effects. The project is to play an important role in the process of regaining external and internal confidence in the Honduran economy. Because the project lays a key foundation for long term development, a contribution that should more than offset the present value of the project costs, the project makes good economic sense.

Economic Effects

The project will reduce the uncertainty presently associated with economic initiatives, and will enhance property rights.

The general low regard in which many key political institutions are held at present is translated into pessimism regarding the country's future. As a result, there are few incentives for private sector economic undertakings which involve extended payoff periods. The premium is on the quick return. Entrepreneurial risk-taking is, therefore, discouraged; speculation and rent seeking activities encouraged. (As used in this paper, rent seeking activities are those activities carried out to obtain what can be equated to economic rents caused by policy distortions. An example is the effort made by individuals or firms to secure access to import permits and to foreign exchange at subsidized rates. The individual or firm who gains access to such permits will benefit from profits bigger than those that would occur in a competitive unprotected market.)

It is not difficult to see why, at present, the institutional setting in Honduras discourages risk-taking economic activities. Any commercial initiative, anywhere, is taken in a context of what may be called normal commercial uncertainty. Such uncertainty relates to the difficulty in predicting economic outcomes. Such factors as change in tastes and technology, as well as competitive pressures, imply that an entrepreneur must make decisions in a context of some uncertainty as to existing variables and their probable change. As a consequence, any new investment entails some risk of failure.

Faced with normal commercial uncertainty, an entrepreneur will consider two types of related actions: (1) he will balance the cost of obtaining new information that helps reduce uncertainty against the likely benefits of such reduction -- for example, should an analysis of industrial trends be carried out?; (2) he will evaluate and act on variables that might improve his market chances -- for example, should he spend more on management training for his employees? On the basis of such type of considerations, under normal uncertainty the entrepreneur will decide on whether, from a purely economic or commercial perspective, a new investment makes sense. Clearly, the entrepreneur risks making a wrong decision. Such risk is heightened when a different type of uncertainty is factored in.

This uncertainty relates to noncommercial, noneconomic institutional factors. Such factors are dependent on the political and legal settings. In relation to this type of factor a potential investor will consider how political conditions, and existing laws and practices, affect the outcome of his project. In this context, a potential investor will examine such issues as the existence of a clear definition of property rights, their enforceability, and the fairness and objectiveness of the judiciary. It may happen that an otherwise attractive business endeavor is not carried through because of high uncertainty attached to the legal and institutional settings. Most persons are risk avoiders, that is, they will take the options that minimize their

risk in any undertaking. For such reason, in setting the foundations for a country's long-term development, it is important to reduce as much as possible the range of legal and institutional uncertainty.

Because of a relatively weak system of property rights, a deficient judiciary, and lacking congressional processes in Honduras, uncertainty relating to the legal and institutional settings is substantial and could be significantly reduced through reform. The high degree of uncertainty associated with the legal and institutional settings contributes to making private long-term investment in Honduras a doubtful proposition. It is through the reduction of noncommercial uncertainty that the Strengthening Democratic Institutions Project will have a positive impact on the Honduran economy.

Needs Relating to Property Rights

By property rights reference is made to the system of legally defined and enforceable rights that relate to the ownership and use of resources and commodities. In free market economies individuals are able to sell goods and services directly to each other, and when such transactions take place, there is not only an exchange of some physical quantity of the good but also an exchange of the rights to use that good in certain ways that are sanctioned by the legal system.

In Honduras there are two problems relating to property rights. There are areas in which title to ownership and even the property rights themselves are not clear. This is most serious in connection with land ownership. A second problem relates to the actual enforceability of the rights (see the next section). If legal rights are not effectively enforced, the economic incentives attached to proprietorship are largely lost.

A clearer specification of property rights and more effective enforceability would enhance the rewards to successful entrepreneurship and would thus favorably affect investment.

Needs Relating to the Judiciary

Two types of flaws in the Honduran judiciary entail serious adverse implications. The first one relates to the slowness with which the system operates. The very extended periods required for the resolution of judicial processes involve high transaction costs and therefore lowers the returns to investment decisions. The second is the perception that the judicial system is frequently arbitrary or incompetent.

The net result of these flaws is the weakening of property rights as there is little confidence that if one's rights are violated proper redress can be obtained via the judiciary. Moreover, parties to a legal dispute are more likely to seek favorable decisions through the application of political pressure rather than on the merit of their cases.

Needs Relating to Congress

Two main shortcomings afflict the functioning of the Honduran legislature. The first one consists of unsatisfactory legislative processes. A large proportion of the legislation is initiated by executive decree rather than by legislative proposals; the executive decrees are not always coordinated with Congress. Moreover, individual legislators seem to act more along party lines than as representatives of specific districts.

The second shortcoming relates to the lack of adequate technical and administrative support staff. As a consequence, legislators frequently have to vote on complex issues without really grasping technical fundamentals. A result of this situation is that, in general, the people of Honduras are skeptical about the legislature's responsiveness to the real needs of the country. The weak image in which the Honduran Congress is held adds to the uncertainty perceived by economic agents and is thus an obstacle to investment and growth.

The project will work to correct these shortcomings by helping the Legislature strengthen its capacity to endogenously produce its own relevant legislative agendas, and by enhancing the technical and administrative services on which, ultimately, adequate legislative processes depend. Improvements in these two areas will increase people's confidence in the legislative and democratic process and should favorably affect economic activity.

How Big an Impact?

It is very difficult to attach precise quantitative estimates of the economic impact resulting from the institutional reforms contemplated in the project. Nonetheless, it is possible to illustrate the potential impact of such changes.

Table IV shows a preliminary budget and disbursement calendar for the project. The figures can be taken as proxies for project costs. By matching such cost estimates with plausible benefit flows arising from the project one can derive illustrative economic rate of return estimates.

As explained in previous sections, the reforms of the institutional and legal setting contemplated in the project should raise the internal and external confidence on the future of the Honduran economy. Such increased confidence

should stimulate the inflow of capital from abroad, lead to increased domestic investment, and encourage economic agents to focus on productive activities rather than engage in rent-seeking.

Two of the partial economic benefit flows that can arise from the project relate to attracting back to Honduras domestic capital presently abroad, and to an increase in overall economic efficiency from a better allocation of resources.

A very conservative estimate puts Honduran capital in the United States around \$500 million. As confidence in the future of the Honduran economy rises, it is plausible to assume that at least some of that capital will flow back to Honduras. Assume that only 10 percent, \$50 million, of the capital in the United States flows back and that it will flow back at the rate of \$5 million yearly during a ten year period, starting five years after the start of the project (see Table V). If one uses this return of capital from abroad as a partial measure of project benefits, and matches such a flow of benefits against the flow of project costs, the implicit internal rate of economic return would be some 32 percent.

A second illustrative calculation relates to the amount of potential GDP which is not realized in Honduras because of resource misallocation. To a large extent such misallocations would reflect the impact of economic controls and other economic policies which distort the price system and encourage rent seeking activities rather than productive and efficient endeavors. It is plausible to assume that better informed political leadership, a sounder legislative process, and a more effective judiciary will encourage more efficient resource allocation and dampen the inclination to pursue rent seeking activities.

While no estimate exists of GDP lost in Honduras because of resource misallocation, estimates for other developing countries place such lost at over 10 percent of current GDP. Assume that in Honduras an amount equivalent to only 5 percent of GDP is lost through resource misallocation.

Honduran GDP for 1986 is estimated at L7,495 million. In dollars, based on a shadow exchange rate of 2.5 lempiras per dollar, that comes to \$2,998 million. If one uses five percent as the estimate of GDP lost because of resource misallocation, a more efficient allocation could have resulted in a GDP increase of \$149 million. Very conservatively, one may assume that project reforms would lead only to a GDP increase equivalent to only half of such amount, that is, \$74.95 million. If such increase takes place only during a 10-year interval, with yearly increases of \$7,495,000 starting on year five, the matching of such flow of benefits with the flow of project costs in table V, results in an implicit economic rate of return of about 43 percent. If, in order to obtain a combined measure of illustrative benefits,

TABLE IV

STRENGTHENING DEMOCRATIC INSTITUTIONS

TENTATIVE PROJECT BUDGET

(US\$ 000)

	<u>YEARS</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
JUDICIARY	166,500	608,300	802,000	465,500
LEGISLATURE	70,400	417,800	677,600	276,200
VOTER REGISTRATION/ELECTIONS	531,500	1,500,600	1,699,300	1,066,300
LEADERSHIP	30,000	96,000	120,000	54,000
OTHER	235,200	574,400	381,000	229,400
TOTALS	1,033,600	3,195,100	3,679,900	2,091,400

the benefit flow arising from capital in the United States that is attracted back to Honduras is added to the increase in GDP from gains in efficiency, and the resulting aggregate flow of benefits is compared with project costs, the implicit rate of return is 60 percent.

Similar calculations could be done to illustrate the potential positive impact of the project on the mobilization of domestic savings and the consequent increase in domestic investment. It is clear that by focusing only on partial estimates of benefits, the potential returns to the project are significantly underestimated. Nonetheless, the fact that under conservative assumptions such partial calculations result in high rates of return (32, 43, or over 60 percent in the examples presented) illustrates the considerable potential that the project has for positively affecting the Honduran economy.

C. Administrative/Technical Analysis

The brunt of the administrative analysis is contained in the component narratives.

Administrative Area: The basic emphasis of this project is to strengthen the capability of the key democracy-supporting institutions through administrative change and human resource training. The weak state of the participating institutions requires that the project concentrate on basic reforms and services and stabilizing and enhancing the performance of their employees, before entertaining ideas of making major programmatic changes. Given the weaknesses, the Mission and its contractors will play an active role in monitoring the project components. The project will require patience because the speed of institutional changes can vary and the internalization of the changes by employees and by the public will take time. It is envisioned that enough progress will be made by the end of the second year to enable the recipient institutions to have increasing control in the management and documentation of project activities. In the case of the TNE/RNP, the administrative functioning is a bit more advanced and experienced, albeit plagued by extreme politicization. Nevertheless, due to the upcoming elections, the TNE/RNP will have to respond to the challenge of making structural changes while moving forward to implement the elections. The analysis indicates the strong desire and capability of officials to carry out these activities in an exemplary fashion.

Technical Area: The success and proper utilization of the technical inputs of the project hinges on the implementation of career services in each of the participating institutions. Currently, the high rate of turnover coupled with the under-qualified political appointees restricts the potential success of activities.

Assuming the career services become a reality, the planned technical inputs are relatively straight-forward and will be managed easily by professional personnel. High levels of technical assistance will be contracted to collaborate with the professional personnel to hammer out viable administrative structures, develop personnel, management and financial systems, draft operation and procedural manuals and create reliable information systems. The crucial linkage for ensuring the technical expertise and their production is accepted relies on joint participation. The local employees will much more rapidly adopt and internalize the revised functions if they are part of their design.

As mentioned earlier, the human resource base is weak, so unless the capability of the employees is raised, all the administrative changes will have little impact. One way to meet this requirement is to utilize objective hiring criteria. The project will supplement this activity with training. The training will be action-oriented, that is, training programs designed to provide skills that can be immediately applied to a person's work requirements. Therefore, judges will receive training in applicable law and judicial procedures, Congressmen will receive training in procedures for lawmaking and committee meetings, RNP staff will receive training in registration techniques, microfilming and computers, and administrative staff in each institution will receive training specific to their job needs. The training input will enable professional and administrative staff to understand their job and how it should be done, and will help them adapt much more readily to the administrative changes.

The key commodity input that has technical implications are the computers. Each institution will receive computers to facilitate the information process and to make more efficient the day-to-day functioning of the offices and the allocation of resources. Training will be the needed ingredient to assure the staff has the skills to utilize this commodity properly.

In sum, the technical necessities of this project revolve around upgrading the administrative systems and skills of the respective employees. Quality personnel hired and appropriate training programs will permit the proper and innovative uses of the technical inputs.

D. Analytic Support Summary

The U.S. Government, through Presidential pronouncements and Congressional legislation, has increasingly emphasized addressing institutional constraints to democratic development in the foreign aid program. Nevertheless, prior analytic research and first hand experience in this area is limited.

In order to undertake the analysis for this project paper, the design team researched books on Central American history and politics, articles on the Honduran political system (particularly those by Dr. Mark Rosenberg), books on

political participation and democratic development in developing countries, the Honduran Constitution, guidelines for the functioning of the Congress, the Judiciary and the National Elections Tribunal, and the extremely informative Honduran Judicial Sector Assessment which was produced under the auspices of the A.I.D. Regional Administration of Justice Project. The analysis of secondary data sources was complemented by information generated through interviews by Mission staff with host country individuals inside and outside the key civic institutions. The Mission utilized experts from the Bureau's Administration of Justice office and key consultants. The Director of the Bureau's Office participated in the review of the PID in the Mission. Staff of the Washington office and Costa Rican office participated with Mission staff and contracted consultants in a Conference in Miami where a detailed logical framework and annotated outline were produced. Finally, the consultants, who covered Honduran politics, public administration, elections and public information, made a three week TDY to Honduras and produced reports in their areas expertises facilitating the writing of the project paper.

The Mission is confident that the analytical basis for the PP is substantial and that the approach described in this document addressing the problem of weak democratic institutions is sound.

IX. Conditions Precedent and Covenants

In agreement with the strategy to have a general bilateral agreement signed, followed by the signing of Memorandums of Understanding with the three participatory institutions, these CPs and Covenants will apply:

A. General Bilateral Agreement

First Disbursement

Prior to any disbursement of the assistance, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) An opinion of the Attorney General of the Republic or of counsel acceptable to A.I.D. that this Agreement has been duly authorized and/or ratified by, and executed on behalf of, the Grantee and that it constitutes a valid and legally binding obligation of the Grantee in accordance with all of its terms;

(2) A statement of the name(s) of the person(s) holding or acting in the office of the Grantee specified in section 9.3, and a specimen signatures of each person specified in such statement; and

Additional Disbursements

Prior to disbursement under the Grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made for goods and services specific to Components I, II, and III.

(1) Memoranda of Understanding will have been executed between A.I.D. and the implementing institutions; the Honduran Supreme Court, the National Congress of Honduras, and the Honduran National Election Tribunal (TNT).

(2) The implementing institution shall comply with the conditions for disbursement set forth in the applicable implementation memorandum of understanding.

B. Honduran Judiciary Component

Conditions Precedent

(1) Prior to any disbursement of the assistance under this component, or to the issuance of any commitment documents for the assistance, except for the provision of technical assistance and up to \$100,000 in other project inputs, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., evidence that the Judicial Career Law guidelines and by-laws have been accepted by the Supreme Court and that implementation will begin.

(2) Prior to any disbursement of the assistance after December 31, 1989, or to the issuance of any commitment documents for the assistance, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D. evidence that all new Judicial sector personnel, except Supreme Court Justices, are being hired under the new career personnel system, and that 75 percent of all judicial personnel currently employed have been employed under that system.

Covenants

The Grantee covenants that:

(1) Within one year after the promulgation of the Judicial career guidelines and by-laws, all new employees shall be hired utilizing objective, technical hiring criteria and shall be included under the career personnel system.

(2) Key members of the Judiciary including judges and administrative staff will participate in the series of management by objectives conferences planned throughout the life-of-project.

(3) Permanent training and public information officers will be hired by the second year of the project and their positions will be maintained after the end of the project.

(4) All equipment and commodities purchased with project funds will be adequately maintained after the PACD.

C. Honduran Congress Component

Conditions Precedent

(1) Prior to any disbursement of the assistance under this component, or to the issuance of any commitment documents for the assistance, except for technical assistance and up to \$100,000 in other technical inputs, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., evidence of (i) a plan outlining the steps to be taken to create a congressional administrative career service and (ii) a plan providing for career service for the new National Legislative Support Center; for budgetary support for the Center and its personnel after the PACD.

(2) Prior to any disbursement of the assistance after December 31, 1988, or to the issuance of any commitment documents for the assistance, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that (1) enabling legislation has been passed and guidelines approved to allow for the implementation of a congressional administrative career service and National Legislative Support Center career service; and (2) enabling Legislation has been passed to permit the creation of a career service for the National Registry of Persons.

Covenants:

The Grantee Covenants that:

(1) Within one year of promulgation of the Congressional administrative and National Legislative Support Center career guidelines, all new employees shall be hired under those new career systems; and 75 percent of the Congressional administrative staff and all the Support Center staff shall have been employed under the career personnel systems.

(2) The Congress will create a line item in their annual budget by 1989 that provides sufficient financial support for the functioning National Legislative Support Center, including the assumption of the personnel costs financed under the Project.

(3) Key Congressmen and administrative staff will participate in the series of management by objectives conferences planned during the life-of-project.

(4) Permanent training and public information officers will be hired by the second year of the project and these positions will be maintained after the end of the project.

(5) All equipment and commodities purchased under the project will be adequately maintained after the PACD.

D. Honduran National Elections Tribunal Component

(1) Prior to any disbursement of the assistance under this component, or to the issuance of any commitment documents for the assistance, except for technical assistance and funds for the upgrading, verifying and microfilming of registry documents from 1880 to 1983, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that documentation has been submitted to Congress requesting enabling legislation to create a career service in the National Registry of Persons (RNP).

(2) Prior to any disbursement of the assistance after December 31, 1989, or to the issuance of any commitment documents for the assistance, the Grantee shall, except as A.I.D. may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that RNP career law and guidelines have been established, that all new personnel are being hired under this system and that 75 percent of the staff have been employed under the career personnel system.

Covenants

(1) Members of the TNE and key RNP staff will participate in a series of management by objectives conferences during the life-of-project.

(2) Permanent training and public information officials will be hired by the end of the first year of the project and these positions will be maintained after the end of the project.

(3) All equipment and commodities purchased under the project will be adequately maintained after the PACD.

X. Environmental Assessment

The Mission conducted an initial environmental examination during PID development and made a negative determination. No further requests have come from the Bureau Environmental Office and no other evidence has been presented contrary to our initial findings. In summary, the project will have four components: Administration of Justice, Legislative Enhancement, Voter Registration/Elections Improvement and Democratic Leadership Training. These activities fall under the Categorical Exclusion Section 216.2(c) in A.I.D. Environmental Procedures. This section indicates that education, technical assistance and training efforts are not subject to the procedures.

Having evaluated the proposed project for potentially significant environmental impacts, it is the Mission's judgement that none will occur. Therefore, a negative determination is recommended.

XI. Summary of Major Issues Reviewed

The key issues discussed at the PP review included the scope of the project, strategy, the question of patronage vs. career service, and the contracting mechanism. First, the issue of scope dealt with the number of activities planned in the three years provided, particularly in light of the time it takes to compete and sign a large technical assistance project. It was recognized that administrative change is a long-term effort, but that three years represents enough time to establish functioning yet basic administrative systems and undertake systematic training in relatively small institutions. However given the potential six to ten months required to have the TA in the field, it was agreed to extend the project for one year at no additional cost. Second, although the implementation strategy was clear, the review committee requested additional information on how this project fits into the long term strategy of strengthening democratic institutions. The PP design committee members explained that this effort was a pilot effort at the beginning of a long-term process. It was made clear that the outputs could stand alone if no additional assistance is provided in the future. Nonetheless, it was recognized that to have the greatest impact on democracy in Honduras, a consistent, long-term participatory effort by A.I.D. would have to be maintained to build the institutions to increase overall efficiency and responsiveness.

Third, the review marked some concern about the feasibility of converting patronage jobs to civil service, and the scope of the overall changes. The Judiciary already has a career service law in place, but not yet implemented. There is significant support by the leadership of the other organizations to pursue career services to achieve stability and professionalization. It was recognized that not all patronage jobs can be eliminated, but by the end of the project a range of 50 to 75 percent of the total employees could be incorporated in the service, while all new employees could be hired utilizing objective, technical hiring criteria. Fourth, the Mission plans to sign a contract with one firm or consortium of firms to provide TA, training and procurement services. This will reduce the Mission's administrative burden and provide mutually reinforcing resources to each component. The concern was raised that if one component becomes overall politically changed, thereby tainting the contractor, it could negatively effect implementation of the other components. This is in contrast to three separate contracts where as problems would be minimized if one component has a political fallout. It was agreed that the Mission would pursue the one contract strategy, recognizing the inherent risks and taking a preminent role to mediate any potential problems between the contractor and the recipient institutions.

INFORMATION MEMORANDUM FOR THE MISSION DIRECTOR

FROM: Edward Landau, DF *EL*

THROUGH: William G. Kaschak, Chief, Office of Development Finance *W.G.K.*

SUBJECT: DECISION MEMORANDUM FROM THE REVIEW OF THE STRENGTHENING
DEMOCRATIC INSTITUTIONS PID (522-0296)

DATE: January 22, 1987

The Mission's Development Assistance Executive (DAEC) Committee reviewed the Strengthening Democratic Institutions PID on Wednesday, January 7, 1987. The Mission Director approved the PID in its present form pending some minor editorial changes. Pursuant to our agreement with AID/W, the Director of the LAC Bureau's Administration of Justice Office (LAC/AJDD) participated in the review, and he gave his full endorsement of the concept and approach elaborated in the PID.

In summary, the key conclusions of the meeting were that: (1) during intensive review, the Project Committee will examine the plausibility of expanding the scope of the project to include a fourth component entitled "Democratic Leadership Training." The objective of the component will be to stimulate greater participation in the democratic process and will focus primarily on municipal government officials, private sector leaders, union leaders and women. The Mission will look to the Overseas Education Fund's Leadership Training Program in Costa Rica as a guide and possible mechanism for this effort; (2) the life of project will be expanded to clearly express A.I.D.'s commitment to democracy beyond 1989 and to recognize the need for long-term support to affect lasting changes in the Judiciary and the Congress; and (3) the Mission will explore the best means to sign agreements and manage the project to reinforce the independence of the three branches of government while assuring implementation feasibility.

The review meeting focused on the following issues:

(1) Political Sensitivities: This issue dealt specifically with the possible perception that our support to strengthen key civic institutions would reinforce the hold on power of the current administration or the leading faction of the party. It was agreed that this project, in general, is sensitive. Nonetheless, various political groups and party representatives have expressed support for the project. Furthermore, several representatives of the political parties and their factions hold high level posts in the various branches of government. For example, the Nationalist party is well represented on the Supreme Court, opposing Liberal factions control the Legislature, and the Christian Democrats and PINUs hold decision making posts at the TNE. Therefore, no party should gain an edge as a result of these activities.

The institutional strengthening and professionalization processes will also limit the perception of favoritism. Reaching the objectives of this Project will work against party favoritism and temper the control of the Executive and other influencers in the process.

2. Private Sector Participation: It was suggested that private entities such as chambers of commerce, unions, cooperatives, bar associations, etc., could play a more active role in maintaining the political will to implement these activities and in facilitating civic awareness activities. The Mission DAEC agreed that the PP will elaborate the roles and relationships of private entities in the project while taking care not to strengthen their status as lobby groups for narrowly defined interests.

3. Judicial Reform: This issue concerned the lack of specific discussion of what the project will do in the realm of criminal justice, since this area impacts on the internal and international perception of human rights policy and problems in Honduras. The PID development team argued that the generic approach of the Project regarding judicial training, developing an administrative office, and establishing management systems/procedures and ethical standards would enhance the quality and efficiency of the entire judicial system including the criminal justice area. It was agreed that during intensive review the Mission would explore more specific concerns such as the problems of detention without trial, weak investigative bodies and establishing a public defender system, and include these activities in the Project where appropriate.

4. Voter Registration-Elections Improvement: (a) The discussion of this question centered on the need for a core, professional administrative staff in the TNE/RNP to achieve efficient voter registration and fraud free elections, and A.I.D. conditioning disbursement for this component of the project on the establishment of such a staff. The DAEC agreed that the TNE component could be the most politically charged component due to the nature of the organization and the need to complete the work to enable a smooth functioning 1989 Presidential election. The decision of the Mission DAEC was that the Project Committee should try to advance the reforms, but not at the expense of negatively affecting the election process. Therefore, during intensive review, the Committee will develop an incentive strategy to encourage administrative changes, but initial efforts will be geared to ensuring that all activities required to carry out the election are completed without delay.

(b) Election Process Support: The consensus of the DAEC was that the scope of the TNE-RNP component should be expanded to not only focus on the registration process and administrative system, but to also encompass activities directed to the conduct of the election, i.e., training polling place personnel, organizing the vote counting centers, and stimulating a public education program. The DAEC stipulated that these activities will be elaborated during PP design.

5. Project Management and Implementation: The discussion of implementation and project management centered on determining a proper life of project period. While the proposed three year LOP was in tune with the next national election, the DAEC questioned the plausibility of attaining stabilization in the Judiciary and Congress within such a short time-frame. The sense of the DAEC was that the Project Committee will design a project with a longer LOP to reinforce our long-term commitment to democracy. Further, the Project committee was instructed to consider the Project as possibly a first phase of a longer-term effort. The exact length of each component will be subject to intensive review.

(b) A second management issue dealt with the GOH's commitment to incur the recurrent cost burden precipitated by the establishment of administrative offices in the Judiciary and the Congress, as well as the strengthening of the administrative office in the TNE-RNP. Although the number of people and configuration of the new administrative offices will be elaborated in the PP, it is anticipated that each office will consist of 10-15 professionals. The DAEC instructed the Project Committee that the design of the units' configurations should be guided by the need to effectively discharge their responsibilities, while avoiding the creation of overly large units incurring unreasonable costs. This will increase the recurrent cost burden, but in a manageable way.

(c) The third question addressed AID project management regarding the required number of staff to assure effective and successful implementation. The consensus of the DAEC was that given the lack of recipient experience in implementing projects and collaborating with international donors, each component might require its own AID liaison officer to ensure that the proper paperwork is processed in a timely manner. Also, given the high profile of this effort, AID will require close monitoring and must be highly supportive to assure smooth functioning of all project activities. The exact nature of our management profile will be examined during intensive review.

6. Relationship with Regional and Mission Projects: There was a concern that the PID did not thoroughly state the interrelationship of this Project with others. The DAEC agreed that the PP design team should consult closely with the LAC Bureau's Administration of Justice Office to coordinate activities so that efforts complement and reinforce each other without being redundant. Regarding Mission projects, the design team was tasked with determining what projects might have a linkage to the SDI Project and how these linkages can be utilized.

7. Funding: This Mission requested confirmation from the Director of the LAC/AJDD that his office would allot to the Project the \$4,850,000 as indicated in the PID. The Director confirmed this availability and emphasized that this Project would be a primary mechanism through which the Bureau would obligate its regional funds.

8. TA Support: The review concluded with the Mission Director emphasizing the need to assemble quality TA personnel for the intensive review, and the importance of designing a strong TA schedule during PP development. The Mission Director also emphasized that the Project Committee should examine the National Endowment for Democracy Project with AIFLD in developing the new Democratic Leadership component.

Cleared by HRD:TPark

DMD:CHLeonard (IN DRAFT)

1/28/87
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LOGICAL FRAMEWORK
STRENGTHENING DEMOCRATIC INSTITUTIONS
(522-0296)

NARRATIVE SUMMARY	OBJECTIVES VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>GOAL</u></p> <p>To strengthen Honduran democracy</p>	<ul style="list-style-type: none"> - continuing open elections - public's confidence in the system - increased access and participation 	<ul style="list-style-type: none"> - Analyses of elections - Central Bank Statistics 	<ul style="list-style-type: none"> - regional political stability - stabilized economy - continued political will to consolidate the democratic process
<p><u>PURPOSE</u></p> <p>To improve the capability of key democratic institutions (the Judiciary, the Congress and the National Elections Tribunal/ National Registry), improve local political leadership, and increase the knowledge and participation of the Honduran populace in the democratic process.</p>	<ul style="list-style-type: none"> - universal suffrage - increased number of bills initiated in Congress - reduction in time for court case processing - separation of powers enhanced in accordance with the constitution - relative increase in the number of participants in the system and awareness of the democratic process 	<ul style="list-style-type: none"> - Project reports - surveys - evaluations 	<ul style="list-style-type: none"> - political acceptance of targetted institutions to change - maintenance of internal political stability
<p><u>OUTPUTS</u></p> <p>1. Administration of Justice - to strengthen the court system making it more efficient and responsive to the Honduran populace in matters concerning civil and criminal justice and better able to mediate intragovernmental conflicts</p>	<ul style="list-style-type: none"> - judicial career implemented - 40 law school graduates participating in experimental justice of peace and public defender program - public defender system consolidated - strengthened administrative system <ul style="list-style-type: none"> - improved planning, programming and budgetary capability 	<ul style="list-style-type: none"> - Project reports - surveys - site visits - evaluations 	<ul style="list-style-type: none"> - enhanced elite political commitment to rejuvenated judicial process - appropriate human resources available - increase in allocation of national budget to 3% for the Judiciary by 1990.

NARRATIVE SUMMARY	OBJECTIVES VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>2. Legislative Enhancement - to improve the effectiveness of the Honduran Congress in formulating and passing laws which govern the country and to increase contact with the</p>	<ul style="list-style-type: none"> - organizational and procedural manuals written - financial, management and personnel systems functioning - procurement capability established - information system strengthened and utilized - 400 judges trained - 20 administrative staff trained - public information program initiated - Establish a National Center for Legislative Support <ul style="list-style-type: none"> - permanent staff - reference service functioning - policy research service functioning - career service established for congressional administrative staff and employees of the National Legislative Support Center - Creation of the Congressional administrative office <ul style="list-style-type: none"> - improved planning, programming, budgeting - organizational and procedural manuals written - financial, management and personnel systems functioning - improved information systems - legislative process streamlined <ul style="list-style-type: none"> - calendar established - debates scheduled - deadlines maintained - tracking system developed - Committee system strengthened and utilized - 134 legislators trained in orientation 	<ul style="list-style-type: none"> - Project Reports - Surveys - Evaluations 	

NARRATIVE SUMMARY	OBJECTIVES VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>3. Voter Registration/Elections Improvement - to assist in the improvement and professionalization of the TNE and the RNP, enhancing their ability to manage an effective registration process and guaranteeing the Honduran people universal suffrage and fraud free elections</p>	<p>session</p> <ul style="list-style-type: none"> - 120 trained in committee procedures - 50 administrative staff trained - 23 congressman partake of observational trips - Public information program functioning - Registries from 1880 - 1983 updated, verified and microfilmed - 45,000 registries including 20,000,000 documents and over 2,000,000 identity cards - establishment of a career service for the RNP - an improved administrative structure for the RNP <ul style="list-style-type: none"> - financial, management and personnel systems functioning - improved programming, planning and budgeting - organizational and procedural manuals written - information system improved - department and municipal registrar activities enhanced and linked better with the National Registry - 30 administrative support officers trained - 620 National registry employees trained - 1000 local registry employees trained - Improved conduct of elections - strengthened administrative office - 80 administrative support officers trained - 52,000 election workers trained - 1989 Presidential elections carried out - Public Information Program functioning 	<ul style="list-style-type: none"> - Project reports - Site visits - Evaluations 	<ul style="list-style-type: none"> - Multi-partisan support - human resource availability

NARRATIVE SUMMARY	OBJECTIVES VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
4. Democratic Leadership Training	<ul style="list-style-type: none"> - 10 conferences provided - 6,000 future leaders trained - participation by business, labor, media, campesinos and municipal officials 	<ul style="list-style-type: none"> - Site Visits - Project Reports - Evaluations 	- New Textbooks

INPUTS

1. Technical Assistance
2. Training
3. Public Information
4. Administrative Support
5. Commodities

1967C

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1987 Continuing Resolution Sec. 526.

Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully?

NO

2. FAA Sec. 481(h). (This provision applies to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government), has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without

N/A

Congressional enactment, within 30 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (a) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, and to prevent and punish drug profit laundering in the country, or that (b) the vital national interests of the United States require the provision of such assistance?

3. Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to Congress listing such country as one (a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

N/A

4. FAA Sec. 620(c). If assistance is to a government, is the government liable as debtor or unconditional guarantor on any debt to a U.S. citizen for goods or services furnished or ordered where (a) such citizen has exhausted available legal remedies and (b) the debt is not denied or contested by such government?
5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities?
6. FAA Secs. 620(a), 620(f), 620D; FY 1987 Continuing Resolution Secs. 512, 560. Is recipient country a Communist country? If so, has the President determined that assistance to the country is important to the national interests of the United States? Will assistance be provided to Angola, Cambodia, Cuba, Iraq, Syria, Vietnam, Libya, or South Yemen? Will assistance be provided to Afghanistan without a certification?
7. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property?
8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC?
9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made?

NO

Currently, a case is pending.
The case is being watched by
the State Department.

NO

NO

NO

NO

10. FAA Sec. 620(q); FY 1987 Continuing Resolution Sec. 518. (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1987 Continuing Resolution appropriates funds?

NO

11. FAA Sec. 620(s). If contemplated assistance is development loan or from Economic Support Fund, has the Administrator taken into account the percent of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.)

Yes, taken into account by the Administrative at the time of approval of Agency OYB

12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption?

NO

13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operating Year Budget? (Reference may be made to the Taking into Consideration memo.)

N/A

14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism?

NO

15. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?

NO

16. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

NO

17. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

NO

18. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device?

NO

19. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and failed to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the Taking into Consideration memo.)

This has been taken into account by the administration during the elaboration of OYB.

20. FY 1987 Continuing Resolution Sec. 528.
Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States?

NO

21. FY 1987 Continuing Resolution Sec. 513.
Has the duly elected Head of Government of the country been deposed by military coup or decree?

NO

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

NO

2. Economic Support Fund Country Criteria

FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

NO

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded from Development Assistance loans; and B(3) applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1987 Continuing Resolution Sec. 523; FAA Sec. 634A. Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project.
2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance, and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?
4. FAA Sec. 611(b); FY 1987 Continuing Resolution Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)

Congressional notification expired without objections in August 1987

YES

Some of the legislative action has already taken place. Other required documentation is being processed in the participating institutions and officials have expressed strong desire to attain needed actions.

N/A

102

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N/A

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

NO

7. FAA Sec. 601(a). Information and conclusions on whether projects will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

Strong and more reliable democratic institutions will support all levels of economic grant particularly in the areas of international investment, private sector growth and the function of labor unions and cooperatives

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

Better laws produced by Congress and more reliable judiciary will help stimulate U.S. investment. U.S. Universities and private sector consultants are expected to participate.

9. FAA Secs. 612(b), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars.

The host country will contribute at least 25 percent of total project costs.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

NO

11. FY 1987 Continuing Resolution Sec. 521.
If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N/A

12. FY 1987 Continuing Resolution Sec. 558
(as interpreted by conference report).
If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?

N/A

13. FY 1987 Continuing Resolution Sec. 559.
Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?

N/A

14. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of

Yes, The project have no direct impact on the environmental situation.

U.S. government agencies and other donors of the immediate and long-term value of tropical forests; and (k) utilize the resources and abilities of all relevant U.S. government agencies?

15. FAA Sec. 119(g)(4)-(6). Will the assistance (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

N/A

16. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (either dollars or local currency generated therefrom)?

N/A

17. FY 1987 Continuing Resolution Sec. 532. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

NO

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- a. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and

The project will promote increased access and participation by all Hondurans in the democratic process.

insuring wide participation of the poor in the benefits of development on a sustained basis, using appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries.

b. FAA Secs. 103, 103A, 104, 105, 106, 120-21. Does the project fit the criteria for the source of funds (functional account) being used?

YES

c. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

Not a technology dispersing project

d. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

YES

e. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority?

YES

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

All activities contemplated under the project are designed to support these concepts

g. FY 1987 Continuing Resolution Sec. 540. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions?

NO

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

NO

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

NO

h. FY 1987 Continuing Resolution. Is the assistance being made available to any organization or program which has been determined to support or participate in the management of a program of coercive abortion or involuntary sterilization?

NO

If assistance is from the population functional account, are any of the funds to be made available to voluntary family planning projects which do not offer, either directly or through referral to or information about access to, a broad range of family planning methods and services?

N/A

i. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

YES

j. FY 1987 Continuing Resolution. How much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

The project will attempt to make available at least 10% of the funds available for procurement of goods and services for disadvantaged firms, and minority universities and PVO's.

k. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project (a) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (b) take full account of the environmental impacts of the proposed activities on biological diversity?

N/A

l. FAA Sec. 118(c)(14). Will assistance be used for (a) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (b) actions which significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?

NO

m. FAA Sec. 118(c)(15). Will assistance be used for (a) activities which would result in the conversion of forest lands to the rearing of livestock; (b) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands; (c) the colonization of forest lands; or (d) the construction of dams or other water

NO

control structures which flood relatively undegraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

2. Development Assistance Project Criteria
(Loans Only)

- a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan at a reasonable rate of interest. N/A

- b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest? N/A

- c. FY 1987 Continuing Resolution. If for a loan to a private sector institution from funds made available to carry out the provisions of FAA Sections 103 through 106, will loan be provided, to the maximum extent practicable, at or near the prevailing interest rate paid on Treasury obligations of similar maturity at the time of obligating such funds? N/A

- d. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities? N/A

3. Economic Support Fund Project Criteria

- a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA? YES
- b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes? NO
- c. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction, operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States? NO
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. PROCUREMENT

1. FAA Sec. 602(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed? YES
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him? YES
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company? N/A
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.) N/A
5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 941 and which have attained a competitive capability in international markets in one of these areas? (Exception for those N/A

countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)

6. FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates? NO

7. FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? YES

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? YES

9. FY 1987 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? YES

10. FY 1987 Continuing Resolution Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? YES

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? N/A
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? N/A
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress? N/A

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? YES

4. Will arrangements preclude use of financing:

- a. FAA Sec. 104(f); FY 1987 Continuing Resolution Secs. 525, 540. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? YES
- b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? YES
- c. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? YES
- d. FAA Sec. 660. To provide training, advice, or any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? YES
- e. FAA Sec. 662. For CIA activities? YES
- f. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained? YES
- g. FY 1987 Continuing Resolution Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? YES

- h. FY 1987 Continuing Resolution Sec. 505.
To pay U.N. assessments, arrearages or dues? YES
- i. FY 1987 Continuing Resolution Sec. 506.
To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? YES
- j. FY 1987 Continuing Resolution Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? YES
- k. FY 1987 Continuing Resolution Sec. 511.
For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? YES
- l. FY 1986 Continuing Resolution Sec. 516.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress? YES

TRIBUNAL NACIONAL DE ELECCIONES

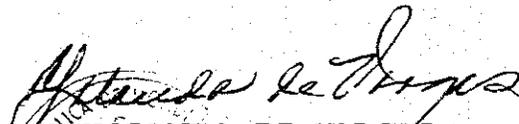
TEGUCIGALPA, HONDURAS

PRESIDENCIA

Pag. No. 2- Señor John A. Sanbrailo. Director AID-Julio 23 1987

Este Proyecto coincide con las políticas definidas por esta Institución y, por lo tanto, es importante que firmemos el Convenio con rapidez.

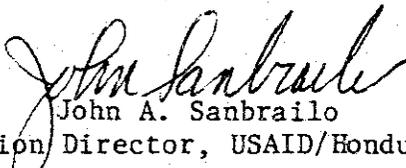
De Ud. con toda consideración y aprecio,


YOLANDA DE VARGAS
Presidente TNE


arch-etm

CERTIFICATION PURSUANT TO SECTION 611(e) OF THE
FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

I, John A. Sanbrailo, the principal Officer of the Agency for International Development in Honduras, having taken into account among other factors the maintenance and utilization of projects in Honduras previously financed or assisted by the United States, do hereby certify that in my judgment Honduras has both the financial capability and human resources capability to effectively maintain and utilize the capital assistance project:
STRENGTHENING DEMOCRATIC INSTITUTIONS PROJECT.


John A. Sanbrailo
Mission Director, USAID/Honduras

1967C/26

SOCIAL SOUNDNESS ANALYSISI. IMPACT

In general terms, the Project will produce the following three kinds of impact:

1. Improved Internal Efficiency of the Country's Democratic Institutions

The participating institutions will receive assistance in strengthening their human and physical resources, streamlining their administrative mechanisms, and professionalizing their operations. One consequence of this assistance will be a reduction in wasteful bureaucratic bottlenecks, confusion, mismanagement, diversion of resources, duplication of functions, delays, and mistakes.

2. Improved External Efficiency

The country's democratic institutions will provide better, more responsive services to the population of the country. A better-organized voter registration process, more systematic and predictable elections, and quicker, fairer judicial processes will provide greater satisfaction to the people of the country, resulting in greater confidence by the Honduran population in the participating democratic institutions and in the democratic system. Elected official and other local and national leaders will be more conscious of their obligations to their constituencies and more responsive to the needs and desires of the voters.

3. Improved Public Participation

The Project will improve both the quantity and the quality of public participation in the country's democratic processes. By providing public awareness campaigns and training programs, the project will enhance the public's understanding of the importance, the mechanics, and the substance of democratic processes and institutions. More people will participate, and participation will be better informed. Political demagoguery and manipulation, which thrive on the absence of relevant and clear public information programs, will be reduced.

II. BENEFICIARIES

There will be three general categories of beneficiaries:

1. Political leadership

A variety of training services will be provided for all levels of the country's political leadership, from local to national. The political leadership will also benefit from improved support services, including modernized computer information systems and more efficient administrative backup and support.

2. Technical and Administrative Staff

The technical and administrative personnel of the participating Honduran democratic institutions will benefit directly from new training services, improved facilities and equipment, and conversion of their positions to professional career status.

3. The General Public

The ultimate beneficiaries are the people of Honduras, who will receive a more solid, reliable, believable and responsive democratic system.

III. SOCIO-CULTURAL CONTEXT

Political conflict has characterized Central America since the late 1970's, resulting in revolution and civil war in Nicaragua, El Salvador and Guatemala. Only Costa Rica and Honduras have managed to avoid the polarization characteristic of the region. Costa Rica has avoided conflict because of its well-institutionalized democracy and its continuing commitment to participatory politics. Following a decade of military rule in the 1970s, Honduras is now in its most serious attempt at institutionalizing civilian democratic rule. Given the continuing regional strife and Honduras' very dynamic population growth, the current democratic efforts will play a large role in determining the quality of the country's political life in the future.

The project to strengthen democratic institutions in Honduras comes at a propitious moment in the country's history. First, it coincides with a democratic opening that has produced two elected civilian presidents in seven years. Second, Hondurans understand that they must improve the quality of their participatory institutions if they are to avoid the military excesses of neighboring countries. Third, despite unprecedented national and regional tensions as a result of the civil and military violence in Central America, the Honduran political process has maintained

its characteristic moderation. Extremes of political behavior have been avoided. Basic political cleavages still are defined by membership in the traditional party system. Finally, Hondurans have an innate fascination with political life and party politics. One Honduran observer refers to this as the "political pathology of the country." Despite many instances of political failure as a result of poor political management during the past three decades, political elites and masses continue to believe in the importance of civilian politics. Thus the AID project should meet with receptivity from almost all sectors of Honduran political life. It promises to add vigor and quality to participation and democracy in the country.

The project design recognizes the fact that the crafting of the good political life through democracy has both a supply and a demand side. The supply side features revolve around the country's elite political leadership style and the structures fashioned by this elite to promote stronger civic institutions. The demand side emphasizes the need to raise mass awareness of rights, obligations, and duties that must be accepted if leadership and institutions are to be increasingly accountable and accessible.

Since Honduras' independence in 1824 from Mexico, the country has had 126 presidents and 13 constitutions. While political competition has been an enduring feature of political life, government institutions (the Congress, the court system and the national election council) which could promote and reinforce democracy are weak and fragile. The factors which explain this situation can be understood within the context of the country's political style, which is explained below.

1. Personalism, centralization and authoritarianism are critical characteristics of the Honduran policy. Power tends to be concentrated at the top; few leaders like to delegate authority because such is interpreted as a loss of power. Influence is structured along vertical lines through patronage networks which are reinforced by family networks.
2. The formal rules of political life, which have changed so frequently in the country's history, do not effectively govern the conduct of office-holders. Politics in Honduras is not yet governed by regulations which prevent the arbitrary exercise of power. Institutionalized public politics compete with "palace" and "barracks" politics. External intervention through covert activities further confounds efforts and incentives for civic politics.

Within this context, individuals and their exigencies of the moment take precedence over rules. Because no single set of rules is fully understood or accepted, key leadership roles are subject to continual redefinition in accordance with particularistic needs of the moment. Power and its maintenance becomes a central driving force in the system.

3. Politics in the country during the last three decades have tended toward a personal struggle to capture or influence the national government. Coalitions become critical to the personal leader because they give organizational coherence to the political aspirant's efforts and help to define his/her horizontal power relations with other elites (and their coalitions) and vertically with the masses who can provide support through voting.

This struggle is characterized by private and tacit agreements, prudential concerns and personal ties and dependencies rather than by public rules and institutions. The emphasis of politicians is on competition and conflict resolution, not on purpose and problem solving. Political leaders spend as much of their time looking backwards to protect themselves as looking forward in anticipation of programs. Accordingly, political rewards are related to individuals and groups jockeying for power, with minimal concern for the consequences to society.

Personal rule in Honduras is a dynamic world of political will and action that is determined by personal authority and power rather than by institutions. It is a system of relations based upon shifting coalitions which link rulers and would-be rulers with patrons, associates, clients, supporters and rivals.

4. The political process in Honduras has been almost totally absorbed with issues directly related to the maintenance and use of power. The political attention span of leaders of necessity is consumed with the tyranny of the short-term. Forward strategies for development are reduced to minimal efforts at incrementalism. Leadership tends to respond to particularistic interests of the moment. There is no tradition of public interest that can be defined beyond the narrow interests of the personal ruler and his coalition in power.

The necessity of meeting specific client needs, and the intensity of those clients' expectations and demands mitigates against general pressure for responsive government. Human and material resource shortages impose particularistic imperatives on public office holders that work against obeying any notion of the public good. There are few incentives to perform official duties with

probity because the personal imperative of meeting clients' needs has precedence. This imperative is all the more compelling given the interlocking networks of family, clique, ethnic, regional and sexual factors. General notions of accountability are replaced by particularized accountability in which given coalitions are able to capture and cannibalize the state for their own needs. Chamba, the provision of employment, becomes the driving leitmotiv of political life.

Within this context, the state becomes the object of power, not so much because of its ability to promote the image of the larger good, but because it is the mechanism through which private need can be addressed. Power is ultimately defined in terms of the ability to turn public authority into private benefit in both a material and a symbolic sense. General notions of accountability are replaced by particularized accountability in which given coalitions are able to capture and cannibalize the state for their own needs. Thus, the state provides the arena in which individuals and factions struggle for power and place rather than an arena in which groups or parties compete for policies and constitutional norms. State power in Honduras has historically been the major arena of privilege, far exceeding in importance the economic, social or religious arenas where elites normally interact.

5. Critical actors in the Honduran political process include political parties and their respective leaders of the moment; the military; which plays a very active political role; the country's chief executive, who has extraordinary power; the country's urban and rural labor unions, and the private businessmen's associations, which periodically mobilize public opinion; and the U.S. Embassy, which is often involved in the promotion and resolution of internal political disputes.

POLITICAL PARTIES

Political parties are important agents of political participation in Honduras. The Liberal and National parties are dominant political forces in the country. While there may have been noteworthy differences between the parties in the past, today there are few substantive issues which separate the organizations. Despite charges that neither party has been able to adapt to the impact of modernization in the country, both continue to maintain deep popularity with Honduran voters, who gave the two parties about 97 percent of the vote in 1985 presidential elections. Two minor political organizations, the Christian Democratic and Innovation and Unity parties, provide reformist options for the Honduran electorate. Neither party has shown any serious popular support, garnering a mere 50,000 votes between them in the last presidential elections.

In the past three decades party politics have rarely focused on policy issues which could directly improve the socio-political environment. Instead, party politics have tended to focus on internal leadership struggles within each organization. During the 1950's and 1960's the National party had difficulty consolidating under one leader. In the past two decades, the Liberal party has shown a marked tendency toward atomization. The effect of this factionalism has been twofold: (1) a political cannibalism that has victimized and debilitated the public sector through patronage and corruption, and (2) a high profile public policy role for non-party organizations such as organized labor, the private sector and the military.

If parties have not been central to the resolution of critical political issues in the country, why do they still enjoy such popularity? First, unlike in other emergent democracies where party affiliation may largely a function of pragmatic choice (e.g. Ecuador), in Honduras both pragmatic and emotional factors determine party identification. Voters realize that access, favors, and potentially a job are related to "militancy" in one of the two dominant parties. The parties' continuing concern for finding jobs for their loyalists reinforces the perception that party affiliation does matter. Recent efforts to forge a "pact of national unity" between the dominant faction of the Liberal party and National party leaders should be interpreted almost completely as an effort to lock in the formula by which state jobs would be rewarded or maintained for party followers.

Even though the country's population has doubled every twenty years since 1927, most Hondurans still tend to identify emotionally with either the Liberal or National parties, both of which date from the early 1900's. Inter-party competition had been very intense during the first third of this century, and this tradition has continued following the seventeen year dictatorship of Tiburcio Carías Andino (1932-1949). It was during this period in particular when Carías' intense partisanship cemented the necessity of party affiliation. Access was strictly along party lines. Liberals have never forgotten the dictator's harsh treatment toward them or their families.

Second, Honduran citizens have very low levels of political expectation and demands. The rural nature of the populace, its low levels of literacy and well being, and only limited state repression of the poor are explanatory factors. Even though the National party has tended toward greater conservatism, it has never been explicitly a tool of direct repression of the masses.

Third, party politics tends to be gross-class in nature, reinforcing the vertical, patronage oriented tendencies of rural societies. Because employment opportunities are limited and because there are few performance requirements, party participation offers the potential reward of a job, or at the very least, access to a friend or patron in a position to help. The two dominant parties have never forgotten this critical and primary dimension of citizen need. The tendency to formal "pacts" or agreements over the division of public jobs between the two dominant parties is evidence of this reality. Both parties tend to remain popular because of their ability to deliver patronage. During the 1970s, when the military was in power, the parties could have been seriously damaged by concerted cooptation of middle class and labor sectors. However, emotional ties to the parties and military mismanagement effectively resulted in their survival.

Moreover, party political style tends to be non-mobilizational in nature. Important decisions are made in private; consultation takes place, but in a highly limited and specialized fashion; information flows up; decisions come down. Ideological commitment is non-existent; pragmatic politics takes precedence. Party leadership skills are oriented to the promotion of an image where access and the short-term resolution of problems are the primary values. Procedure and appropriate behavior are determined by either the immediate patronage pay-off or the likelihood that differential access to power will be maximized in the near-term.

THE MILITARY

The military as a modern institution dates from the early 1950s. Prior to that period, the country had no professional armed forces with the exception of a small air force. Since 1956, the military has directly intervened in politics and taken power three times: to oust an unpopular rump government run by Julio Lozano in 1956; to oust a Liberal reform government shortly before its elective term ended in 1963; and to oust an elected civilian government in 1972 when it showed little aptitude for handling a serious rural uprising over land scarcity. On two of these three occasions (1956 and 1972), the military broke a political mismanagement deadlock which had practically paralyzed the country. In April, 1985, the military played a critical role when civilian leadership attempted to exceed constitutional norms and seek an extended term in the presidency.

Thus, despite occasional military excesses (periodic repression against all groups in the country, corruption, dictatorial rule), the military still retains credibility among almost all socio-political groups in the country. Testimony of this good standing is the important role which the Honduran military has played in the logistical aspects of the last two presidential elections. This role is even more impressive if compared with the deep suspicion that civilians have toward any military role in elections in either El Salvador or Guatemala.

While this credibility can help to explain the lack of polarization in Honduran politics, it also tends to diminish the need for complete consensus on the rules of the democratic game among civilian leaders, who know that the military plays a credible and often legitimate moderating role in the country's politics. Since the military controls the legitimate use of force in the country, and since most Honduran politicians eschew mobilization politics and reform-mongering, the incentive for expanded participation and hence greater popularity through public responsiveness is low. Thus, in a paradoxical way, the military plays a limiting role in the fostering of greater public participation in democratic decision-making.

THE CHIEF EXECUTIVE

Centralization, personalism, and the vertical nature of politics give the country's chief executive an extraordinarily important role in Honduran politics. Normally, the president, if he is a civilian, will be the leader of one of the two major parties. He will have arrived in power by virtue of the following conditions: he will not, for philosophical or practical reasons, constitute a threat to either the Honduran armed forces or the United States government; he will have emerged victorious from a sustained internal party competition which could have lasted as long as four years; he will be so involved in coalition building and patronage politics that he will have little time to focus on more enduring political issues and their policy implications.

Once he is in office, he will be under enormous pressure from followers to provide jobs and patronage which is the reward for loyalty and support. Because inter-party enmity is so deep and partisanship so strong, it is difficult for the chief executive to provide consistent leadership which transcends partisan needs. Thus, the public sector becomes an important mechanism through which the president can reward loyal followers. The judiciary and the TNE/RNP of necessity play a primary role in reducing the short-term pressures for patronage.

It is difficult for public policy initiatives to fare well in this context. While the Congress can take more initiative in this regard, the tradition has been for the executive to define and structure policy initiatives, either through legislation or through decrees. The lack of inter-institutional policy coordination at the executive level and the lack of programmatic orientations of the dominant parties reduce the prospects for policy which can address national problems.

6. Public institutions such as the unicameral Congress, the judicial system, and the National Electoral Tribunal (TNE) are secondary actors in the Honduran political process because of the distinctive nature of personal and coalition politics which has resulted in their partisan political intervention and because the military tends to be the ultimate arbiter of political conflict.

Because civilians do not trust each other and because of the weak civic tradition in the country, these critical public institutions are perceived as political vehicles for the fulfillment of personal needs. Their weakness, characterized by years of political abuse, neglect, under-financing and corruption, and inherent institutional limitations deriving from a lack of sound public administration in the country, combine to ensure a minimal capacity to respond to the challenges of the country's newly-emerging democracy.

THE CONGRESS

In its most recent incarnation, the Congress of Honduras has had several important functions, many of which had little to do with the legislative process and the representation of constituency interests.

Under President Roberto Suazo Cordova (1982-1986), the Congress tended to rubber-stamp his efforts. There was little interest or capacity to promote independent policy initiatives. The Congress only became a source of opposition when its president's political aspirations became manifest.

The Congress elected in 1986 has become more interested in policy initiatives and has not been as servile to the President as its predecessor. However, it serves primarily as a source of political patronage for the two dominant parties; loyal and

regular party militants have been rewarded with the opportunity to occupy a Congressional seat by senior party leaders. This opportunity gives Congressmen important patronage possibilities in their home districts and throughout the government. The measure of a Congressman's value to his party is a function of his loyalty to senior party leaders and his ability to gain access for his constituents.

By tradition, the Congress has also served as an important platform for ambitious political leaders. The body's president tends to be a candidate in the next presidential elections. Therefore, legislative behavior often is molded to that individual's personal political agenda rather than to a wider set of public policy issues. This especially becomes the case as the four year term comes to an end.

THE JUDICIARY

The country's judicial system has not played a strong, independent role in promoting democracy. Traditionally, the judiciary has been used as an instrument by the executive to promote the party in power. Political penetration starts at the top with the Supreme Court, which is nominally named by the Congress, but which in practice has been empowered by top party leadership. In turn, the president of the Court names lower court judges, numbering about 400. Judges are rewarded for political loyalty, not for the quality of their legal decisions. Indeed, a technical report on the Honduran judiciary found that recent military governments "have been characterized by the quality of the Supreme Courts they empanelled and the lack of serious interference in judicial operations." (FIU, CAJ, "Honduras Justice Sector Assessment," p.6). Political deadlocks at the top have been resolved by the military. Constitutional crises are resolved through "pacts" or through military cajolery rather than through judicial determination. However, control of the judiciary has been important to the party in power because of the on-going distrust among between leaders. Control of the judiciary is important to parties because it is another manifestation of their power. However, like the Congress, the judiciary has tended to be more important for patronage and political support functions than for the fair administration of justice.

The patronage possibilities through the judiciary are particularly compelling. Through four levels of the court system (the Supreme Court, the Appeals Court, the Juzgados de Letras and the Juzgados de Paz), about 400 judges are appointed every four

years. While the Supreme Court is selected by the Congress, lower court judges are appointed by the Court, which also has primary administration responsibilities for the entire system. Until the Career Judicial Law is implemented and until the Judiciary begins to receive its constitutionally-mandated percentage of the national budget (3%), and until there is better coordination within the Judicial system itself, the politicized nature of the institution likely to persist.

THE NATIONAL ELECTORAL TRIBUNAL

The National Election Tribunal (TNE) has played a critical role in Honduran elections since its inception in 1957. Three important functions exercised by the TNE are (1) the inscription and registration of political parties and their candidates; (2) the coordination and supervision of elections; and (3) the administration of the National Registry of Persons, which registers voters and prepares the national electoral census. It is the TNE which has the most direct responsibility in the country for the promotion of free and legitimate elections, including those mandated at the municipal and national levels.

By tradition, the TNE or its equivalent has been a front-line of political contention in the country. The 1957 electoral law provided for the institution to be composed of representatives from each of the three parties, a representative from the Chief of State and one from the Supreme Court. A new electoral law, promulgated one year later, provided for representation from each of the parties, three from the private sector and a total of five from the professional and labor organization in the country. The 1982 Constitution reduced representation on the TNE to the four political parties and the Supreme Court, with leadership of the body rotating among the party representatives each of the four years.

Because of the tradition of fraudulent elections, inter-and intra-party competition and the personal political ambitions of senior party leaders, the TNE is a major arena of political conflict in the country. Party representatives to the TNE are selected on the basis of their loyalty to superiors rather than because of their national stature and credibility. They are under continual pressure from party leaders and followers to represent first the immediate needs of their parties; consensus in decision-making is fragile and subject to intense consultation and debate. Rather than being a neutral and apolitical arbiter or political tensions in the country, the TNE reflects and reinforces these tensions, frictions and hostilities, especially

within and thorough the parties. Because each of the 18 administrative departments of the country has its own TNE, these problems are ramified throughout the system. In a real sense, while the TNE is mandated to be an important arbiter of political conflict, it usually reinforces and maintains tension.

One of the major issues of contention in the TNE focuses on the administration of the National Registry of Persons (RNP), which has three functions: to create a civil register recording births, deaths, marriages, adoptions and other vital statistics (name changes, etc.); to issue valid identity cards; and to update and maintain a national electoral census. The work of the RNP is nominally technical in nature. Without a smooth and efficient tracking mechanism of Honduran citizens, an accurate voting list would be impossible. However, there is very little confidence among rival political factions within the country that the RNP can be run apolitically. Like the leadership of the TNE, the RNP's presidency changes every year to give each party equal participation in its administration. Thus, like other aspects of the public sector, the RNP has continually been assaulted by rival party officials eager to ensure short term enrollment advantages for their organizations. While the possibilities for significant list manipulation appear to be small, the administrative and personnel discontinuities promoted by the RNP's politization have weakened the political systems' overall capability to promote greater confidence in the democratic process.

The smooth functioning of democratic politics through the Congress, the judiciary and the TNE/RNP, complicated by personal political ambition, party politics and patronage pressures, is further complicated by the military's political legitimacy among most of the country's socio-political groups. Whenever tensions become too great in the political system, the military is a critical actor in politics through both "push" and "pull" factors. Like other actors in the Honduran political system, it is subject to factionalism and divisiveness, both of which can further complicate and confound efforts for orderly institutional development. Nonetheless, the military plays a key role because power is more often than not checked by countervailing power rather than by institutional rules in the Honduran political system.

IV. Socio-Cultural Feasibility

The Strengthening Democratic Institutions Project will help to improve the effectiveness and efficacy of the Congress, the National Electoral Tribunal/National Registry of Persons and the judiciary. The project is ambitious in scope. It proposes to work with three important political institutions and to provide services and commodities to each in a non-political fashion. It proposes to provide public information throughout the country about the political, electoral and legal process, actions which in the past have been almost exclusively the domain of the political parties. Since few U.S. efforts in Honduras are seen by Honduran political leadership as apolitical, the project's multidimensional nature will be under constant scrutiny by individuals and groups who will be looking for favoritism and partisanship. Thus, there must be sensitivity to the political vested interests in the country which stand to lose their primacy if the project is effected. Resistance should be expected, particularly as a result of desinformation and misinformation which naturally surrounds such an ambitious project.

The project focuses on two aspects of strengthening democracy which are critical of the effort is to be successful: the supply side and the demand side. In the former, democracy is not just a form of governance, but a process as well. Leaders must be democratic and predisposed to democratic governance if democracy is to be sustained over time; their institutions, which mediate and channel political conflict, must be adaptive to the changing nature of citizen needs and function effectively and consistently.

But citizens in a democratic context can not be passive about their political environment. They must know and understand their rights; they should have some sense of the procedures involved in allowing for their participation and access and they must have some expectations about the ability of the political system, and its leaders and institutions, to resolve their problem.

Each of the components of the project is designed with attention to these dual aspects of strengthening democracy in Honduras:

Legislative enhancement efforts will function on the supply side to strengthen the administrative capacity of the Congress and promote greater professionalism among the Congress' deputies. On the demand side, the project will promote greater public awareness about the functioning and accomplishments of the institution.

Support for the civil registration process will enhance the institutional capacity of the National Electoral Tribunal/National Registry of Persons and promote the professionalization of electoral and registry officials. Mass media campaigns to promote greater awareness of registration and election procedures will likely improve citizen confidence and participation in the political system.

The third component of the project, judicial reform, is imperative in Honduras if citizens are to develop confidence in their political institutions. An effective and less politicized judiciary will enhance government accountability and provide for greater on-going security for citizens about how they relate to each other and their government. The project envisions a mechanism to strengthen the judicial institution in both its administrative as well as its leadership features. The public education aspect of enhancing the judiciary correctly focuses on raising public awareness about citizen rights and responsibilities.

In the current political climate, the project's success or failure will depend on several key factors: its understanding and acceptance by the key leaders of the two dominant political parties; its ability to avoid partisan issues; and acceptance and support from the armed forces.

National and Liberal party leaders will need to be fully committed to the project if it is to be accepted and implemented by the country's respective legal and political authorities. Intra-party factionalism, especially within the Liberal party, will increase the likelihood of public criticism of the project by one or another of the struggling factions, depending on whose factional interests are momentarily favored. Party leaders will determine the usefulness of the project not on its own merits alone, which have been recognized, but rather through the narrow self-interested calculus which has come to characterize party behavior in the country.

Because patronage (chamba) is key to political survival, possible public sector staffing changes engendered by the project will be eyed very keenly for the potential for parties (and their factions) to locate and reward loyal party followers. The current agreement between the two dominant parties splitting public sector patronage presents a unique moment for the implementation of a career civil services, which otherwise might be impossible if one party were to dominate public sector employment, as has been the case in the past (the Nationals during the 1960s and 70s; the Liberals during 1982-6).

Employment logic pressures are important not only in the large urban settings (Tegucigalpa and San Pedro); they are vitally important to party control at the department and municipal level, where party loyalty is rewarded with employment, even if the loyalist is not qualified. If this system of party solidarity comes to be challenged in fundamental ways through the proposed reforms (the establishment of a career judiciary and professionalization of the RNP), then resistance can be expected.

While party leaders be concerned about the impact of reform on job placement, another issue, perhaps more important comes into question. Parties struggle earnestly to place their loyalists into government

positions because deductions can then be taken from salaries as means by which to support the party. For instance, in the RNP currently, salary deductions are made in the following levels: Liberal Party (1%); National Party (5%); Christian Democratic Party (10%); and Unity and Innovation Party (10%). If RNP staffing and the placement of others in the public administration were to be based on professional, civil service criteria, and administration were to be based on professional, civil service criteria, and if employee were no longer dependent upon parties and party leadership for their jobs, then the financial underpinnings of the parties could collapse, causing a major political dislocation.

The project will avoid any appearance of partisanship. It is designed to promote institutional development through government agencies that have a role in enhancing the democratic process, but which in the past have been perceived by political leadership almost exclusively in partisan political terms: their function has been to promote and protect the political aspirations of the individual in power or the power seeker. Only secondarily have they been perceived as civic institutions which served a public purpose. The effect of the proposed project is to reverse this situation by rendering civic institutions increasingly efficient and accountable to the public while reducing the potential for their personalistic manipulation and partisanship. There will be winners and losers within each of the major as well as the minor parties. Shocks will be felt throughout the public sector.

Charges of partisanship could easily result from certain aspects of the project:

1. In the Congress, proposed reforms will have a contradictory impact on the Junta Directiva: on one hand, the overall professional capacity will be enhanced and the importance of the commissions in public policy initiatives will grow while that of the Junta will decline. Problems of party discipline may result. Since the Junta has been usually an important source of candidates for the country's presidency, any diminishment of its role can have partisan implications.
2. In the judiciary, efforts to implement a judicial career can have a heavy partisan cost at the local level, particularly among the 317 Juzgados de Paz, who are located in each of the 283 municipalities in the country.
3. In the TNE/RNP, two different problems present themselves. As it is structured, the TNE is purposefully a political instrument representing partisan interests. One interviewee called TNE appointees "electoral guard-dogs." Parties simply do not have

enough confidence and maturity to believe that the electoral process could be anything else but politicized. Fears of manipulation through the TNE are innate, historically valid, and logical. However, the TNE as it is presently constituted serves as one of the few fora in the country, aside from the Congress, where party members come together on a regular basis to discuss political issues. As such, it is potentially an important moderating device in the country. The fact that minority parties have equal access and leadership responsibilities (the presidency of the TNE is rotated each year) in the organization is remarkable. For instance in Colombia, the two dominant parties each have two seats on the Electoral Court and a minority party that follows in terms of presidential votes has one seat (See R. Santamaria and G. Silva, Proceso Político en Colombia (Bogotá: CEREC, 1986, p. 217). Any efforts to modify structurally the political balance in the TNE could have deep partisan implications and could diminish the project's thrust, which should be primarily aimed at the RNP.

Party leadership in Honduras has always been suspicious of the civil registration process because of the many opportunities to distort voter registration lists. Concerns of the legitimacy and purity of the 1989 list will be ongoing, particularly because of the real competition to enroll new voters (those achieving their majority as well as immigrants, refugees and exiles). The lack of real differences between the two dominant parties in terms of their platforms and positions complicates voter registration competition; the only way to distinguish between the parties, particularly in the rural areas, is the kind of access they can potentially offer. Trading party affiliation for access (particularly among immigrants) is a time-honored rural tradition. As the civil registration process becomes less subject to fraud and manipulation (as planned by the project), the likelihood for charges of partisanship by one of the parties or party factions will increase. National leaders believe that about 100,000 illegal votes were cast for the Liberal party in the last elections. Thus, they believe that it is in their interest to depurify the electoral census as soon as possible. The partisan implications are obvious.

4. Parties and other political interests in the country will monitor very closely the public information and leadership training programs. Only the armed forces and the chief executive in the public sector have a tradition of providing public information. In the past, parties have had the responsibility for voter education and leadership training. Thus, any efforts to enhance either could potentially meet with resistance unless the content is reviewed (and/or perhaps designed) in advance by the parties.

In summary, there are various cultural, economic, historical, and political interests and traditions that constitute potential sources of resistance to accomplishing the objectives of this project. These are balanced by two critical factors that give the Project a reasonable probability of success. The first positive factor is the strong consensus in the Honduran population that effective representative democracy is what the country wants and needs. The extremely strong and enthusiastic voter turnout for the 1985 election is an irrefutable indication that the Honduran population wants democracy and is willing to abide by the rules, even if the results do not always coincide with personal preferences and interests. The second positive factor is the political consensus that exists in favor of the Project. The Project has the active support of political leaders of all parties in all branches of the present Government. There is a willingness to sacrifice some immediate partisan resources -- patronage jobs, for example -- to make the system work better. There is widespread agreement concerning the deficiencies of the country's democratic institutions as they presently function, and consensus that improving their effectiveness is in the country's long-term best interest.

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