

PROJECT AUTHORIZATION
AMENDMENT ONE.

Name of Country: Peru
Name of Project: Administration of Justice
Number of Project: 527-0303

A. Pursuant to Section 534 of the Foreign Assistance Act of 1961, as amended, the Administration of Justice Project for Peru was authorized on June 24, 1986. That authorization is hereby amended as follows:

1. Section 1 is revised as follows:
 - a. The life-of-project funding is increased by \$850,000, from \$1,000,000 to \$1,850,000.
 - b. The Project Assistance Completion Date is extended by two years, from December 31, 1987 to December 31, 1989.
2. Section 3.B, Conditions Precedent to Disbursement, of the Authorization is amended as follows:
 - a. Item 2(c) is deleted and the following, in substance, substituted in lieu thereof:

"A Plan of Action and detailed budget for that subproject, approved by AID, the INP, and the Coordinating Office to cover the period ending December 31, 1987."
 - b. Item 3 is deleted, and the following, in substance, substituted in lieu thereof:

"Prior to any disbursement or issuance of commitment documents under the Grant for each subproject after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish an annual Plan of Action and detailed budget for such subproject, meeting the conditions specified in Section IV.C.3 of the Project Grant Agreement."
3. Add the following Condition Precedent, in substance, to the Project Grant Agreement dated June 25, 1986, replacing the Condition Precedent of Section VIII, B, therein:

Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office, prior to December 31, 1987 except for the purposes of establishing the plan and control system described below, the Grantee will provide in form and substance satisfactory to AID, an operating Plan and financial

control system for the Office, which will also be remitted to the INP for its information. Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish in form and substance satisfactory to AID an annual Plan of Action and detailed budget for the Office, which will also be remitted to the INP for its information. Any proposed modification to approved Plans of Action and budgets of the Coordinating Office must be submitted to AID for its approval.

4. Section C, Special Covenants, of the Authorization is hereby amended to require two project evaluation and audits at the end of 18 months of the project instead of after the first year and at the end of the project.
5. Add the following Covenants, in substance, to the Project Grant Agreement dated June 25, 1986:
 - (1) Insofar as the organizational structure of the Project is composed of the National Commission, the Coordinating Office, the Institutional Coordinators, and the Subproject Supervisors, the Grantee agrees to maintain these entities (described as conditions precedent) in effective operation for the life of the Project. Failure to do so will be deemed reason to stop grant disbursements partially or for the entire Project.
 - (2) The Grantee agrees to establish an effective inventory and control system for equipment provided under any of the project components.

Date: 31 AUGUST 1987

Donor M. Lion

Donor M. Lion
Mission Director
USAID/Peru

DR:LHammergren/CD:BDoe:icp

Clearances:

RHA: ANauton (draft) DEN

APROG: EVarillas W/iceu

ACONT: KRomwall RL

DR:MSilverman MS

ADD:RBonnaffon LB

No Fund Clearance

V

PROJECT AUTHORIZATION

Name of Country: PERU

Name of Project: Administration
of Justice

Number of Project: 527-0303

1. Pursuant to Section 534 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Administration of Justice Project ("Project") for Peru, involving planned obligations of not to exceed One Million United States Dollars (\$1,000,000) in grant funds ("Grant") over a 12-month period from the date of authorization, subject to the availability of funds in accordance with the AID OYB/allotment process, to help in financing foreign exchange and local currency costs for the Project. The planned life of the Project is nineteen months from the date of initial obligation.

2. The Project consists of assistance to the Ministry of Justice, the Public Ministry and the Judicial Power to carry out studies and implement activities which will strengthen some of Peru's judicial institutions and increase accessibility of such institutions to more Peruvian citizens. AID will finance training, technical assistance and commodities for the Project.

3. The Project Agreements, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with AID 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 AID may deem appropriate:

A. Source and Origin of Commodities, Nationality of Services

Commodities financed by AID under the Grant shall have their source and origin in Peru and in the United States, except as the parties may otherwise agree in writing. Except for ocean shipping the suppliers of commodities or services financed under the Grant shall have Peru or the United States as their place of nationality, except as the parties may otherwise agree in writing. Ocean shipping financed by AID under the Grant shall be financed only on flag vessels of the United States, except as the parties may otherwise agree in writing.

B. Conditions Precedent to Disbursement

1. Prior to any disbursement of Grant funds, the Grantee will provide to AID:

(a) evidence of the establishment of a National Commission composed of the President of the Supreme Court, the Minister of Justice, and the Fiscal de la Nacion, for the purpose of setting policy for the Project;

(b) evidence that a Coordinating Office has been established to serve as the technical arm to the National Commission, and that a Director has been appointed;

(c) evidence that the President of the Supreme Court, the Ministry of Justice and the Fiscal de la Nacion have each named a coordinator for the purpose of supervising subprojects.

2. Prior to disbursement of funds to each subproject, Grantee will provide to AID:

(a) evidence that a supervisor has been named for that subproject.

(b) evidence that appropriate mechanisms have been established for the administrative and financial management of that subproject.

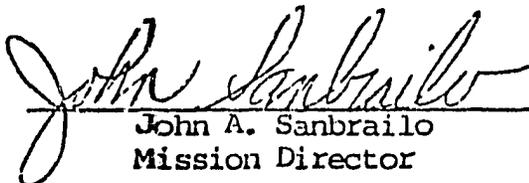
(c) a Plan of Action for that subproject, approved by AID and the Coordinating Office to cover the period ending December 31, 1986.

3. Prior to disbursement for each subproject activity after December 31, 1986, Grantee will present to AID a separate Plan of Action covering the period through December 31, 1987.

C. Special Covenants

The Agreement will contain a special covenant on evaluation, which will provide for an evaluation after the first year of the Project and will include an evaluation of program, identification of constraints, and assessment of how the evaluation might be used to overcome problems, and recommendations for adjustments and new activities for the future.

The Agreement will also contain a special covenant committing the GOP to study the possibility of the introduction of a judicial career system.


John A. Sanbrailo
Mission Director
6/24/86
Date

PROG:LAHammergren:rcc

Clearances:PROG:WGRhoads: (draft)

ADR:MJohnson: (draft)

SPD:JWall: (draft)

CONT:RBonnaffon: (draft)

DD:GAHill: (draft)

TABLE OF CONTENTS

	<u>Page No.</u>
List of Tables and Figures	i
List of Abbreviations and Acronyms	ii
I. <u>SUMMARY AND RECOMMENDATIONS</u>	1
A. Face Sheet	1
B. Recommendations	1
C. Summary Project Description and Financial Plan	1
D. Project Issues	3
II. <u>PROJECT BACKGROUND</u>	4
A. Overview of the Judicial Sector	4
1. Institutional Setting	4
a. Judicial Power	5
b. Public Ministry	7
c. Ministry of Justice (MOJ)	7
d. Additional Justice Sector Institutions	8
2. Constraints on the Sector	9
B. Project Rationale and Strategy	12
C. Relationship to USAID Strategy	14
D. Other Donors	15
E. Current Status of the USAID/Peru Administration of Justice Project	15
1. Background	15
2. Progress and Problems	17
III. <u>DETAILED PROJECT DESCRIPTION</u>	18
A. Project Goal and Purpose	18
B. End-of-Project Status	18
C. Project Components	20
1. Introduction	20
2. Organizational Component	20
3. Training and Professional Development Component	23
4. Planning and Modernization of Procedures	26
5. Basic Equipment Component	28
6. Outreach Component	30
IV. <u>PROJECT ANALYSES</u>	33
A. Technical Analysis	33
B. Institutional Analysis	34
C. Social Soundness Analysis	35
D. Economic Analysis	37

E.	Financial Analysis	37
1.	Summary	37
2.	AID Inputs	38
3.	GOP Inputs	39
4.	Recurrent Cost Analysis	39
5.	Disbursement Procedures	40
V.	<u>IMPLEMENTATION PLAN</u>	40
A.	Administrative and Monitoring Arrangements	40
1.	USAID Responsibilities	40
2.	GOP Responsibilities	41
B.	Negotiating Status	41
C.	Implementation Schedule	42
D.	Contracting and Procurement Plan	45
1.	Source, Origin and Nationality	45
2.	Procurement	45
3.	Procurement Schedule	47
E.	Evaluation Plan	49
F.	Conditions Precedent and Covenants	50
1.	Conditions Precedent	50
2.	Covenants	51

VI. ANNEXES

ANNEX I: LEGAL EXHIBITS

- Exhibit A: Statutory Checklist
- Exhibit B: Project Authorization Amendment No. 1
- Exhibit C: Environmental Threshold Decision
- Exhibit D: Request for Assistance

ANNEX II: TECHNICAL EXHIBITS

- Exhibit A: Description of Sub Projects
- Exhibit B: Project Budget Tables
- * Exhibit C: "Trip Report to Peru" dated April 26, 1986 by Luis Salas and Jose M. Enrico.
"Trip Report to Peru" dated September 28, 1984 by Luis Salas.

*Not published with this Project Paper. Copies on file in USAID/Peru, Development Resources Office.

LIST OF TABLES

	<u>Page No.</u>
Table 1. Summary Illustrative Project Budget (Pilot Project and Phase Two) by Component and Source of Funds. (US\$).	38a
Table 2. Summary Total Project Costs and Financial Plan by Project Inputs and Source of Funds. (US\$).	38b
Table 3. Summary of Total AID Project Costs by Project Inputs and Foreign Exchange (FY) and Local Costs (LC). (US\$).	38c
Table 4. Summary of Total Project Costs by FY and Source of Funds. (US\$).	38d
Table 5. Summary of Total Project Costs by Subproject and Source of Funds. (US\$).	38e
Table 6. Total AID Project Costs by Project Component and FY. (US\$).	38f
Table 7. Summary of AID Total Project Cost by Project Inputs and FY. (US\$).	38g
Table 8. AID Total Project Costs by Implementing Entity and FY. (US\$).	38h
Table 9. Summary of AID Total Project Costs by Project Inputs and Project Component. (US\$).	38i
Table 10. Summary of Total AID Project Costs by Project Component and Obligations Mechanism. (US\$).	38j
Graph 1. Distribution of Total Budget for LOP by Inputs	38k
Graph 2. Distribution of Total Budget for LOP by Project Components	38l
Graph 3. AID Total Project Budget by Implementing Entity	38m

Table 11.	Methods of Implementation and Financing	39a
Table 12.	Summary Illustrative Project Budget (Pilot Project and Phase Two) by Component, Implementing Agency and Source of Funds. (US\$).	Annex II Exhibit B, 1
Table 13.	Total AID Project Costs by Project Inputs and Foreign Exchange Costs (FX) and Local Costs (LC). (US\$)	Annex II Exhibit B, 2
Table 14.	Total Project Costs by Subproject and Source of Funds. (US\$).	Annex II Exhibit B, 3
Table 15.	AID Total Project Cost by Project Inputs and FY. (US\$).	Annex II Exhibit B, 4
Table 16.	AID Total Project Costs by Project Inputs and Project Component. (US\$).	Annex II Exhibit B, 5
Table 17.	Total AID Project Costs by Project Component and Obligations Mechanism	Annex II Exhibit B, 6
Table 18.	Illustrative Project Budget (Pilot Project and Phase Two) by Component, Project Year and Implementing Agency. (US\$).	Annex II Exhibit B, 7
Graph 4.	Project Total Budget Contribution by Participants	Annex II Exhibit B, 15

6

LIST OF ABBREVIATIONS AND ACRONYMS

ABS	Annual Budget Submission
CPs	Conditions Precedent
ESF	Economic Support Funds
FY	Fiscal Year
GOP	Government of Peru
INAP	National Institute of Public Administration
INF	National Planning Institute
LOP	Life of Project
MEF	Ministry of Economy
MOJ	Ministry of Justice
PACD	Project Assistance Completion Date
IFB	Invitation for Bid
UNDP	United Nations Development Program

I. SUMMARY AND RECOMMENDATIONS

A. Facesheet

B. Recommendations

USAID/Peru recommends the authorization of an additional \$850,000 Economic Support Funds (ESF) grant to continue to support the Administration of Justice Project (527-0303). This additional grant increment will be obligated through an amendment to the project, and will also extend the life of project for two additional years to a new Project Assistance Completion Date (PACD) of December 31, 1989.

C. Summary Project Description and Financial Plan

The Peruvian Judicial Sector like other judicial sectors in the region is characterized by its complexity, the wealth of traditions feeding into it, and by its increasing inability to cope with the demands placed on it. Factors contributing to its poor performance include inadequate human, material, and budgetary resources; lack of coordination among the institutions within the sector and the inconsistent and often conflicting legal bases of their powers; popular ignorance; misunderstanding and distrust of the sector; archaic procedures and management techniques; and an absence of accurate and adequate information on the sector as a whole or its individual institutional components which might serve as a basis for overall reform. While there is a growing consensus both within and outside the sector on the urgent need for improvement, the few measures taken by the GOP to effect this improvement have had minimal impact.

In response to interest shown by the GOP and to the US Congress's earmarking of funds for this purpose, and based on an analysis of needs by external consultants as well as the GOP technicians, an agreement for an 18 month Pilot Project to strengthen sector performance was signed on June 25, 1986. Funded with a \$1,000,000 ESF grant and \$1,000,000 of GOP counterpart, it financed studies and pilot activities to be implemented by the three principal sector institutions, the Judicial Power (Court System), the Public Ministry, and the Ministry of Justice (MOJ). It also provided for the creation of two entities, the National Commission and its Coordinating Office, intended as a start at a policy-making and planning institution for the entire sector. Phase Two extends the project for two years (to December 31, 1989) and adds another increment of ESF grant funding--\$850,000 and \$500,000 of GOP counterpart--to allow continuation and expansion of activities to date.

The goal of the project is to help build and sustain confidence in the Peruvian justice system by enhancing its ability to operate efficiently, effectively, and justly and increasing its accessibility to all Peruvian citizens. The purpose of the project is to support the GOP in developing programs to improve administrative, technical and legal performance of the principal institutions within Peru's judicial sector with particular, but not exclusive, emphasis on the area of criminal justice.

Project activities continue to be divided into five major components: 1) an organizational component to coordinate and manage the

individual subprojects and to provide a base for sector-wide policy making; 2) a training and professional development component; 3) planning and modernization of procedures; 4) provision of basic equipment; and 5) outreach. Due to delays in the organizational and initial planning phase of the Pilot Project, subproject implementation began only in March 1987. An extension would have been necessary in any case just to meet initial objectives. For this reason, and because of the considerable number of subproject activities already included, Phase Two will add no additional components. Furthermore, it will reduce rather than increase the number of subproject activities, emphasizing the most promising of those already underway and eliminating or significantly deemphasizing those whose performance has been less satisfactory. Operating plans for Phase Two will be based on the experience to date of individual activities and on information provided by the sector assessment.

Project strategy for Phase Two continues to focus on a mix of activities and on a learning-by-doing approach. While the major studies including the sector assessment will be executed in the first 18 months, concrete activities will still be as much a source of information on needs and alternative methodologies and solutions, as a means of effecting specific incremental improvements. A continuing emphasis throughout the subprojects is on improving planning and implementation capabilities of the implementing agencies, on educating individuals throughout these institutions on the value of an analytic, information based, multi-disciplinary approach to problem solving, and on encouraging a systematic view of the problems. Phase Two will also focus on increasing direct or indirect participation of other sector institutions and on generating support for the project throughout the sector and in the wider political system.

Phase Two is still considered as only the intermediate phase of an anticipated larger five-year project, and the beginning of a longer term effort to improve the justice system. Concrete outputs to be produced within this period include: 1) introduction of training programs for sector professionals and administrators; 2) implementation of a computerized data base system for judicial and administrative statistics; 3) strengthening of institutional planning capabilities; 4) creation of a sector-wide planning and policy-making body; 5) provision of legal services to low income populations; and 6) provision of basic office equipment to provincial courts and public prosecutors offices. All of these outputs will produce incremental improvements in overall system performance. However, given the lack of baseline data and the complexity of the change process, systemic improvements will be difficult to measure within the short time frame. The most important changes will be in the improvement of attitudes and institutional procedures relating to planning and introducing change, and in the elaboration of strategies and methodologies to achieve improvements in specific areas. These will provide a base for future efforts as well as giving them a specific direction and content.

The total Project cost (Pilot Project and Phase Two) is \$3.35 million of which AID will provide \$1.85 in ESF project grant funds. An additional \$1.5 million will be provided by the GOP in local currency.

D. Project Issues

1. This project continues to be extraordinarily sensitive both politically and organizationally. While the sector is not as characterized by partisan politics as are many other areas of government, it is divided by its own internal factions, based on personal and historical conflicts as well as inter-institutional jealousies. Hence, attempting to promote a consensus on the direction of change within the sector, its institutions, or at the subproject level is a difficult task and one requiring frequent compromise and negotiation. Many of the weaknesses addressed by the project (insufficiently trained personnel, negligible planning and project implementation capabilities, inadequate coordination) are the very ones which make its task more difficult. However, in this sector more than any other, there is a constant threat of appearing to pressure too hard and raising the issue of unacceptable external intervention in the heart of Peruvian democracy. Fortunately, the project is aided by the high priority given by the current Peruvian administration to improving the administration of justice. Future progress will depend on this wider political backing, as well as on the emergence of broadly-based and more specifically directed support within the sector.

2. Since the project is essentially an institution building effort, it is by definition a long-term undertaking. This also means that the first years' achievements could very easily suffer substantial setbacks. This is an inherent risk in this type of project and one which cannot be eliminated, although steps can and are being taken to reduce its impact. The principal risk reduction strategy is that of working on multiple fronts, both in terms of concrete activities and the support building effort. In the worst case scenario this would leave "islands of change" scattered throughout the sector. In the case of minor setbacks it would provide a base for a rapid recuperation of ground lost.

3. A third issue arises in the limited improvements that can be made under this project even in the best of circumstances. Long term goals will require longer term commitments, most of them in terms of financial resources, from the GOP itself. Thus, one aim of the project is to prepare the sector's institutions to make a more effective claim on those resources by demonstrating their capacity for improvement and by better preparing them to present and obtain appropriate budget requests. In addition, since there are critical areas (e.g. prisons, police) which the project cannot involve, improvements will also be conditioned by the availability of other programs (financed by the GOP or by other sources) which can operate in those areas.

4. A final issue, clearly related to the other three, is that of the sustainability of project efforts, especially beyond the project termination date. Two factors are critical: first, the creation of effective sector wide and institutional policy-making and planning bodies and their development of a widely-supported long-term reform plan, and second, the demonstration, through the project's concrete activities, that reform efforts can produce improvements. While many other variables may affect sustainability, either positively or negatively, these two, which not

12

coincidentally are principal aims of project efforts, are absolutely essential to transforming the current diffuse interest in reform into a long-term concerted effort, in which the project itself constitutes a first step.

II. PROJECT BACKGROUND

A. Overview of the Judicial Sector

The Peruvian Judicial Sector, like other judicial sectors in the region, is characterized by its complexity, wealth of traditions, and increasing inability to cope with the demands placed on it by the society and polity it serves. Organizationally, the sector comprises a variety of interrelated but relatively independent institutions, each with its own internal problems, and characterized overall by a lack of coordination among their interdependent activities. Since the sector as a whole is resource poor, a part of this lack of cooperation originates in conflicts over what resources are available. Other contributing factors are the inconsistent, often conflicting, legal bases of institutional powers, and the generally overwhelming demands placed on the sector by its rapidly changing political, economic and social environment. While there is a growing consensus both within and outside the sector on the urgent need for improvement, this consensus has so far only increased the level of internal conflict and, hence, the inability to respond constructively. Agreement as to what changes and improvements are needed, and how to achieve them, does not exist. One result of this impasse has been a further decline in popular faith in the sector, and the governing powers' confidence in it. In a society whose democratic institutions have long been under attack, this is a particularly alarming situation.

1. Institutional Setting

While this section, and project, focus on the formal institutions of the criminal justice system, it should be noted that: a) the judicial sector also deals with other types of conflicts--e.g. civil, military, labor, agrarian, etc.; and b) the formal system only accounts for a part of conflict adjudication. There has always been an informal judicial sector in Peru. Originally confined to more isolated regions of the country where indigenous laws and practices of conflict resolution still hold sway, it has more recently taken root in the urban areas as rural populations move into the cities bringing their traditions with them or creating new practices to compensate for their lack of access to the formal system. There has also always been an informal side to the formal sector, where legally defined procedures are moved along by a combination of influences ranging from personal, family, and business ties to out-and-out bribes. Both types of informality have become more significant in recent years because of the limited response capability of formal institutions. Hence, phenomena which previously were largely of interest to academic sociologists and anthropologists, now pose an active threat to the integrity of the formal system. However much the latter may dismiss them for their lack of legal status, the informal components and the needs they address must be taken into account in any effort to effect system-wide change.

a. Judicial Power*

The key institution within the formal sector is clearly the Judicial Power, Poder Judicial, an autonomous branch of government which includes the court system and its supporting administrative apparatus. Peru, as a unitary government, has principally a single hierarchical chain of courts. This description is somewhat modified by the existence of parallel military, tributary, agrarian and labor courts of which only the latter two are included in the Judicial Power. Courts operate according to a civil code tradition with Peru's own particular modifications--e.g. the existence of a separate Public Ministry responsible for public prosecution.

The Judicial Power is headed by the Supreme Court with its twenty seven justices, vocales supremos. The President of the Court during his one-year term is also head of the entire Judicial Power and responsible for overseeing its judicial as well as strictly administrative operation. His decisions are also subject to approval by a quorum of the Supreme Court Justices, Sala Plena. Approval by the Sala Plena is not automatic, and a Court President who is not careful to manage his political position within the Court may be severely hampered as to the actions he can take.

The next level in the hierarchy is composed of the twenty Superior Courts, one for each judicial district, corresponding approximately to geographic departments. Below these are the courts of the first instance, juzgados de primera instancia, divided into civil, criminal and juvenile jurisdictions. First instance courts number 386, of which 116 are located in Lima and Callao. Finally, at the very lowest level, are the approximately 4,500 justices of the peace who have a very limited role in criminal proceedings. However, because of their greater number (as compared to some 700 judges) and greater geographic dispersion, these individuals are the most direct contact with the formal system for the majority of the population in rural areas and urban slums.

While in theory Peru has a judicial career system, judges in fact may enter the hierarchy at any level, even at that of the Supreme Court, by substituting experience teaching or practicing law for years on the bench. Since salaries are low and it is generally acknowledged that the best law students do not enter the public sector, this practice has the advantage of attracting talented individuals at a later stage in their career, when the status of being a Superior or Supreme Court justice may compensate for the lack of material incentives. On the other hand, the practice is a source of

*At the time of writing (June 1987), the GOP is considering adoption of a new Organic Law for the Judicial Power. This Law contemplates some changes in the internal structure of the court system and in the duties and responsibilities of specific courts and types of judges. Since it is not yet evident what changes will be adopted and how rapidly they could be implemented, these are not addressed here. Whatever the outcome, the new law will not change the nature of the basic problems.

conflict within the system and has a further demoralizing effect on those who do enter at the bottom since they may see their chances for advancement limited. The practice of lateral entry, combined with the lack of provision for training judges at any level, further reduces professionalism and makes more credible the frequent charges that judges are unprepared to fulfill their role and may even violate the law while applying it.

The situation is still more critical in the case of the 4,500 justices of the peace, 80% of whom are untrained in law, no letrados. These individuals are legally prohibited from involvement in any but the most minor of criminal and civil cases, and are in theory appointed for only two-year terms. However, their very lack of training, the fact that a majority of them operate without any effective supervision, and their relatively high status within rural communities in particular (where they are also informally responsible for applying traditional methods of conflict resolution), means that the limits on their powers and tenure are often violated in fact. Proposals to remedy this situation by requiring that all justices of the peace be at least law students, have met with limited success only in the urban areas--where students may see this as an acceptable, if low paid, means of access to the judicial career. There are few candidates willing to be posted to the more isolated rural areas, where in fact they also may not be acceptable to the local population. An experimental program of training for the no letrados has provided interesting results, but has also encountered criticism from within the Judicial Power. (See Section II D., "Other Donors".) Opponents, including the current President of the Supreme Court, contend that this gives official approval to, and thus encourages, the spread of this semiprofessional role.

This same lack of training, limited material incentives, and prevalence of informal practices also characterizes the administrative side of the Judicial Power. Court management is in the hands of court clerks, secretarios, who in the case of the civil courts are not even paid by the State. They are instead appointed by the judge with whom they work and are reimbursed directly by litigants *on a fee system. In criminal courts, secretarios are public employees, but their salaries are very low and, it is widely acknowledged, normally supplemented by illegal fees charged to interested parties for processing papers and moving cases ahead. Generally, the burden of cases is so heavy and the administrative practices so archaic that bribery may be the only way of obtaining any results, although it clearly creates a situation where justice is available to those who can afford to buy it. In managing its own internal business, the Judicial Power also lacks professionalism. While the 1979 Constitution mandates 2% of the GOP budget for the Judicial Power, it currently receives only about 0.6%. The principal reason that it does not receive the full allotment is its inability to present a convincing budgetary case before the Executive and Legislative Branches due to a shortage of trained budget officers.

*As of late June 1987, secretarios of the civil courts become direct, salaried employees of the Judicial Power. Fees charged for services will go directly to the Judicial Power.

b. Public Ministry

The Public Ministry is headed by the Attorney General, Fiscal de la Nación, who is seconded by three deputy attorney generals, fiscales supremos. Approximately 700 public prosecutors, fiscales, are assigned to judicial districts throughout the nation. Although they are responsible for conducting investigations of criminal cases, they, like the judges, receive no formal training in this area, are poorly paid and lack the basic material resources needed to carry out their functions.

Until 1979, the public prosecutors were housed within the Judicial Power. The new Constitution placed them within the "semi-autonomous" Public Ministry which also has the function of "people's defender" (ombudsman), a role as yet vaguely defined and only partially implemented. Its recent creation has given the Public Ministry some advantages in being able to eliminate the worst of the traditional administrative procedures that handicap the Judicial Power at every turn. At least at the central level, the Public Ministry seems to have made administrative improvements. One concrete example was a greater success relative to the Judicial Power in presenting its 1987 budget before the Ministry of Economy (MEF) and receiving a larger percentage of its request. On the other hand, its separation from the Judicial Power has left it resource poor and much more disorganized in the provinces, and has also left some critical questions as to the relative powers and functions of the two entities. The newness of the Public Ministry and a certain disinclination to use resources on research and planning means that there is a basic lack of information about its operation, especially outside the capital district.

c. Ministry of Justice (MOJ)

The third central institution in the sector is the Ministry of Justice (MOJ), responsible for a variety of functions, including; 1) the Executive Branch liaison with the Judicial Power; 2) oversight for all legislation; 3) management of the prison system; and, 4) family welfare. The latter two are not addressed in this Project. Indicative of the general atmosphere within the sector, its liaison functions are as often characterized by conflict or lack of communication, as by cooperation. The MOJ, which is generally more responsive to the demands of party politics and the needs of the administration in power, is frequently accused of infringements on the autonomy of the Judicial Power. Of more importance, although less likely to attract attention, is its role in proposing and studying legislation which may affect the entire sector, but often without any consultation wider than its own offices. Its general role in overseeing the development of all legislation is severely hampered by the enormity of the task and its lack of trained manpower, and modern equipment and procedures. It is widely acknowledged that the mass of legislation in effect, much of it emitted as decree laws by ministries and other executive bodies, is filled with inconsistencies and contradictions. However, any attempt to simplify and modernize legislation, even within limited areas, has so far been frustrated.

The same is true of strictly criminal legislation where it is claimed that the urgent need for modernization of certain codes (for example to deal with "modern" crimes like terrorism and drug trafficking), is hampered by a lack of human and material resources. The resultant complexity and confusion further decrease public faith in the law whose application comes to seem a complicated, drawn out game, usually played more skillfully by private lawyers with private resources than by the representatives of the State.

Although the project does not include MOJ responsibilities in regard to the prison system, they must be mentioned. Here, too, limited human and material resources, political interference, and corruption create a situation of crisis proportions. It is widely acknowledged that effective control by the State stops at the prison gates. The situation is exacerbated by the inefficiency of the court system which means that a majority of prisoners (up to 70% in Lima) are awaiting trial, and that many, by the time they are sentenced, will already have served their time. Furthermore, a lack of effective information systems within the prisons and the courts, and the virtual absence of shared information, means that prisoners are often lost in the system.

d. Additional Justice Sector Institutions

Like the prison system, the police are outside the scope of this project. Again, mention must be made of problems caused by basic weaknesses within the police force (lack of professionalism, low pay, inadequate training and resources, conflicts among the various branches) and by lack of coordination and cooperation with the other elements of the judicial sector. While the level of manpower is not remarkably low for the region (1:250 citizens as opposed to 1:300 for Colombia and 1:400 for Chile), police performance leaves much to be desired as evidenced by very low levels of public confidence. Recent GOP efforts to reorganize and unify the three national police forces have so far produced only discontent, as witnessed by a recent national police strike, the first in over four years. Poor police performance further obstructs court efforts to administer justice and adds to conflicts with the courts when cases must be dismissed for lack of adequate evidence.

The list of institutions included in the judicial sector extends still further. Executive ministries and the Congress must be included due to their law-making function. Relevant problems have been covered in the section on the MOJ. The Executive Branch (and the legislature) also participate in various oversight functions in regard to judicial sector administrative details--e.g. approval of budgets by the MEF and the Congress, the planning function of the National Planning Institute (INP). The overarching problem is once again the lack of coordination and cooperation and, in the case of the Judicial Power, what appears to be a lesser priority assigned by the MEF and Congress to its budgetary needs. The latter is at least partly a function of being outside the inner circle of government, and the Judicial Power's own inabilities to present its budgetary case adequately, and overcome its reputation for being wasteful and inefficient in managing its resources.

Other institutions with a more limited but still important role include the national and local bar associations, the law faculties, the Court of Constitutional Guarantees (which has the final decision-making authority with respect to the constitutionality of legislation), and the entire system of informal laws and conflict resolution mechanisms. Some of these informal institutions have their base in traditional, indigenous practices. Others are of more recent creation filling the void left by a formal system of limited accessibility to a majority of the population. As noted earlier, members of the formal system often prefer to regard this informal system as something to be ignored or eliminated as quickly as possible. However, given the inefficiencies and ineffectiveness of the formal system, the costs of access to it, and the lack of popular confidence in it, simply hoping that informality will go away seems unrealistic. Active efforts to eliminate it are likely to meet with substantial resistance until the formal system proves more deserving of public confidence.

2. Constraints on the Sector

Some of the major problems and constraints on change have already been mentioned in the previous section, but the situation is so critical and complex, that the specific points bear repeating. The following is drawn from two consultants' reports dating from 1984 and 1985 both of which formed a basis for the project now underway.*

a. The legal system is inaccessible to a large portion of the population.

This is a function of costs of access, the length of judicial proceedings, the geographic distribution of facilities, a lack of confidence in the system, and the lack of knowledge of how the system operates. Access is least available to those of most limited resources, the urban and rural poor.

b. The administration of justice is misunderstood by the majority of the population.

For the majority of the population, largely but not exclusively those of limited resources, entrance into the justice system constitutes entrance into an unknown and unpredictable domain. There is a widespread popular ignorance of the basic processes extending to constitutional and human rights, the roles of functionaries, and such simple details as working hours. Complexities, inconsistencies and constant changes in the system affect even professionals' and staff's ability to understand the system and function within it to serve the public.

* Points a-h are taken almost verbatim from a report prepared by Luis Salas and Jose M. Rico for USAID/Peru dated April 26, 1985. A report prepared by Salas dated September 28, 1984, was also consulted.

c. The judicial process is very slow.

Many litigants encounter long delays in the justice system; which in most instances exceed the terms provided in the codes. This is due, among other factors, to: an excessive number of laws, the incongruence of legislation, the judicial caseloads, lack of planning in distribution of caseloads, poor distribution of judicial personnel, and lack of materials and equipment. Judicial delay leads to increased processing costs, as well as maintenance of prisoners, and contributes to the lack of public trust in the judicial institutions and their officials.

d. The judicial process is very expensive.

Resolution of a legal case is often financially disproportionate to actual processing costs. These inflated costs are largely due the series of fees imposed for processing documents which must be paid by the litigants. The excessive costs of access to the judicial system are a direct result of the severe budgetary constraints under which the judicial system must operate, as well as the poor control which the system exercises over budgets and operations. This situation contributes to the low regard in which the sector is held by the other branches of government and the general public.

e. The administration of justice is unjust.

The widespread public opinion of the judicial system is that it is unjust rather than just. This impression is largely due to the complexity of the system, the deficient training of judges and lawyers, the questionable ethical standards of judicial personnel, the inflexibility of the system and lack of discretionary power of judges, the political and economic pressures under which the system must operate, and the lack of resources available to judges to operate the system or to keep current with legislation and jurisprudence.

f. The justice sector inspires fear rather than trust among the majority of citizens.

All of the factors previously mentioned contribute to a public feeling of apprehension and fear towards the justice sector.

g. The administration of justice is inefficient.

The administration of justice sector in Peru appears to operate without any obvious management or administrative system, which in turn makes it one of the most inefficient branches of government. While it undoubtedly lacks resources with which to

operate, those that it has at its disposal are not put to their best use. This is due to: a lack of a coherent administrative system, a lack of qualified personnel, a judicial repugnance toward involvement in administrative matters, and a lack of sectoral planning and coordination.

h. Human, material and budgetary resources are inadequate.

The lack of qualified judicial personnel and legal staff leads to many of the problems encountered in the sector. Many observers believe that so long as judicial salaries are maintained at their current very low levels (a judge of the first instance earns approximately \$200 per month), the justice sector will attract less unqualified personnel. Additionally, the sector operates under severe economic and material constraints which undermine the morale of its staff and public confidence in the system. While all the blame is generally attributed, by the judges, to the Executive Branch, the low regard in which the judiciary is held by the other GOP branches and its lack of professionalism contribute to a vicious circle which reinforces popular and political distrust of the system.

i. Accurate and adequate information on the system is lacking.

One of the major impediments to improvements is the lack of adequate information on the system as a whole, or its components. Scarce resources, archaic record-keeping techniques, and a deemphasis on, if not simple prejudice against, research and planning mean that what information exists is incomplete, unreliable, and not easily accessible. This is true even within single institutions.

j. There is a lack of coordination and cooperation among and within the various components of the system.

The various institutions within the judicial sector, although functionally interdependent, have never been cooperative. There is considerable institutional jealousy among them which has been aggravated by resource scarcity and by the increasing demands on the system as a whole. Intra-institutional conflicts, the general bias against planning, and the virtual absence of any mechanism to allow coordination, further decrease the likelihood of any collective approach to resolving common problems.

B. Project Rationale and Strategy

Peru is facing serious threats to its socioeconomic development which are severely exacerbated by the perceived ineffectiveness and instability of its basic political institutions. The inherent weaknesses of its justice system are the results of a long term inchoate process, but have been aggravated in recent times by the specific threats posed by terrorist movements and drug trafficking, as well as by the increasing demands of a more politically active and aware population. The dimensions of the problems are sufficiently great to have drawn the attention of the two post-1980 constitutionally elected governments, but have been beyond their ability to resolve on their own. On a regional level, improved performance of democratic institutions and especially of justice systems has also become a priority of the US Congress and Executive Branch, which have made funds available to initiation of this type of project throughout Latin America. Hence, need, interest and resources have created the opportunity for beginning efforts on this front. The over-all goal is a long term one, helping to build and sustain confidence in the justice system by strengthening its ability to operate efficiently, effectively, justly and increasing its accessibility to all Peruvian citizens. The shorter-term strategy is to create the basis for a self-sustaining reform process.

The project is based on several assumptions about the nature of the problems of the Peruvian Judicial Sector and particularly the criminal justice system and about strategies most likely to succeed in resolving them. First, the problems are multidimensional, interrelated, and mutually reinforcing, extending across the series of institutions that comprise the sector. Any serious attempt at reform must respond to this complexity, introducing change at several points simultaneously so as to increase the likelihood of a permanent impact. As a corollary, it is also recognized that the problems encountered by the sector are of long standing and are linked to other social, economic, and political national issues. Hence changes attempted by this project can only be envisioned as one of many steps needed during a much longer process of reform.

Second, although there exists a consensus within the sector and within the society as a whole as to the need for reform, there is no agreement as to what should be done to effect system-wide improvement. Even within single institutions strategies for reform exist only as isolated suggestions for specific changes; past effort to effect these single dimensional cures have often brought more problems than they have resolved. There is also, it should be recognized, some disagreement as to what an improved system would look like, as to what values should shape any reform, and as to who should direct it. Thus, and hopefully without aggravating the incipient conflicts, this project's efforts at effecting improvements will also have to encourage institution- and sector-wide discussions of goals, strategies, and reform tactics. It will have to encourage the development within the sector of a new mentality about planning and directing change, and create and strengthen mechanisms to institutionalize this new perspective at all levels throughout the sector.

Third, the project cannot dictate the shape of the reform. Effective improvements must rely on indigenous solutions based on local or regional traditions. Earlier experience with the Law and Development movement of the 1960s and 1970s suggests the undesirability of imposing solutions drawn from US tradition. It also suggests that changes are more likely to take root if they are the product of broadly based discussions among those most directly involved.

Fourth, and despite the above caveat, AID does have a useful role as a catalyst not only in providing specific resources, but in encouraging certain processes (research, discussion, coordination, planning, strategizing) and broadening the number and type of alternatives under consideration. Specifically in regard to this last point, two actions are very important. The first is the series of activities aimed at identifying and maximizing the use of local resources in the form of individuals, groups, and organizations who can contribute to the change process either with specific ideas for reform or by supporting the efforts of others. Such resources do exist but they have tended to operate in isolation, often outside the central institutions of the sector. While this isolation is sometimes the product of a certain ideological distance from the judicial establishment, it more often is a simple consequence of the absence of any obvious point of access or any reason for seeking wider impact. An obvious case in point is the individuals and groups who have experimented with the application of automated data processing to judicial statistics or legislation. Another is the variety of groups who have sponsored legal services clinics.

Related to this is a second series of activities aimed at exposing Peruvians in the sector to alternatives and experiences from other countries in the region, and in some cases, in Europe and the United States. The existence of the Regional Administration of Justice Project (for Central America and the Caribbean) offers a series of possibilities since many of its on-going activities are in areas already of interest to the Peruvians. And finally, although examples drawn from outside the region may less frequently be directly applicable to the Peruvian context, there is the possibility of certain kinds of technological transfer.

A fifth and final strategic assumption arises from prior discussions with members of the sector and from experience with the initial pilot project. This is the necessity, based on the Peruvians' own perceptions, that the project from the start combine concrete actions with preliminary planning and research activities. In other projects of this nature, the usual strategy has been to conduct a full-scale sector assessment prior to undertaking any concrete activities, the notion being that too little is known about the state of the sector or about what needs to be done to allow rational selection and planning of activities. Peru is no exception to this rule. While it can be argued that all activities undertaken are necessary, it is also true that they could be better planned and coordinated. It is not evident, however, that a year's worth of sector assessment would have achieved this better planning. More important, it is apparent that wider support for the project, and willingness to engage in further assessments and studies, will be contingent on certain immediate returns. Unfortunately, the Peruvians have become very

cynical about the pay-offs of long-term studies and plans. AID does not share this opinion and has argued, successfully, for the inclusion of a sector assessment and several other studies within the project. However, AID does recognize the practicality of emphasizing immediate improvements as well as the possibility that a learning-by-doing strategy may be the wisest course in this type of project.

In summary, owing to these assumptions and certain practical necessities, the project is envisioned as a broad-based, multi-dimensional approach to a problem whose specific dimensions are as yet not fully defined. The project started with a list of specific activities which it is agreed are essential to any effort at improvement. It is expected that the experience generated by their implementation in combination with the series of broad-based studies to be undertaken simultaneously will produce constant readjustments in the overall shape and specific details of the project. To effect these readjustments and to allow movement toward an overall consensus on and strategy of reform, a second major focus of efforts will encourage the creation and strengthening of policy making bodies within and across the sector's principal institutions. In addition and in order to minimize potential risks of failures due to inapposite methods, the project includes a substantial evaluation component to provide current information on immediate and long term impact of activities. This should allow the modification or redirection of project components to meet unexpected results.

At the heart of this project is the assumption that reforms cannot be implemented without the national will to effect them. Thus, national institutions have been accorded primary implementation responsibility and have been closely involved in project design.

C. Relationship to USAID Strategy

The project directly supports one of the four major USAID/Lima policy goals, that of strengthening democratic institutions, as stated most recently in the FY 1988-1989 Action Plan and 1989 Annual Budget Submission (ABS). The presence of an effective justice system, in which there is widespread public trust and confidence, is one of the pillars of a democratic government. The existence of such a system is vital to a wider belief in the viability of a democratic form of government, and is essential to the effective performance of other democratic institutions. Furthermore, it contributes to establishing the kind of stable, more predictable environment most conducive to long term economic growth and development. Finally, an administration of justice project addresses problems which the current Peruvian administration has defined as critical and thus is correctly viewed as a sign of the USG's wider interest in supporting Peru's own development priorities.

It should be noted that the Peruvian project is related to and will benefit from the existing Regional Administration of Justice Project for Central America and the Caribbean. The regional project, which shares the same overall goals and objectives, began two years earlier than the Peruvian

22

project, and thus has certain lessons of experience to offer. Peru project funds will be used to buy into some of the regional services; in addition certain centrally-funded training opportunities at the regional center will be available to Peruvian participants and will be coordinated through the Peruvian project Coordinating Office.

D. Other Donors

Very little assistance in this field is currently being provided by other donors. The United Nations Development Program (UNDP) has shown some interest in providing assistance to the Judicial Power, but apparently has little funding available for any other than very short-term technical assistance. The German Neumann Foundation funded a pilot program for training judges, beginning with a short course for non-legally trained justices of the peace. While the program responds to a real need, it encountered resistance from members of the Supreme Court who believed it to be an inappropriate effort which would create an undesirable class of legal semi professionals. As a result, although this course was completed, the Foundation's plan to support additional judicial training has come to a standstill.

Another private institution, the Ford Foundation, has been active in human rights efforts by providing legal services to the poor, largely through non-profit organizations. While this effort is on-going, it too has run into resistance from the legal establishment who believe that the groups supported have been poorly chosen.

Interest has also been expressed by a variety of foreign governments and other foreign public and private institutions in providing smaller quantities of resources or technical assistance to specific judicial institutions. However, to date, there exists no satisfactory mechanism for receiving or channeling such offers. As a result, most go un- or underutilized. The AID Project is thus a unique, first-time effort to work with a variety of formal judicial institutions toward an overall reform. It is believed that it could also help provide mechanisms to channel other donor resources and serve as a catalyst for generating other sources of funds. It should also make the sector more effective in obtaining, and more efficient in using, resources from its own government. Thus, at no point is the Project redundant or in conflict with other donor efforts; on the contrary, it should serve to generate more donor cooperation.

E. Current Status of the USAID/Peru Administration of Justice Project

1. Background

The current USAID/Peru Administration of Justice Project, referred to as the Pilot Project, is funded by a Limited Scope Grant Project agreement signed with the Peruvian government on June 25, 1986, with an initial PACD of December 31, 1987. Activities under the agreement were financed with

\$1,000,000 of grant (ESF) funds and \$1,000,000 of GOP counterpart. It was agreed that the project would incorporate the three central institutions of the judicial sector; the Judicial Power, the MOJ, and Public Ministry, which had jointly submitted a proposal and letter requesting the project. This project amendment, referred to as Phase Two, will extend the PACD to December 31, 1989, and add \$850,000 of ESF grant funds and an additional \$500,000 of GOP counterpart funds. It is expected that more funds will become available in FY 88 and FY 89, and a Phase 3 in a yet to-be-determined format, will be added to the Project.

Twenty-three subprojects were financed under the Pilot Project*. One of them, the sector assessment, was included at AID's request. The agreement also stipulates the creation of a National Commission (composed of the head of each of the three institutions--President of the Supreme Court, the Justice Minister, and the Attorney General) to oversee the project at the highest level, and of a small Coordinating Office responsible to the Commission and charged with technical oversight and coordination. To manage subproject implementation and participation in institutional and common subprojects, each implementing agency was to name a project coordinator and subproject advisors.

Negotiations and discussions leading to the writing of the agreement produced a consensus to view this as a pilot activity emphasizing the development of action plans, studies and small pilot subprojects, all of which might lead to the extension of the project into a longer-term effort. Given the short time frame in which the actual agreement was drawn up, it was anticipated that at least the first three months after signing would be devoted to setting up the organizational structure and elaborating detailed plans of action before any subproject implementation could take place. In effect, start-up took over twice that long. It was substantially aided by the Coordinating Office which, even prior to its official creation, worked with the implementing agencies, USAID, the INP, and the MEF to keep the project moving.

Although 15 of the subprojects are now beginning implementation, the pilot nature of the activity suggests that readjustments will continue to be made. The activities included fall into five general categories: 1) an organizational component; 2) training of professional and administrative personnel; 3) planning (including studies) and modernization of systems and procedures; 4) provision of basic equipment; and 5) actions to increase accessibility of the system to the majority of the population, hereafter called outreach. While all of these are critical areas for improvement, the precise mixture and detailed nature of each is expected to vary both within each institution and among the three as the project itself generates more information on individual and common needs.

*For a list of the subprojects and a brief description, see Annex II, Exhibit B.

25

2. Progress and Problems

Project progress to date has already provided some valuable lessons on directions to be taken in any Phase Two. It is first apparent that there is a strong need to develop a broader and more detailed understanding of the project among key participants and to generate wider support for the project both within and outside of the judicial sector. Greater institutionalization is needed for such key organizations as the National Commission, the Coordinating Office, and the teams assigned to the project within each implementing agency. The members of the National Commission have only recently, after almost a year, begun to take an active interest in the project. Unfortunately this interest still demonstrates misunderstandings as to what has been accomplished to date.

One particular focus of misunderstanding has been the role of the Coordinating Office, which needs to be better defined. The importance of the Coordinating Office is well appreciated by project personnel within the implementing agencies, but not by the National Commission. The National Commission's lack of day-to-day involvement in the project, as well as the relatively short terms of its members means that such misunderstandings are likely to be a permanent feature of the project and one more reason for widening participation and support. In the short year the Project has been in effect, all of the original members at the National Commission have been replaced.

Finally, although experience to date has also demonstrated the lack of preparation within the sector for implementing any broadly focused reform effort, it also suggests the necessity of accelerating implementation of the subprojects already planned. There are two reasons for this. First, despite AID's resolve to conduct a sector assessment, it is not evident that such a document will be widely accepted as a basis for planning within the sector. It is much more likely to be useful to AID for its own planning and evaluation purposes and to increase its knowledge of the sector; skepticism on the Peruvian side about such studies will be hard to overcome. Furthermore, judging by the global focus of sector assessments done elsewhere, it is not evident how easily they can be translated into detailed recommendations for action. Smaller, more focused studies done in conjunction with specific subprojects will be of use in this regard.

Second, as it exists in Peru, planning tends to a very global abstract focus which with difficulty is translated into specific actions. It will be necessary to redefine this focus to emphasize concrete, measurable objectives and benchmarks, to develop real, rather than ideal solutions to problems, and to match resources available to projected results. The subprojects themselves will provide a means for introducing this redefinition.

III. DETAILED PROJECT DESCRIPTION

A. Project Goal and Purpose

The goal of this project is to help build and sustain confidence in the Peruvian Justice system by enhancing its ability to operate efficiently, effectively, and justly and increasing its accessibility to all Peruvian citizens.

The purpose is to support the GOP in developing programs to improve the administrative, technical, and legal performance of the principal institutions within Peru's judicial sector with particular, but not exclusive, emphasis on the area of criminal justice.

B. End-of-Project Status

Given the size and complexity of the task at hand, the limited resources available, the lack of reliable baseline data and the relatively short time frame (three and a half years), there are considerable difficulties in measuring movement toward overall project objectives. For example, while training programs are aimed at improving the performance of judges and public prosecutors, fiscales, in the specific sense of speeding up processing of cases, encouraging more equitable treatment, and increasing compliance with legal and technical criteria, we do not have sufficiently sensitive mechanisms in place to evaluate the impact of the Pilot Project and Phase Two. Even in the case of subprojects like the information management system, where certain intermediate outcomes may be more susceptible to measure (e.g. number of procedures or cases included in the data base, number of laws indexed, etc.), more time will be required before those outcomes can be translated into visible improvements in overall system performance.

In addition, given that these three and a half years are intended as only the mid phase of a proposed five year project, project status must realistically be measured against the latter time frame. After five years it should be easier both to measure improvements and to have improvements to measure. With this in mind, progress within the three and a half years is better indicated in terms of establishing baselines, setting and adjusting a course of action, redefining strategies, reaching agreement on an overall, long term reform program, and institutionalizing the mechanisms to implement it, even after the end of the project. Specifically, the following outcomes will be achieved by the end of the Phase Two:

1. A National Commission for the strengthening of the Peruvian justice system is fully functioning as a policy making body for the sector. It holds regular meetings, coordinates the activities of the three institutions and other entities within the sector, and is the principal forum for discussion of a sector reform program.

2. The Coordinating Office continues to function but responds directly to the National Commission, supporting its activities as a policy making body. Institutional subprojects are managed by planning bodies within their respective institutions. While monitored by the Coordinating Office acting for the National Commission, they rely very little on its technical assistance for day to day operations.

3. There is a completed sector assessment providing baseline data and a full analysis of sector problems. It has served as the base for the formulation of short, medium and long-term reform programs. This includes a system of specific benchmarks and a strategy for evaluating overall impact of the program.

4. Based on lessons from three and a half years of subproject activities and the findings of two evaluations, high priority areas have been selected for continued action and the most effective strategies and methodologies have been defined.

5. There are on-going training programs for sector personnel and each institution has developed a middle range training plan based on an assessment of training needs and its experience with courses financed by the project.

6. Each institution's administrative information system has been streamlined and basic data have been consolidated and computerized. These improvements have been implemented at the central level and detailed plans exist for extension to decentralized dependencies. One pilot judicial district outside of Lima has been partially computerized.

7. A computerized data base system for judicial statistics has been partially implemented and detailed plans elaborated for its completion.

8. A computerized index for all legislation has been designed and partially implemented.

9. Eighteen legal services offices are in full operation, five of them in the provinces. Their activities are centrally monitored, a plan exists for further expansion of the program, and training of staff is ongoing. Services are periodically evaluated and adjusted accordingly.

10. Office equipment has been provided to provincial courts and public prosecutors' offices in accord with plans for upgrading material resources.

11. Areas for and sources of further technical assistance have been identified and incorporated in the overall and subproject plans.

12. Outside sources of funding and technical assistance have been identified and incorporated into the program.

13. Coordination has been effected with other ongoing projects in the sector.

14. Wider support for the program has been generated within the government and society at large. One concrete indicator is relative increase in the budgets of the Judicial Branch and Public Ministry.

C. Project Components

1. Introduction

The pilot project has a complex organization because of the participation of three implementing agencies, the Judicial Power, the Public Ministry, and the MOJ. During the next year, it is anticipated that other sector organizations (the Lima Bar Association and selected universities) will be invited to participate, most probably by cooperating with subprojects managed by one of the three implementing agencies.

Project activities, with the exception of the "organizational component" are divided into 23 subprojects to be implemented directly by the three institutions. Under the pilot project, there are 18 "institutional subprojects" managed by a single institution and 5 "common subprojects" in which two or more institutions participate. (See Annex II, Exhibit A.) The project agreement makes provision for the addition or elimination of subprojects. Thus, although Phase Two will continue the activities already begun, the number and composition of the specific subprojects financed will vary according to evaluation of subproject progress and additional needs that may be identified over the next months.

2. Organizational Component

Two organizations have been created to coordinate project activities, a National Commission (composed of the President of the Supreme Court, the Minister of Justice, and the Fiscal de la Nacion) and a Coordinating Office which provides technical support to the Commission and to the three implementing agencies. These organizations will be maintained and reinforced during Phase Two since they are critical to project implementation and to longer run objectives.

The creation of these entities was a practical response to the difficulties of working through three relatively independent implementing agencies which had little experience with planning or implementing development projects. Although it was not envisioned that the National Commission would soon take an active role in directing the project, its existence was required to give the project a single formal head with which AID could discuss and negotiate issues of general policy. The Coordinating Office, created by the National Commission in accord with the provisions of the project agreement, in its technical assistance and coordinating functions, was to handle the day-to-day business of organizing the project. This included working with the implementing agencies in designing and planning their subprojects and helping

them through the initial stages of implementation; coordinating with AID, the MEF, and the INP in helping the agencies meet requirements imposed by these entities; and encouraging the development of teams of project personnel within each of the implementing institutions. Although the Coordinating Office was formally to provide support to the Commission, most of its activity over the first year involved support to lower level personnel within the three implementing institutions--including the institutional coordinators and subproject supervisors--in order to plan, define and initiate subproject implementation.

The lack of preparation and frequent changes of personnel assigned to the project within the implementing agencies has prolonged this stage of the Coordinating Office's work. It is further evident that even in Phase Two this kind of basic assistance will have to continue. The Coordinating Office is trying to simplify its task by encouraging the formation of permanent teams within each institution and by training them to take on a greater share of the responsibility. In Phase Two, both the Office and the Commission will be encouraged to move to a new level of planning, that of formulating an overall plan for reform at the institutional and sector level. This will entail several specific steps. First, the National Commission which only recently has attempted to take an active role in project oversight, will have to better define that role and to establish, with the assistance of the Coordinating Office, a more systematic means of informing itself on the state of the project. Second, a means must be found for making the Commission more representative of the sector as a whole, most probably by inviting the attendance of representatives from other entities and also making its activities more public and more formal. In short it must come to represent more than the views of three agency heads who meet infrequently, but rather become a national forum for discussion of sector-wide issues.

Third, the relationship of the Coordinating Office with the Commission must be strengthened, especially in regard to the overall policy making role of the latter. In addition, the Office itself should now turn more of its attention to the question of overall policy as well as that of evaluating subproject progress and processing for the Commission findings from project activities and the various studies sponsored under the project. The larger aim here, and one which transcends the immediate project, is to promote the Commission and the Office (or whatever other technical support the Commissions should require) as a national policy making body for the sector.

a. Outputs

1. National Commission

Conducts formal, at least quarterly, meetings with a formal agenda, including reports from the Coordinating Office on Project progress.

Invites representatives of other sector entities to attend meetings, if not as formal members, at least to participate in discussions.

Creates subcommittees as necessary to focus on discussion of certain common problems. Subcommittees are active and present findings and recommendations to the National Commission.

With the aid of the Coordinating Office, explores ways to attract funds from other potential donors and develops mechanisms to utilize their cooperation.

By the end of the third year, and with Coordinating Office assistance, formulates a general policy and medium and long term plan for sector reform.

ii. Coordinating Office

Supplies bi-monthly reports to National Commission on state of the project, and suggestions for agenda of Commission meetings. Copies supplied to AID.

Helps coordinate and participates in evaluation of subproject at end of Phase 1. Briefs Commission on findings and recommendations.

Participates in the redesign or design of new projects proposed by the Commission or its members.

Utilizing the lessons learned from subproject implementation, the findings of the sector assessment and other studies financed under the project, and other relevant sources, produces a series of reports on sector problems and alternative solutions. The emphasis will include possibilities for coordination of efforts across institutions. Reports presented to National Commission, AID and other relevant entities.

Serves as a principal liaison with the Regional Administration of Justice Project and other national efforts, providing information on activities and accomplishments to the National Commission and to interested parties within the project. Also coordinates occasional visits of sector personnel to the regional project office.

Provides information to Commission on other donor efforts in sector and investigates possibilities of other donor cooperation with project.

iii. Project Teams at the Institution Level

Proceed with implementation of institutional and common subprojects.

Provide quarterly reports on subproject progress to Coordinating Office for transmittal to National Commission.

Elaborate medium-range plan for institutional reform using project resources and funds from other sources. Plan should also explore possibilities of inter-institutional cooperation.

b. Inputs

Project financial inputs are approximately \$313,000 of grant funds and \$30,000 of GOP counterpart provided to the Coordinating Office for its basic operations. The Commission and the institutional teams are to receive no specific project funding for their operation. However, approximately \$24,500 (\$23,000 grant and \$1,500 counterpart) in the line item "Training" is being set aside for Commission use in travel and training related to the project. (See Table 1 and 18.)

3. Training and Professional Development Component

As noted above, one of the principal contributors to the sector's poor performance is the quality of its human resources. While the problem is a very complex one with roots outside the sector, a solution would be greatly facilitated by higher salaries. This is unlikely in the short run and outside the possibilities of the project. Hence the immediate remedy and one which, if well executed, will provide improvement (especially if other project components reinforce its impact), is training to improve the capabilities and refocus the perspectives of sector personnel. All three institutions have proposed training programs for both professional and administrative staff, although those for the MOJ are programmed as part of other component activities. Although the initial proposal was for separate programs for each institution, the possibilities for coordinated action will be explored during Phase Two.

This second stage of the project does not contemplate new training programs (except for earmarking some funds for administrative staff), but rather a continuation, upgrading, and expansion of those already in operation. Although both the Judicial Power and the Public Ministry had in theory some sort of training program prior to the initiation of the pilot project, they were in essence starting from scratch. The initial proposals were very ambitious, envisioning the creation of formal academies with the contracting of permanent professional and administrative personnel. They have moved to a more realistic strategy, beginning with a series of pilot courses and seminars. These will also be used to further evaluate training needs and the capabilities of prospective students--in this case judges and public prosecutors. Because the institutions' lack of experience in this area may

inhibit progress and limit the desired impact of those courses they do execute, Phase Two includes funding for technical assistance, using where possible the services of the regional project. An effort will also be made to encourage provision of courses for administrative personnel. Here it is possible that joint courses may be acceptable, including personnel from the MOJ. One area where joint efforts have already been accepted is in the common subproject training judges and fiscales in investigative techniques. Support will be continued here at an increased level.

Two subprojects financed under the pilot project will receive no additional funding in Phase Two. Support was provided to reactivate the professional journals published by the Judicial Branch and Public Ministry. First year support is regarded as start-up funding for activities which the respective institutions must now finance on their own.

a. Outputs

i. Judicial Power

Three regional seminars (on the new organic law for the Judicial Power) for judges conducted in pilot phase. Outcome evaluated to serve as input to institutional training plan for Phase Two.

Three more regional seminars conducted, modified according to first year results.

Design and implementation of three entry level courses for judges of the first instance, one in Lima and two in the provinces.

Design and implementation of course for court clerks, secretarios. Pilot course to be given in Lima and at least two others in provinces.

Design of seminars for judges in practice. Pilot seminar for 50 nationally selected participants conducted and evaluated.

National workshop on training for judges. May be in conjunction with a Regional Project course, using AID/W funding.

Evaluate second series of courses and workshops and revise training plan accordingly.

ii. Public Ministry

Course for entry level fiscales developed and implemented in pilot phase. Course designed in pilot stage for fiscales in practice.

23

Survey of national training needs completed by end of Pilot Project. Medium-range training plan developed.

Improved entry level course for fiscales designed and implemented. Four courses, two in Lima and two in provinces.

Specialized course for fiscales in practice implemented. Three courses given by end of Phase Two, two outside of Lima.

Second series of courses evaluated and training plan revised accordingly.

iii. Joint Projects

Special course for 40 fiscales and judges given in first year redesigned in accord with findings of pilot effort. Four additional courses given, at least two outside of Lima.

Courses for administrative personnel from all three entities focusing on basic administrative functions--e.g. accounting, procurement, personnel management, basic office management--designed and implemented. May involve cooperation of National Institute of Public Administration (INAP)--and will be conducted jointly by training staff of Judicial Power and Public Ministry. Course will also be open to MOJ personnel. At least 3 courses given in 3 separate functional areas.

b. Inputs

Project financial inputs are estimated to be \$245,000 in grant funding and \$175,000 in GOP counterpart. Of this, approximately \$103,000 in grant and \$70,000 in counterpart will go to the Judicial Power's training program; approximately \$60,000 in grant and \$55,000 in counterpart to the Public Ministry's program, and \$47,000 in grant and \$35,000 in counterpart to the special training program for judges and fiscales. The pilot course for administrative personnel, to include the MOJ, will receive approximately \$20,000 in grant and \$5,000 in counterpart.

Among the four training programs, the functional division of funding (both grant and counterpart) is as follows in approximate figures: \$53,000 for short-term technical assistance (both national and foreign); \$167,800 for operating expenses (largely salaries of professional and administrative staff, including short term contracts for course instructors), \$130,000 to cover associated expenses (largely travel and per diem for instructors, staff and participants) and \$35,700 for commodities (course instruction materials and some office and classroom equipment).

The two professional publication programs, funded only in the first phase, received \$15,000 in grant and \$10,000 in counterpart. Of this, \$4,500 was for short term technical assistance, \$12,500 for commodities, \$1,000 for operating expenses, and \$7,000 for publication costs. (See Tables 1 and 18.)

4. Planning and Modernization of Procedures

The pilot project contained a planning and studies component which, while behind schedule, should be largely completed by the end of 1987. Separate "planning" subprojects are not contemplated for the Phase Two, although the institutional planning offices will be involved in subproject planning and implementation and in that sense receive on-the-job training and technical assistance. Efforts will also be made to integrate planning personnel into other training programs to increase their direct involvement in all stages of the project. The MOJ's "Planning" and "Basic Equipment" subprojects were really a first step at introducing computers into planning and ministry management. Support will be continued to this effort under the larger information management subproject described below.

In terms of total investment of resources, the major part of the studies activities will also be completed with the Pilot Project. The six* initial studies projects will receive no further ending in Phase Two. Attention will now be turned to further analysis of the findings and their incorporation into overall planning as well as that of specific subprojects. The Coordinating Office will oversee these activities.

Emphasis in this component will shift during the Phase Two to modernization of procedures, with an expansion of the "Information Management Systems Subproject" (formerly "Electronic Data Center") and the "Center for Juridical Research and Documentation Subproject" and the addition of a new subproject, "Court Management". With the completion of the "Information Management Systems" study, steps will now be taken to implement the plan and simultaneously to help individual agencies with their own information systems. In the latter aspect, emphasis will first be placed on internal management since the initial study focused on judicial statistics and legislative revision. Two exceptions receiving separate attention are the MOJ's own subproject on law revision ("Center for Juridical Research and Documentation") and the Judicial Power's interest in moving ahead with two pilot efforts (one in Lima and one in a provincial judicial district) to computerize case management.

*Two other subprojects ("Electronic Data Center" now titled "Information Management Systems"--and the "Center for Juridical Research and Documentation") began as studies, but are not included with these six studies since each was intended as a prior step to the direct implementation of a much larger activity.

35

The "Court Management" subproject is clearly related to the Court's interest in computerizing caseloads. It will be mounted first as a study project, focusing on gathering information on experiences of other countries in the region. This will involve some travel for individuals to court management centers in the region and also in the United States. By the third year, emphasis should shift to designing and implementing training programs (including some individual training outside Peru) and to designing and implementing improved systems.

a. Outputs

i. Coordinating Office

Outputs covered under this component above.

ii. Three Implementing Agencies

Technical assistance and training programs for planning offices completed by early 1988.

Sector assessment and 5 other studies completed by early 1988. Study findings and recommendations used to adjust subproject, institutional and overall project plans.

Feasibility study completed and first stage of electronic data center implemented--following recommendations of study completed under pilot project.

Computerized internal information management systems for administrative functions (budgets, personnel, acquisitions, inventory, etc.) initiated or upgraded for three implementing agencies. New systems coordinated with activities of "Administrative Training Subproject."

Introduction of computerized systems for document reception and distribution center, mesa de partes of Supreme Court.

Implementation of the Judicial Power's computerization component of its pilot judicial district.

Implementation of MOJ's law revision ("Center for Juridical Research") subproject begun. Software designed for legislation indexing activity.

"Court Management" study completed with focus on collecting information on experiences elsewhere in the region and on programs of court management institutes to which students or potential faculty for a Peruvian institute might be sent. Program for court management improvement elaborated and first training programs initiated.

26

b. Inputs

Total cost of this component is estimated to be \$661,000 of which approximately \$431,000 is USAID grant and \$230,000 counterpart. All following budget breakdown figures for this component are estimates only. Of this, \$281,000 (\$171,000 in grant and \$110,000 in counterpart) is for the "Information Management Systems" subproject. Specific breakdown of this sum will follow the recommendations of the study for the integrated computerized data system now being conducted. However, major items programmed provisionally include long term technical assistance (\$77,000 in grant funds and \$18,000 in counterpart), short term technical assistance (\$24,000 in grant and \$11,000 in counterpart); hardware (\$20,000 in grant and \$10,000 in counterpart) and software (\$37,000 in grant and \$30,000 in counterpart). The most critical element is the long term technical assistance, the small team which will be contracted to manage implementation of the study and to provide additional assistance to the three institutions in developing their own internal information systems.

The MOJ's separate "Center for Juridical Research and Documentation" subproject is budgeted at \$70,000 in grant and \$45,000 in counterpart. Although the development of its law revision program will be coordinated with the "Information Management Systems" subproject, it will have its own long term technical assistance (\$26,000 in grant and \$10,000 in counterpart) and is also allotted \$6,000 in grant funds for hardware purchases and \$22,000 (also in grant) for software purchase or development.

The "Court Management" subproject, a new activity to begin with Phase Two, will receive a total of \$35,000 (\$25,000 grant and \$10,000 counterpart). Of this, \$12,500 is for short term technical assistance and training, \$11,500 for operating expenses, and the remainder for commodities, travel and related expenses.

Of the remaining funds, \$145,000 of grant funds and \$45,000 in counterpart were allocated to the six studies conducted under the Pilot Project, and \$20,000 in grant and \$20,000 in counterpart went to strengthening planning offices in each of the implementing agencies. (See Tables 1 and 18.)

5. Basic Equipment Component

As in the pilot project, provision of a limited amount of basic office equipment will be a part of Phase Two. While no one believes that an "equipment drop" is a solution to the sector's problems, basic resources are so scarce as to impede other change efforts. Much of the equipment already purchased has been done in support of other subprojects; more effort will be placed this time on assuring still greater coordination and on tying this in with a longer term acquisition plan.

Several priorities will receive greater emphasis in Phase Two. First, in line with the GOP's national development plan, highest priority will be placed on providing basic equipment to the most depressed regions of the country. To assure that this equipment will be fully utilized for its intended purposes, distribution will be coordinated with basic training programs and with a plan for maintenance and inventory. Second, in the case of the Judicial Power, and possibly the Public Ministry, part of the equipment will be used in conjunction with a comprehensive pilot program in one judicial district. The program will also include training, modernization of basic procedures, and the introduction of a limited computerized information management program. Third, given the high priority assigned by all three to the integrated and institutional computerized information management subprojects, part of the investment will go toward the purchase of five microcomputers for the Judicial Power to put it on a par with the other two institutions to allow coordinated implementation of the program. Finally, while some support will still go to the MOJ, most equipment purchases will be for the Judicial Power and Public Ministry, which because of their decentralized structure have greater needs.

a. Outputs

i. Judicial Power

All equipment purchased under pilot phase distributed, installed and in use; inventory system designed and implemented.

Inventory of equipment needs completed and multi-year acquisition plan designed.

Inventory and maintenance system upgraded for further purchases under project.

Selection of pilot judicial district and design of program for it in conjunction with other subprojects.

Five microcomputers used in institutional and integrated information base management program.

Equipment purchased and distributed in accord with acquisition plan. Basic training program for use of equipment designed and implemented.

ii. Public Ministry

All equipment purchased under pilot phase distributed, installed and in use; inventory system designed and implemented.

Inventory of equipment needs completed and multi-year acquisition plan designed.

2/3

Inventory and maintenance system upgraded for further purchases under project.

Coordination effected with Judicial Power for possible participation in their pilot judicial district.

Equipment purchased and distributed in accord with acquisition plan. Basic training programs for equipment use designed and implemented.

iii. Justice Ministry

Computers (5) and office equipment purchased under pilot phase installed. Training programs for computer users completed and use of computers coordinated with information management subproject.

Inventory of equipment needs and acquisition plan completed. Second stage purchases made in accord with plan.

Inventory and maintenance system upgraded.

b. Inputs

Total cost of this component is estimated to be \$590,000 (\$355,000 in grant and \$235,000 in counterpart) to be used in purchasing basic office equipment most of it for the provincial offices of the Judicial Power and Public Ministry. The equipment to be purchased will be largely manual and some electric typewriters, radio equipment for the provincial public prosecutors offices, desks, file cabinets and basic legal texts. Under the Pilot Project, \$30,000 of grant funds were used to purchase 5 microcomputers and related equipment for the MOJ. In Phase Two, another approximate \$35,000 will be earmarked for a comparable purchase for the Judicial Power (See Tables 1 and 18.)

6. Outreach Component

The outreach component has been largely an interest of the MOJ which initiated four projects in this area: 1) "Popular Libraries"; 2) "Casas de Justicia" (decentralized court houses in metropolitan Lima); 3) "Legal Information Offices" (offices offering legal advice and basic services to low income population in urban and rural areas); and 4) "Training for Access to the Justice System" (a program of workshops and seminars aimed at training legal professionals in the new legal codes, Constitution and basic human rights.) Ideally there should also be a project on the almost nonexistent function of public defender, but since the Judicial Power has shown no interest, and has enough other activities to occupy it, this is not included at present.

The "Popular Libraries" subproject (to publish inexpensive editions of the Constitution and other basic documents for popular distribution) remains a priority of the MOJ. It will continue to be funded but at a lower level and its coordination with the other subprojects under this component will be encouraged.

The "Casas de Justicia" subproject is not appropriate for AID funding, largely because the proposed construction activities seem unrealistically costly (\$3,000,000) given Peru's budgetary situation while the proposed additional funding (to come from the Public Treasury) for the entire undertaking has been withdrawn. Since it is of very high priority to all three implementing agencies, funding was provided under the Pilot Project for architectural studies, but no further support is contemplated. It is hoped the existing financial support can be redirected to elaborating a more realistic plan for meeting the needs addressed by the subproject. Suggestions already under consideration including upgrading office of justices of the peace in these areas, or renting and refurnishing existing buildings to serve as temporary courthouses. These or other alternatives would aim at decreasing congestion of the central court house and decentralizing the metropolitan court system.

By the end of the pilot stage, the MOJ will have in operation 15 legal information offices, most of them in the urban slums, pueblos jóvenes, of Lima and Callao, with three located in similar areas of two major provincial cities. Continuation of this subproject will allow the opening of three new offices outside of Lima, but will focus for the most part on upgrading the operations of those already in existence. Services offered and overall coordination will be readjusted and improved in accordance with first year performance and the findings of the first evaluation. Grant funds will be used to better equip offices while most of the operating expenses will come out of GOP counterpart. Grant funds will also be used for technical assistance and training programs for office personnel, both activities of which will require more attention in Phase Two.

The subproject "Training for Access to the Justice System" will be continued with funding comparable to the initial level. Emphasis will be placed on readjusting the program in accord with the first year experience, increasing the number of events sponsored, and implementing them on a nation-wide basis. This subproject will also be used to increase knowledge of and interest in the project and to this end will be coordinated with other subproject activities--for example, opening of new legal information offices, the popular libraries, or distribution of equipment under the various goods and services subprojects.

a. Outputs

i. Popular Libraries

Selection and distribution of publications revised according to end-of-year evaluation.

110

ii. "Casas de Justicia"

Realistic decentralization plan developed to reduce court congestion in Lima and facilitate access to populations of Lima's northern and southern urban slums.

iii. Legal Information Offices

Fifteen offices installed and operating (12 in Lima-Callao, 3 in provinces) by late 1987.

Three new offices opened and providing services outside of Lima-Callao area in 1988-89.

Services and operating procedures of offices revised in accord with findings of first year performance and end of Pilot Project evaluation.

System for monitoring office performance designed and implemented. Plan developed for further expansion of program nation-wide.

Survey of equipment requirements and uses conducted as basis for further purchase and distribution of equipment.

Training program for office professional and administrative staff designed and implemented. Three courses given, one in Lima and two in provinces.

Distribution coordinated with legal services offices and training for access to system subproject.

iv. Training for Access to Justice System

Four short courses for a total of 160 participants given in Lima-Callao area.

Course content, methodology, and participant selection process revised according to first year performance and end of year evaluation. Medium range plan devised.

Annual number and variety of courses increased, with special emphasis on provincial areas.

Mechanisms introduced for coordinating this program with training subprojects of Judicial Power and Public Ministry. Participation of judges, fiscales, officials of bar associations, and university law faculties encouraged.

11

b. Inputs

Total cost of this component is estimated to be \$1,030,000 (\$305,000 in grant and \$725,000 in counterpart). Of this, the "Popular Libraries" will receive approximately \$55,000 in grant funds and \$25,000 in counterpart--no monies are allocated to them for the last half year. "Casas de Justicia" received \$60,000 in grant and \$20,000 in counterpart under the first phase. No additional funding is contemplated.

The "Legal Services" subproject will receive \$790,000; the \$135,000 in grant will be used purchase basic commodities to outfit the offices and for short-term technical assistance. GOP counterpart will pay salaries and be used for in-country costs of the training and supervisory programs. The total amount will not cover all operating costs for the offices over the 3 and a half years and thus the GOP contribution will come out of the Public Treasury in the last year.

The special "Training for Access to Legal Systems" program run by the MOJ will be financed at slightly over its level in the first year, for a total of \$50,000 in grant and \$30,000 in counterpart. Most of this will be used to purchase basic commodities (including instructional materials) \$26,000; pay operating expenses (for the most part salaries for administrative and teaching staff) \$25,000; and cover associated costs (largely travel for course personnel or students) \$27,000. (See Tables 1 and 18.)

IV. PROJECT ANALYSIS

A. Technical Analysis

The design of this project and the selection of the specific types of technical assistance proposed under it have a number of bases, some specific to Peru, others drawing from the experience of AID and other development organizations elsewhere in the region. Although the project is not informed by the usual prior sector-wide assessment, preparations in Peru included two short-term visits by consultants who have been active in the regional project. The consultants' reports briefly reviewed prior reform efforts, noting the problems encountered, surveyed or identified existing studies that might be relevant, and included information based on extensive interviews with Peruvian experts from a wide variety of backgrounds. The general conclusions were that there was an interest in and need for an administration of justice project, but that the general quality of existing information on and analyses of the sector was so poor that a first step should be a full-scale sector assessment. For reasons discussed above, this recommendation was not followed although the sector assessment was included as part of the Pilot Project.

Following the consultants' visits, continuing discussions with the GOP emphasized the latter's interest in a project as part of a long standing concern over deteriorating conditions in the sector and the current administration's desire to improve the justice system. The decision to base the project on the participation of three sector institutions was partly a response to logical analysis and partly a matter of political and practical necessity. Since none of the three agencies had a ready formulated plan for reform for itself let alone for the sector, initial project design was based on a list of discrete activities, each addressing a particular problem but with little coordination among them.

Fortunately, the design process could benefit from the existence and experience of the Regional Administration of Justice Project. Not only were ideas borrowed from specific regional activities to redirect or elaborate the agencies' suggestions, but specific provisions have been included in the project design and that of individual subactivities to use regional resources and technical assistance. While national differences cannot be ignored, it is believed that problems faced within the region are sufficiently similar to warrant efforts to draw on the experience of others. For example, given the Regional Project's two years of experience in working with computer applications to judicial statistics and indexing of legislation, Peruvian efforts in these areas may be able to work from adaptations of systems already being tested. Even in areas where national differences will have a more significant impact, for example in the training of professional and administrative personnel, course methodology if not content may be directly transferable.

The principal technical problem faced by the project lies neither in the identification of specific problems to be addressed nor even in the selection of potential solutions. Instead it lies in the sheer size of the overall task, improving the administration of justice, relative to the resources available and to the many factors both within and external to the sector reinforcing the continuing decline in its performance. Since any measurable improvement will require time and continuity of effort, the project strategy continues to be based on a combination of short-term concrete activities (to build and maintain support and as a learning process in themselves) and a longer term effort to institutionalize the reform process throughout the sector. It is also based on provisions for flexibility of design and the necessity of constant readjustments as more knowledge on the sector is generated and as discussions of new findings and subproject output lead to new conclusions as to the best mix of efforts.

B. Institutional Analysis

Implementation of project activities will be channeled for the most part through three institutions, the Judicial Power, the MOJ, and the Public Ministry. Since all three are currently weak in planning capability and for the most part inexperienced in project implementation, one immediate goal of the project is to strengthen them in these areas. This has been done through a specific planning component for each of the three as well as through general technical assistance provided, in part through the Coordinating Office.

Aside from the strictly instrumental rationale of this goal--ie. to improve subproject implementation--strengthening the individual and joint planning and implementation capabilities of these entities is part of the larger institutional development objective of the project. In one sense it is the weakness of these institutions or perhaps more accurately, their reinforcement of inappropriate or undesirable patterns of behavior that accounts for the poor performance of the sector as a whole. Thus, while individual subprojects or subactivities aim at resolving specific isolated problems, the overall thrust of the project is to coordinate their impact so as to change overall institutional patterns. This is evidently an extremely ambitious and consequently very long term goal. A first and more realistic step in that direction is to develop institutional capabilities for identifying specific single-dimensional problems as defined through the various subprojects and envisioning, planning and implementing solutions to them.

As experience in various types of development projects has demonstrated, strengthening institutional planning and project implementation capabilities involves more than upgrading planning offices. It also requires the enhancement of their role within the institution as a whole, a far more difficult proposition. Steps taken to achieve this end include more widely focused educational efforts at all levels of each institution, promotion of various forums for discussion of sector wide policy (where the planning function can be stressed), and generation of support outside the institutions. The emphasis on beginning with a series of small, more narrowly focused projects is also important as much as an educational and training strategy as for the concrete outputs sought.

Where the Peruvian project has had to strike out on entirely new ground was in the area of overall organization. This is the only project of this type to begin with the inclusion of three largely independent institutions with little or no tradition of cooperation among them. Consequently, experience elsewhere in the region was of little help in designing organizational structures. The Peruvian setting itself furnished no institution which might be adapted to the purpose. The result was sheer invention and an admitted experiment whose outcome is still not certain. The first year's experience with the pilot project has uncovered some problems with the National Commission-Coordinating Office arrangement, but for the short run the best solution seems to be to correct visible flaws rather than adopting a whole new structure. The most obvious alternative, that of placing the project under the direction of one of the implementing agencies, has not worked well where it has been tried with other types of projects in Peru. Thus there is some resistance to adopting it.

C. Social Soundness Analysis

The project starts with the advantage of a demonstrated society wide concern with the poor performance of the sector and a general consensus that substantial improvement is essential. The fact that the current administration has made the justice system a focus of its efforts is also an

44

advantage however vaguely defined its specific proposals for improvement. A third advantage is the number of individuals and groups, many already identified, who are interested in and in some cases working to promote change. As far as possible, the project will attempt to incorporate their ideas and support. Finally, it is important to note that there is no significant social, economic, or political group which benefits from the sector's declining performances and thus no legitimately based source of opposition to the project's general goal. (The only obvious exceptions, but hardly a legitimate one, are terrorists and some criminal elements). Thus, while certain of the project's activities are intended to benefit more specific groups - notably those of limited resources - the overall thrust is to encourage improvements of benefit to all.

Working against success are a number of cultural and social traditions and attitudes some peculiar to the sector itself. Of the latter, the most important is the prevalence of a legalistic attitude toward change, the notion that by changing laws or legally established practices one can automatically change institutional behavior. This legalistic attitude has shaped prior efforts at reform and accounts for their minimal or even negative results. It also accounts for the current conviction among the judicial establishment that only legal professionals can design a better system.

A related notion also characterizing the judicial establishment is the idea that reform means forcing reality to conform to formal legal ideals. The notion that reform might mean just the opposite, that is that true justice, efficacy and efficiency may only be realized by reshaping the system to fit its environment, is much less widely accepted. The underlying rationale of the project views the legalist and formalist positions as far too narrow, but while this view is shared by many individuals in the sector they unfortunately are not the most institutionally powerful. Thus gaining acceptance for, or at least tolerance of, actions based on a broader definition of institutional development will condition the longer range success of project efforts. Fortunately this does not preclude progress over the short run although it does dictate a more cautious approach, further flexibility in the selection of subprojects, and a constant effort to build a broad base of support for project goals.

There are also a series of attitudes toward the justice system as a whole which complicate reform efforts. These include the generally low status of most sector professionals (whether judges, police, or administrators) and the belief that most are incompetent if not outright corrupt. The prevailing image has made it difficult to recruit talented and dedicated personnel or to argue for higher salaries or other benefits to reward their efforts. The result is a classic vicious circle reinforcing poor or dishonest behavior. While one of the aims of the project is to upgrade the quality of human resources, this image problem and the behavior patterns on which it is based (and which social expectations reinforce) suggest that much more effort will be required in designing and implementing training programs, and particularly in finding ways to coordinate them with other activities so as to maximize

45

their impact. Over the long run, the only solution seems to be the GOP's eventual decision to put more of its own resources into higher salaries and other incentives. Over the short run, training and other resource development activities can provide some encouragement to sector personnel and demonstrate that investment of resources is worthwhile.

Related to this "image problem" is the widespread distrust of the justice system by much of population and a disbelief in its ability to change. Since at least a part of this mistrust is well founded, an interesting problem of strategy is presented. Efforts to broaden access to the system and to increase popular confidence are likely to backfire if they are not accompanied by real changes in its internal workings. Likewise should these efforts result in greater demands on the system, they may well overwhelm it. Hence, the outreach components of the project, while very important, must be matched with changes within the sector to accommodate the demands they will create. However, the design of the Project is feasible despite the obstacles in this social setting, and will lead to the achievement of outputs.

D. Economic Analysis

The traditional economic analysis is not appropriate for this project. However, it should be noted that this Project will contribute to sector efficiencies that will better utilize resources and lower costs. It will also improve the overall low performance of the sector which contributes to an inefficient use of resources throughout society (e.g. loss of resources devoted to assuring personal security, or to pursuing drawn out court cases) and furthermore works against the creation of conditions most conducive to economic growth. Overall improvements in sector performance will thus produce society-wide economic benefits.

E. Financial Analysis

1. Summary

The financial plan developed for the Project reflects a total cost of \$3.35 million to be financed by AID and the GOP as follows:

	<u>FX</u>	<u>LC</u>	<u>Total</u>	<u>%</u>
AID	242,000	\$1,608,000	\$1,850,000	.55%
GOP	---	\$1,500,000	\$1,500,000	45%
	-----	-----	-----	-----
TOTAL	242,000	\$3,108,000	\$3,350,000	100%

As can be seen, the GOP is financing nearly half of project costs and therefore, the minimum host country financing requirement of FAA Section 110 is satisfied.

46 ↓

2. AID Inputs

Summary Tables 1 through 10 present the illustrative budget by input, components, fiscal year, source of funds, obligations mechanism, implementing entity and subproject. More detailed tables, Tables 12 through 18, appear in Annex II, Exhibit B.1/ All budget figures are estimates and subject to change. As can be seen in the tables, AID will finance training, travel, commodities, publications, studies, community outreach services, evaluation and administrative costs. Any AID monies used to finance "salaries" will be used only for temporary personnel, contracted specifically for Project activities. AID funds will not be used to pay or top-off salaries of GOP employees. A detailed description of activities follows.

The AID Financial contribution is divided as follows (Table 8): Common sub-projects \$313,000; Public Ministry sub-projects: \$230,000; Judicial Power sub-projects \$338,000; Ministry of Justice sub-projects \$313,000; Coordinating Office \$313,000; AID Project Coordinator \$30,000; Evaluation/Audit \$60,000 and contingencies \$61,000.

As shown in Table 2 and Graph 1, many of the resources, 38.2% of the total budget, will be used to provide commodities due to the lack of adequate material resources in the justice sector. Of the Project Components, the Organizational and Planning Studies Components will use more funds than any other; 24.5% and 23.3%, respectively. (See Table 1 and Graph 2.) Of the implementing agencies, the MOJ has the most subprojects and will receive the largest amount of AID resources, 24.6% of total funds.2/ (See Table 5 and Graph 3.) It also will receive most of the funds invested by the GOP in this project, 55.3% of total GOP funds. (See Table 5.) Most of the funds, US\$825,300 will be provided during the second fiscal year of the Project; decreasing in years three and four to US\$438,500 and US\$165,500, respectively.

The Coordinating Office will receive AID funds for the life of the project (LOP) in the amount of US\$313,000, or 16.9% of total budget. (See Table 1 and Graph 3.) From the GOP, the Coordinating Office will receive less; US\$30,000. Most of the funds, US\$273,000 or 87% of the total budget, will pay salaries of Coordinating Office staff, contracted for the duration of the Project only. Funds will also be used for: 1) training, US\$23,000 or 7% of the total budget; 2) commodities, US\$7,000 or 2% of total budget; and 3) other expenses, US\$10,000 or 3%.

1/ Total costs, including inflation, are incorporated in the budget tables.

2/ In the case of the two common subprojects managed by the MOJ (as in the case of those managed by the other two institutions) receipt of resources is not equivalent to final destination. In each common subproject, although a single institution will have primary responsibility for managing the subproject budget, subproject activities will benefit all participating institutions, which will also be jointly responsible for planning and supervising activities.

TABLE 1. SUMMARY ILLUSTRATIVE PROJECT BUDGET
(PILOT PROJECT AND PHASE TWO)
BY COMPONENT AND SOURCE OF FUNDS. (US\$).

PROJECT COMPONENT	AID	GOP	TOTAL
I. Organizational Component	313,000	30,000	343,000
II. Training & Professional Development	245,000	175,000	420,000
III. Planning, Studies, and Modernization of Systems	431,000	230,000	661,000
IV. Basic Equipment	355,000	235,000	590,000
V. Outreach	305,000	725,000	1,030,000
VI. Evaluation/Audit	60,000		60,000
VII. Administrative Costs	80,000		80,000
VIII. Contingency/Miscellaneous	61,000	105,000	166,000
TOTALS	1,850,000	1,500,000	3,350,000

46

Table 2. SUMMARY TOTAL PROJECT COSTS AND
FINANCIAL PLAN BY PROJECT INPUTS
AND SOURCE OF FUNDS
(US\$)

PROJECT INPUTS	AID GRANT	GOP	TOTAL
I. PROJECT ADMINISTRATION	361000	14500	375500
II. TRAINING/ TA	379900	108400	478300
III. COMMODITIES	651400	459100	1120500
IV. OTHER COSTS (including subprojects operating expenses, evaluation, travel per diem and publi- shing costs.)	396700	613000	1209700
PROJECT COST SUB-TOTAL	1789000	1395000	3184000
CONTINGENCIES	61000	105000	166000
TOTAL	1850000	1500000	3350000

49

TABLE 3. SUMMARY OF TOTAL AID PROJECT COSTS BY
PROJECT INPUTS AND FOREIGN EXCHANGE (FX)
AND LOCAL COSTS (LC) (US\$).

	<u>PROJECT</u> <u>INPUTS</u>	<u>LC</u>	<u>FX</u>	<u>TOTAL</u>
I.	Project Administration	281,000	80,000	361,000
II.	Training and TA.	349,900	30,000	379,900
III.	Commodities	571,400	80,000	651,400
IV.	Other Costs	346,700	50,000	396,700
	Subtotal Project Costs	1,549,000	240,000	1,789,000
	Contingencies	59,000	2,000	61,000
	AID Total Project Costs	1,608,000	242,000	1,850,000

Table 4. SUMMARY OF TOTAL PROJECT COSTS
BY FY AND SOURCE OF FUNDS
(US\$)

FISCAL YEAR	AIS	GCP	TOTAL
1987	359700	273000	632700
1988	825300	557000	1382300
1989	430500	513500	944000
1990	165500	51500	217000

PROJECT COSTS SUBTOTAL	1789000	1395000	3184000
CONTINGENCIES	61000	105000	166000
TOTAL PROJECT COSTS	1850000	1500000	3350000

51

TABLE 5. SUMMARY OF TOTAL PROJECT COSTS BY SUBPROJECT
AND SOURCE OF FUNDS
(US\$)

SUBPROJECT	AID	GOP	TOTAL
I. Common Subprojects	313,000	180,000	493,000
II. Public Ministry	230,000	155,000	385,000
III. Judicial Power	338,000	210,000	548,000
IV. Ministry of Justice	455,000	820,000	1,275,000
Coordinating Office	313,000	3,000	343,000
AID Project Coordinator	80,000		80,000
Evaluation/Audit	60,000		60,000
Contingencies	61,000	105,000	166,000
Total Project	1,850,000	1,500,000	3,350,000

Table 6. TOTAL AID PROJECT COSTS BY PROJECT
COMPONENT AND FY
(US\$)

PROJECT COMPONENT	FY87	FY88	FY89	FY90	TOTAL
I. PROJECT MANAGEMENT COSTS	102000	177000	99000	75000	453000
II. TRAINING AND PROFESS. DEVELOPMT.	32500	105000	68500	39000	245000
III. PLANNING STUDIES AND MODERN. OF SYSTEMS	69700	247300	89500	24500	431000
IV. BASIC EQUIPMENT	79000	151000	125000		355000
V. OUTREACH	76500	145000	56500	27000	305000
PROJECT COST SUBTOTAL	359700	825300	438500	165500	1789000
CONTINGENCY					61000
AID TOTAL PROJECT COSTS	359700	825300	438500	165500	1850000

TABLE 7. SUMMARY OF AID TOTAL PROJECT COST BY PROJECT
INPUTS AND FY
(US\$)

<u>PROJECT INPUTS</u>	<u>FY87</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>TOTAL</u>
I. Project Administration	85,000	149,000	94,000	33,000	361,000
II. Training and TA.	57,400	226,500	72,000	24,000	379,900
III. Commodities	164,100	284,800	186,500	16,000	651,400
IV. Other Costs	53,200	165,000	86,000	92,500	396,700
Subtotal Project Costs	359,700	825,300	438,500	165,500	1,789,000
Contingencies	5,000	5,000	30,000	21,000	61,000
AID Total Project Costs	364,700	830,300	468,500	186,500	1,850,000

Table 8. ADDITIONAL PROJECT FUNDS BY IMPLEMENTING ENTITY, ABBY FY*
(US\$)

IMPLEMENTING ENTITY	FY87	FY88	FY89	FY90	TOTAL
JUDICIAL POWER	61200	200000	100000	20000	381200
PUBLIC MINISTRY	31900	120000	74000	10000	225900
JUSTICE MINISTRY	104400	71000	10000	40000	185400
COORDINATING OFFICE	102000	90000	10000	10000	211000
AGB PROJECT COORDINATOR		90000	20000		110000
EVALUATION SUBSET		20000		10000	30000
SUBTOTAL	109200	521000	178000	80000	1388000
CONTINGENCIES					5000
TOTAL PROJECT FUNDS					1393000

* Distribution of subprojects in this table is according to the entity with primary responsibility for managing the project budget. Thus, in the case of the 6 actual and 1 proposed common subprojects, these have been attributed to one institution only - hence, the apparent discrepancy with Tables 1 and 2 in the body of the report where common subprojects have been attributed to all implementing agencies.

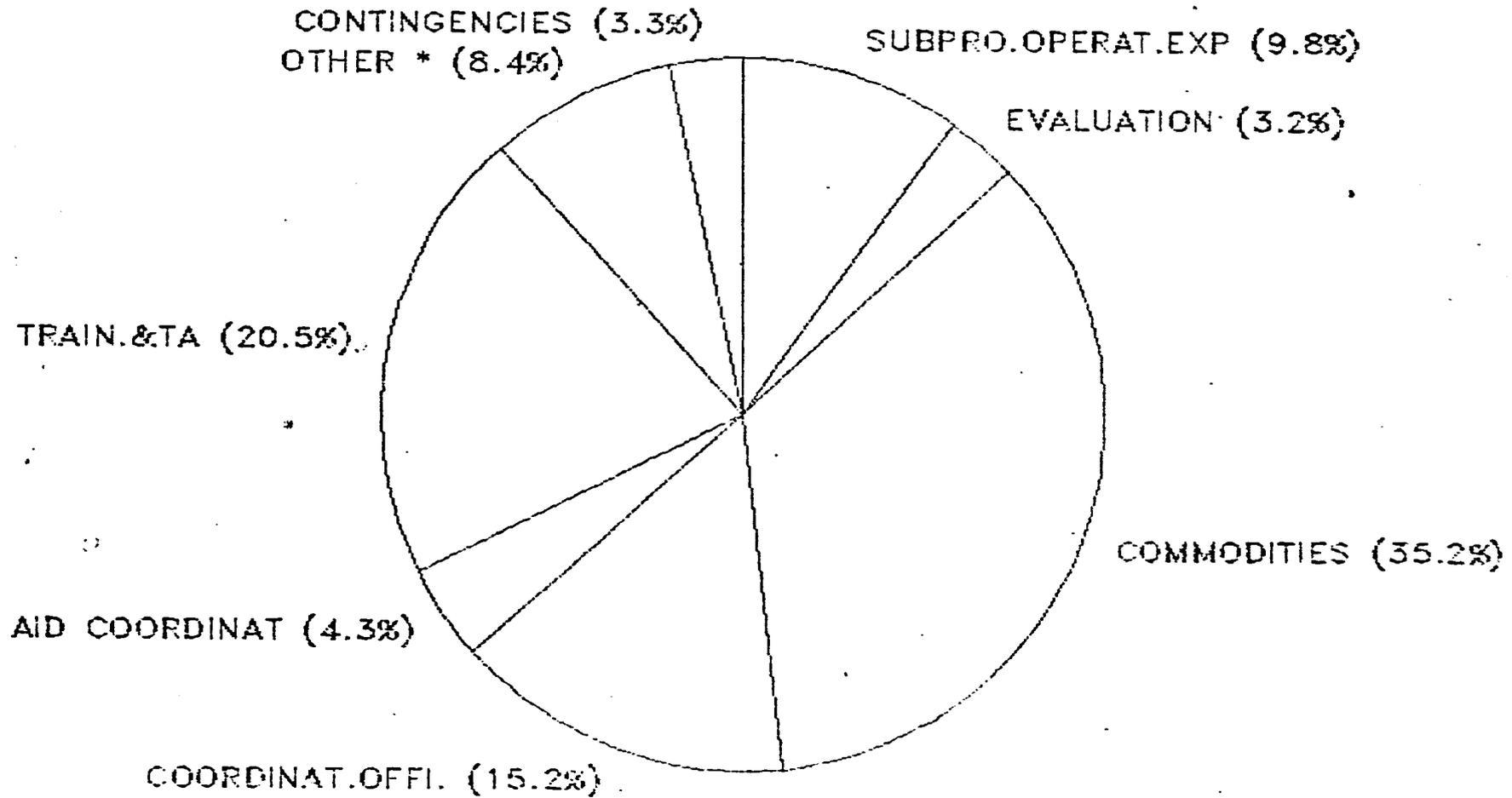
TABLE 9. SUMMARY OF AID TOTAL PROJECT COSTS BY
PROJECT INPUTS & PROJECT COMPONENT
(US\$)

PROJECT INPUTS	PROJECT COMPONENTS					TOTAL
	ORGANIZATIONAL	TRAINING PROFESSL. DEVELOPM.	PLANING STUDIES MODERNIZ. OF SYSTEM	BASIC EQUIPMENT	OUTREACH	
I. Project Administration	361,000	---	---	---	---	361,000
II. Training and TA.	23,000	29,500	256,400	1,000	70,000	379,900
III. Commodities	7,000	30,000	109,900	354,000	150,500	651,400
IV. Other Costs	62,000	185,500	64,700	---	84,500	396,700
Subtotal Project Costs	453,000	245,000	431,000	355,000	305,000	1,789,000
Contingencies						61,000
AID Total Project Costs						1,850,000

TABLE 10. SUMMARY OF TOTAL AID PROJECT COSTS BY
PROJECT COMPONENT AND OBLIGATIONS MECHANISM
(US\$)

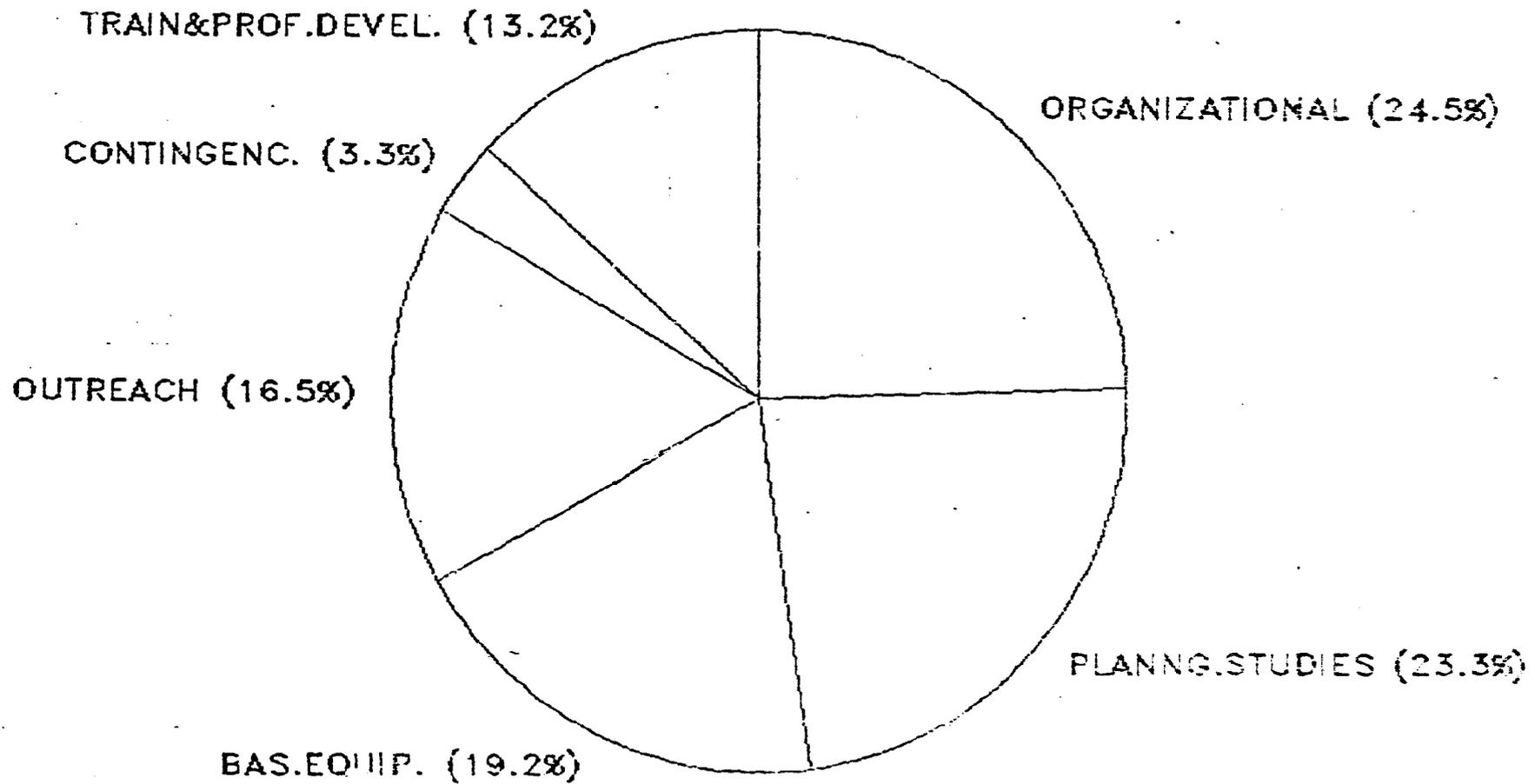
<u>PROJECT COMPONENT</u>	<u>GRANT AGREEMENT</u>	<u>LONG TERM PERSONAL SERVICES CONTRACT</u>	<u>EVALUATION/AUDIT</u>	<u>TOTAL</u>
I. Training & Profess. Developm.	245,000			245,000
II. Planing Studies & Modernizat. of Systems	431,000			431,000
III. Basic Equipment	355,000			355,000
IV. Outreach	305,000			305,000
V. Project Management Costs	313,000	80,000	60,000	453,000
Project Costs Subtotal	1,649,000	80,000	60,000	1,789,000
Contingencies	61,000			61,000
AID Total Project Cost	1,710,000	80,000	60,000	1,850,000

DISTRIBUTION OF TOTAL BUDGET FOR LOP BY INPUTS

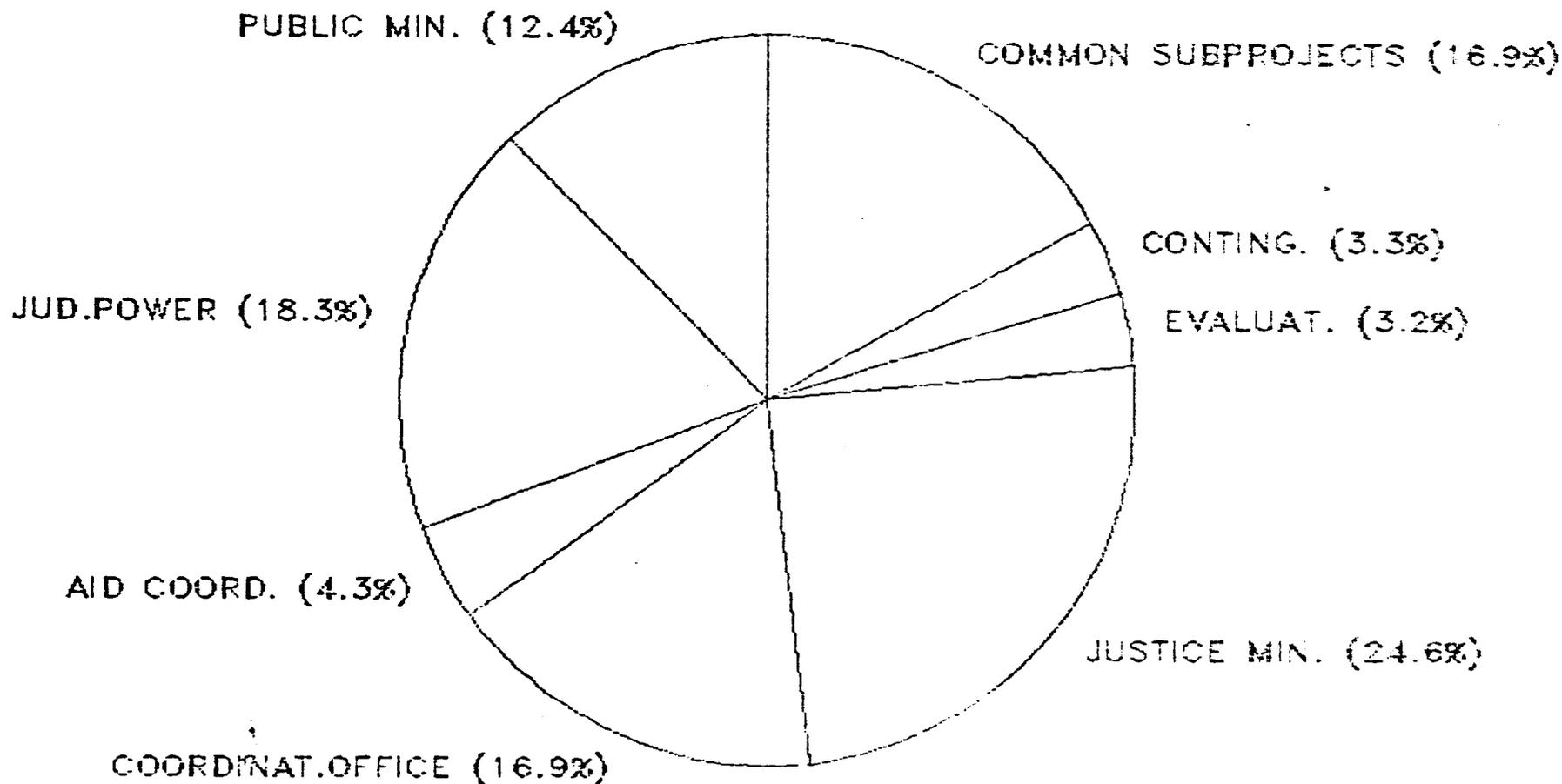


GRAPH 2.

DISTRIBUTION OF TOTAL BUDGET FOR LOP BY PROJECT COMPONENTS



AID TOTAL PROJECT BUDGET BY IMPLEMENTING ENTITY



- 30m -

60

The Judicial Power will receive AID funds during the LOP in the amount of US\$338,000, or 18.3% of total budget. (See Table 5 and Graph 3.) It will implement six sub-projects; and be in charge of two common sub-projects: Special Training for US\$47,000 and Special Diagnostic for US\$10,000. The Judicial Power will receive US\$176,000 in commodities, which is about 45% of the total resources to be given by AID to the Judicial Power.

The Ministry of Justice will receive during the LOP US\$455,000, 24.6% of the total budget. (See Table 5 and Graph 3.) Additionally, the MOJ will be in charge of two common sub-projects: Sector Assessment for US\$60,000 and Information Management Systems for US\$171,000. Most of the activities of the MOJ sub-projects will start in the second fiscal year of the Project, except for the Outreach component which starts in the first fiscal year. The MOJ will receive US\$305,300 in commodities, which is about 45% of its total budget.

Of the three implementing agencies, the Public Ministry will receive the least amount; a total of US\$230,000 for all sub-projects of 12.4% of the total budget. (See Table 5.) Additionally, it will participate in two common sub-projects: Administrative Personnel with US\$20,000 and Crime Prevention with US\$5,000. It will receive even less money than the Coordinating Office which will receive US\$313,000. Most of the funds, US\$163,100 or 64% of its total budget, will be used to purchase commodities.

Other management costs have been budgeted at US\$130,000, with US\$80,000 allocated for the Project Coordinator in fiscal years two and three, and US\$60,000 allocated for evaluations and audits to be performed in years two and four. (See Table 1.) For the moment no funds have been budgeted for a Project Coordinator for the second half of fiscal year three or for fiscal year four (together, the last year of the Project). Based in part on findings of the first evaluation, a decision will be made whether to include a Project-financed coordinator for this last year, with the necessary budget adjustments being made accordingly.

Based on detailed examination of costs (see additional tables in the Annex), the project financial plan is reasonably firm and meets the test of Section FAA 611(a)(1).

Table 11 presents the methods of implementation and financing, and reflects standard and approved AID methods of financing..

3. GOP Inputs

The GOP will use PL 480 Title I and/or public treasury funds to finance principally salaries and operating costs of the three implementing agencies, and also some technical assistance, training and commodities.

4. Recurrent Cost Analysis

This Project design does not contemplate financing a set of costs that will have a significant impact on public sector institutions' recurrent budget requirements. Activities to be financed by AID are

TABLE 11. METHODS OF IMPLEMENTATION AND FINANCING.

METHOD OF IMPLEMENTATION	METHOD OF FINANCING	APPROXIMATE AMOUNT USD.
PROJECT ADMINISTRATION		
AID DIRECT CONTRACTS (PSC)	DIRECT PAYMENT	80000
HC IMPLEMENTING AGENCY, DIRECT IMPLEMENTATION LOCAL COST FINANCING	DIRECT HC REIMBURSEMENT	281000
TRAINING /TA		
AID PERSONAL SERVICES CONTRACTORS	DIRECT PAYMENT	30000
HC-PERSONAL SERVICES CONTRACTORS	DIRECT HC REIMBURSEMENT	349900
COMMODITIES		
AID PURCHASE ORDER PROCUREMENT	DIRECT PAYMENT	80000
HC PROCUREMENT	DIRECT HC REIMBURSEMENT	571400
OTHER COSTS		
AID INSTITUTIONAL CONTRACT	DIRECT PAYMENT	80000
*HC IMPLEMENTING AGENCY DIRECT IMPLEMENTATION, LOCAL COST FINANCING	DIRECT HC REIMBURSEMENT	336700

		1789000
	CONTINGENCIES	81000

	AID TOTAL BUDGET	1050000

*Includes travel/per diem, subprojects operating expenses and publishing expenses.

principally one time, developmental in nature, such as the provision of equipment, training and preparation of statues. Within the equipment activity, there will be some ongoing financial requirements at Project termination for computer and other equipment maintenance; however, this requirement in relation to the total budget source is very small and one which the GOP is committed to meet.

5. Disbursement Procedures

AID will follow standard direct reimbursement procedures under the project which will be controlled at the Mission level. Project funds in local currency will be channeled to the budget offices of each of the three implementing agencies which will be responsible for their distribution to the respective subprojects and which will handle all requests for and liquidations of advances. Funds for the Coordinating Office will be channelled directly to it. AID direct implementation costs will be handled internally by the Mission with disbursement in dollars or local currency as appropriate. The Coordinating Office has submitted a system plan of accounting and administrative control which the Mission has approved.

V. IMPLEMENTATION PLAN

A. Administrative and Monitoring Arrangements

1. USAID Responsibilities

In June 1986, the agreement for the Pilot Project was signed, obligating the first \$1,000,000 of ESF grant funds. An amendment to this agreement to be signed in July 1987 will obligate the remaining \$850,000. Funding is committed to individual activities through the issuance of PILs following approval of annual operational plans and budgets as stipulated in the grant agreement and amendment.

USAID oversight of the project includes monitoring of both financial and physical performance. An AID Project Manager, working out of the Development Resources Office, will be responsible for coordinating this activity with the appropriate AID offices (eg. Controller, Contracting and Procurement), and for establishing a project-level system for monitoring performance in cooperation with the Coordinating Office. In addition, the Project Manager will meet periodically with institutional coordinators and subproject supervisors to review institutional performance and will undertake a program of visits to subprojects for on-site inspection of activities. AID oversight will also be supported by the bi-monthly progress reports supplied by the Coordinating Office and by consultation with the members of the National Commission. As further elaborated in Section F, Evaluation Plan, the Project Manager will also coordinate and direct two evaluations of project activities, one at the end of the Pilot Project and the other at the end of Phase Two. Evaluation findings will be used to redirect subsequent activities.

2. GOP Responsibilities

The GOP will maintain the project organization (National Commission, Coordinating Office, Institutional Coordinators and Subproject Supervisors) as described in the original agreement and as modified by the amendment. In addition to the initial \$1,000,000 from the Pilot Project, the GOP will provide an additional \$500,000. Implementation of subproject activities will be the responsibility of the three implementing agencies which will take the necessary measures to include the appropriate grant and counterpart funding in their respective budgets. Counterpart funding for the Coordinating Office will be included in the budget of the Judicial Power.

Detailed budgets and implementation plans for all subprojects will be prepared by the implementing agencies in accord with the procedures and schedule defined in the agreement and amendment and will be channeled through the Coordinating Office, which will also review them, to AID and the INP. The Coordinating Office will also submit an annual operating plan and budget and submit it to AID. These plans will be approved by AID, the authorized representative(s) of the implementing agencies, and, for all subprojects, by the INP, prior to commitment of grant funds. In the case of AID, approval will be made via Implementation Letters. GOP agencies will signify their approval in letters addressed to the Coordinating Office with copies to AID.

The Coordinating Office will provide technical assistance to the National Commission in its policy making functions and to the implementing agencies in the preparation and implementation of their institutional and subproject plans. It will also serve as a channel between these entities and AID and will assist the agencies in familiarizing themselves and complying with AID regulations in conjunction with use of project funds. Where necessary, it will also serve as a liaison for purposes of the project between the implementing agencies and other GOP entities. The office will prepare monthly reports on project progress based on information supplied to it by the Implementing Agencies. Such reports will be directed to the National Commission with copies to AID.

In their quarterly meetings, the National Commission will review subproject progress and consider possible readjustments. They will consult with AID directly or through the implementing agencies or Coordinating Office about possible changes. Changes requiring modifications of operating plans or budgets must be approved by AID and the INP unless otherwise agreed to in writing.

B. Negotiating Status

USAID is fully prepared to negotiate an US\$850,000 amendment to the existing limited scope grant agreement with the Republic of Peru, acting through the Judicial Power, the Ministry of Justice and the Public Ministry.

64

The activities under the first limited scope grant agreement are well underway and extensive discussions about the amendment have taken place with the three implementing institutions. All conditions precedent and covenants have been discussed. (See Section V.G.) A letter of request has been submitted by each member of the National Commission, comprised of the heads of the three implementing institutions. Operational Plans and Budgets for 22 of the original 23 subprojects have been submitted and 15 have been approved and are now being implemented. The remaining seven are pending USAID approval.

C. Implementation Schedule

During the time from the signing of the amendment (estimated August, 1987) to January 1, 1988, implementing agencies will be completing their activities under the first tranche of the grant and designing their operating plans for the first year of Phase Two. These plans are scheduled to be submitted and approved prior to January 1, 1988, although realistically some will probably suffer delays. Commitments and disbursements for each activity financed under Phase Two will be in two parts and are contingent on the approval of two sets of operating plans and annual budgets for each subproject (and the Coordinating Office), the first for CY 1988 and the second for CY 1989. In some cases disbursements beyond the annual start-up amount will also be conditioned on the agencies' meeting other requirements--e.g. the submission of course designs, equipment acquisition and distribution plans, or the completion and evaluation of a pilot course. Such additional requirements will be elaborated in the PILs issued to approve annual plans.

Following are the highlights of the major implementation events for the three and a half year period covered by the Pilot Project and Phase Two of the project.

PROJECT YEAR ONE (July 1986 to July 1987)

June 25, 1986 -- Agreement signed.

June 1986 -- National Commission meets and names director of Coordinating Office (Conditions Precedent ((CP)), A.1 and 2).

September, 1986 -- Institutional Coordinators and Supervisors named (CPs A.3 and C.1).

October 1986 -- Coordinating Office receives first disbursement of grant funds for purpose of start-up activities--elaboration of Operating Plan and Financial Control Plan to meet CP B.

PIL issued, extending dates for submission of operating plans for subprojects.

December 1986 -- Operating Plan and Financial Control Plan for Coordinating Office approved (CP B).

January-February 1987 -- Operating Plans and Financial Control Plans for 15 of 16 institutional subprojects approved by AID and INP (CPs C.2 and 3 and D).

March 1987 -- AID funds committed for 15 approved subprojects.

April 1987 -- First disbursements to 15 approved subprojects.

MOJ provides AID with specs for direct AID procurement of \$40,000 (local currency) of office equipment for legal information offices and \$32,500 (foreign exchange) of computers and related equipment for "Basic Equipment" subproject. USAID procurement office contacts suppliers for bids in informal competition.

May 1987 -- Second meeting of National Commissions held.

June 1987 - AID selects suppliers for MOJ office equipment and computers.

Delivery of first lot of office equipment for MOJ legal services office.

Judicial Power and Public Ministry issue request for bids (IFBs) for host country procurement of their office equipment under "Basic Equipment" subproject.

PROJECT YEAR TWO (July 1987 to July 1988)

August 1987 -- First amendment signed, obligating additional \$850,000 of grant funds for Phase Two of the Project and extending PACD to December 31, 1989.

August 1987 -- Operating Plans and Financial Control Plans approved for 7 common subprojects and one remaining institutional subproject. Funds committed and first disbursements made.

August 1987 -- Judicial Power and Public Ministry select suppliers for their purchases under "Basic Equipment" subproject.

Delivery of remaining equipment (manual typewriters and computers) for MOJ from direct AID procurement. Distribution of typewriters to legal information offices. Computers installed in MOJ central offices.

October -- November, 1987 -- Delivery and distribution of basic equipment for Public Ministry and Judicial Power (host country procurement).

66

November 1987 -- AID selection of evaluation team for first evaluation. AID selection of contractor for audit.

December 1987 -- Sector Assessment, plan for "Information Management System" and other studies under Pilot Project completed.

January 1988 -- First evaluation and audit conducted.

January - April 1988 -- Operating Plans for Phase Two subprojects submitted and approved by AID and INP. New funds committed.

February 1988 -- Evaluation edited and distributed for discussion.

February-July 1988 -- Phase Two of subproject implementation begins.

February 1988 -- Long term technical assistance team selected for "Information Management Systems" subproject. Long term technical assistance selected for MOJ's "Center for Juridical Research and Documentation" subproject. Selection by implementing agencies subject to approval by Coordinating Office and AID.

IFBs issued for first purchase of computers (direct AID procurement) and software (both direct AID and host country procurement) under subprojects "Information Management Systems" and "Center for Juridical Research and Documentation" Procurement by MOJ.

April 1988 -- First purchase completed of microcomputers and software for "Information Management Systems" and "Center for Juridical Research and Documentation" subprojects. Short and medium term equipment maintenance plans and inventory systems submitted by three implementing agencies and approved by AID. IFBs issued by three agencies for purchase of additional office equipment and microcomputers for Judicial Power (host country procurement). Selection of short-term technical assistance for same two subprojects is AID direct contracting to be carried out through years 2, 3 and 4.

Long term training plans for three institutions completed. First training course for administrative personnel initiated.

June 1988 -- Selection of office equipment and microcomputers under Basic Equipment subprojects.

PROJECT YEAR THREE (July 1988 to July 1989)

August-September 1988 -- Delivery and distribution of office equipment for basic equipment subprojects. Includes five microcomputers for Judicial Power.

November 1988 -- Third year Operating Plans submitted.

January 1989 -- Third year Operating Plans approved by AID and INP; grant funds committed. Third year of subproject implementation begins.

IFBs issued for second purchase of computer hardware (AID direct procurement) and software (host country and AID direct procurement) for Information Management Systems subprojects.

March-April 1989 -- Selection of computers and software to complete equipment for Information Management Systems subprojects.

May 1989 -- Delivery of Information Management Systems hardware and software.

PROJECT YEAR FOUR (July 1988 to December 31, 1989)

August 1989 -- Teams selected for second evaluation and audit.

October-November 1989 -- Second evaluation and audit conducted.

December 31, 1989 -- End of Pilot Project and Phase Two of project.

D. Contracting and Procurement Plan

1. Source, Origin and Nationality

Commodities and services and their suppliers under the grant shall have source, origin and nationality from the U.S. (000) or Peru, according to the AID Geographic Code Book. No waivers are required. Office furniture purchases scheduled in the project will be of local origin. Office machines, including computer hardware and software, will be purchased locally.

2. Procurement

Although USAID has completed two small procurements under the Project, most future commodity procurement and contracting of short and long

term technical assistance will be done by the three self-implementing agencies unless otherwise agreed in writing by USAID, using commodity transactions approved by USAID. Host country procurement will be limited to those items (the majority of those programmed) with which the implementing agencies have experience and established procedures under AID regulations. USAID will, however, monitor selection of short and long term technical assistance through approval of operating plans, budgets, and where necessary, of scopes of work, selection mechanisms and contracts.

Exceptions to general host country contracting and procurement are anticipated in the case of some technical assistance, and the purchase of most computer hardware and some computer software. Depending on a variety of factors, including the quality of the preliminary studies, the locally identified consultants, and the ability of the three implementing agencies to reach a decision, direct AID involvement in contracting the technical assistance may be necessary for the "Information Management System" and "Center for Juridical Research and Documentation" subprojects. This decision will be made toward the end of 1987, when the study results are in and prior to the approval of the second set of Operating Plans. However, the current plan is for host AID contracting.

While many of the subprojects include the purchase of a limited amount of commodities -- typewriters, desks, other office furniture, basic classroom supplies, books and documents -- there are also several major purchases programmed. Three of these involve the three "Basic Equipment" subprojects, scheduled for major purchases of basic office equipment, including manual typewriters, desks, file cabinets, a limited but as yet undetermined number of photocopying machines, and in the case of the Public Ministry, up to \$50,000 in radio equipment for communication between the Central Ministry and the provincial public prosecutor's offices. Up to \$35,000 has also been programmed for purchase of six microcomputers and related hardware for the Judicial Power. AID has already purchased \$10,000 in computer hardware for the MOJ in its first year program. The other purchases under this component will be in the second and third years of the project. Each implementing agency will provide its acquisition list to AID in its respective annual Operating Plan for approval. Another major purchase is of computer hardware and software for the "Information Management System" subproject and the MOJ's "Center for Juridical Research and Documentation", to be made in the second and third years. For reasons already explained, the computer hardware will be purchased directly by AID.

The details of the commodity and technical assistance requirements are contained in the individual Operating Plans of the 21 subprojects. In summary, of the three contracts (approximately 72 person months) for long-term technical assistance to subprojects, it is currently anticipated that all three will be done by host country contracting. Although the precise number of contracts for short-term technical assistance for the

subprojects is yet to be determined, most will be contracted by the host country, and AID will directly contract for only a few of the subprojects (most likely the Informatic Management System and the Center for Juridical Research and Documentation subprojects). The total number of short term AID direct contracts will be approximately 6-8 (approximately 12 person months). Most commodities will be host country procurement, except for most of the computer hardware and some software.

3. Procurement Schedule

The following schedule includes the major commodity and technical assistance procurements: commodities for the three "Basic Equipment" subprojects, "Legal Information Offices", "Information Management Systems", and "Center for Juridical Research and Documentation" subprojects, and long term technical assistance for the latter two.

PROJECT YEAR ONE (July 1986 to July 24, 1987)

March 1987 -- AID approves Operating Plans and procurement lists for the implementing agencies for first year of subproject implementation.

April 1987 -- First major procurement under project begun with MOJ provision of specs to AID for direct AID procurement of \$40,000 (local currency) of office equipment (furniture, manual typewriters, three photocopiers) for "Legal Information Offices" and \$32,500 (foreign exchange) of computers and related equipment for "Basic Equipment" subproject. USAID procurement office contacts suppliers for bids in informal competition.

June 1987 -- AID selects suppliers for MOJ office equipment and computers and executes contract.

Delivery of first lot of office equipment for MOJ "Legal Services Offices".

Judicial Power and Public Ministry issue IFBs for host country procurement of office equipment under "Basic Equipment" subprojects.

PROJECT YEAR TWO (July 1987 to July 1988)

August 1987 -- Amendment to agreement signed, obligating additional \$850,000 in grant funding.

August 1987 -- Judicial Power and Public Ministry select suppliers for their purchases under "Basic Equipment" subprojects (host country procurement).

Delivery, of remaining equipment (manual typewriters and computers) to MOJ from direct AID procurement. Distribution of typewriters to "Legal Information Offices". Computers installed in MOJ central offices.

October - November 1987 -- Delivery and distribution of basic equipment for Public Ministry and Judicial Power (host country procurement).

January - February 1987 -- Study for "Information Management System" completed. Operating Plans for Phase Two subprojects submitted and approved by AID and INP. New funds committed.

February 1988 -- Long term technical assistance team selected for "Information Management System" subprojects and for MOJ's "Center for Juridical Research and Documentation." Selection by implementing agencies (host country contracting) subject to approval by Coordinating Office and AID.

IFBs issued for first purchase for MOJ of computers (direct AID procurement) and software (direct AID and host country procurement) under subprojects "Information Management Systems" and "Center for Juridical Research and Documentation."

April 1988 -- Selection of microcomputers and software for "Information Management Systems" and "Center for Juridical Research and Documentation". Selection of short-term technical assistance for same two sub-projects is AID direct contracting in years 2, 3 and 4.

Short and medium term equipment maintenance plans and inventory systems submitted by three implementing agencies and approved by AID. IFBs issued by three agencies for purchase of additional office equipment and microcomputers for Judicial Power (host country procurement).

June 1988 -- Selection of office equipment and microcomputers under "Basic Equipment" subprojects (second major purchase) (host country procurement).

PROJECT YEAR THREE (July 1988 to July 1989)

August - September 1988 -- Delivery and distribution of office equipment for basic equipment subprojects. Includes five microcomputers for Judicial Power.

January - February 1989 -- Third year operating plans approved by AID and INP; grant funds committed.

IFBs issued for second purchase of computer hardware (direct AID procurement) and software (direct AID and host country procurement) for "Information Management Systems" subprojects.

March-April 1989 -- Selection of computers and software to complete equipment for "Information Management Systems" subproject.

May 1989 -- delivery and installation of "Information Management Systems" hardware and software.

E. Evaluation and Audit Plan

The project will be evaluated twice. During January of 1988 USAID will conduct an initial evaluation and audit for which \$20,000 has been budgeted. The audit will be done by local firms, contracted by AID. Its findings will also be used to further define the scope and nature of the second audit. The evaluation team will include two outside members (possibly one from AID/W and one from the Regional Project) and one local contractor. Coordinating Office Personnel will also participate in evaluation design and implementation. This evaluation will be utilized for planning and modifying project activities for the Phase Two and will serve as a focus for discussions of longer range policy. AID (through the Project Manager) will provide the scope of work for the evaluation, will edit and produce copies of the final report, and will be responsible for its distribution to the members of the National Commission and the institutional coordinators.

AID will conduct a second major evaluation and audit during October and November of 1989. Forty thousand dollars (\$40,000) in grant funds have been budgeted for this evaluation and audit. The scope cost and content of the second audit (for the moment, budgeted at \$5,000) will be defined by the results of the first audit. The evaluation will use the services of AID/W personnel, a representative from the Regional Project, and other outside contractors. Both the AID Project Manager and the Coordinating Office will participate in evaluation design and provide support and documentation as needed to the evaluation team.

Both evaluations, will look toward needed redesign, its components, or project management procedures to be used in the remaining project, including the anticipated final two year extension. Design of the second evaluation will use the results of the first evaluation and the Sector Assessment done under the Pilot Project, and will also be guided by the Project Paper prepared for the anticipated additional two years of funding.

Quantitative measures of progress toward the achievement of the project purpose will focus on the benchmarks noted in Section III.B, End of Project Status. Efforts will also be made to identify quantitative measures of progress toward longer term objectives--ie. improvement of system performance--or indicate how mechanisms might be introduced to develop such measures for following evaluations.

72

The outputs, easily quantified, will offer such measures as number of individuals trained, clients at legal information offices, percentage of procedures or processes included in the computerized data management system, etc. Informal opinions of professionals within and outside of the implementing agencies will be collected as another indicator of progress. Wider public opinion sampling may also be done, at least among actual or potential beneficiaries of the various "Outreach" subproject activities.

Inputs delivered will be measured against plans set forth in subproject implementation and financial plans.

F. Conditions Precedent and Covenants

1. Conditions Precedent to Disbursements

The following conditions precedent and covenants included in the project agreement are maintained in the amendment, with dates and other details adjusted to reflect the PACD extension. Some additional covenants were added.

a. Prior to any disbursement or issuance of commitment documents under the Grant, the Grantee will, except as the parties may otherwise agree in writing, furnish in form and substance satisfactory to AID:

(i) Evidence of the establishment of a National Commission composed of the President of the Supreme Court, the Minister of Justice, and the Fiscal de la Nacion for the purpose of supervising the Project.

(ii) Evidence that a Coordinating Office has been established to comply with Article IV.A and that a Director has been appointed.

(iii) Evidence that each Implementing Agency has nominated a coordinator for the purpose of supervising subprojects.

b. Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office, prior to December 31, 1987 except for the purposes of establishing the plan and control system described below, the Grantee will provide in form and substance satisfactory to AID, an operating Plan and financial control system for the Office, which will also be remitted to the INP for its information. Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish in form and substance satisfactory to AID an annual Plan of Action and detailed budget for the Office, which will also be remitted to the INP for its information. Any proposed modification to approved Plans of Action for the Coordinating Office must be submitted to AID for its approval.

c. Prior to disbursement or issuance of commitment document under the Grant for each subproject, the Grantee will, unless otherwise agreed in writing by AID, furnish in form and substance satisfactory to AID:

(i) Evidence that a supervisor for that subproject has been named.

(ii) Evidence that appropriate mechanisms have been established for the administrative and financial management of that subproject.

(iii) A Plan of Action for each subproject meeting the conditions described in Section IV.C.1.

d. Prior to disbursement or issuance of commitment document under the Grant for each subproject after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish a Plan of Action and detailed budget for such subproject, meeting the conditions specified in Section IV.C.3.

2. Covenants

a. Project Evaluation. The parties agree to establish an Evaluation Program as part of the Project. Except as the parties otherwise agree in writing, the Program will conduct two evaluations, one within 18 months of Project initiation and one within 42 months, and will include:

(i) evaluation of progress toward attainment of the Project's objectives;

(ii) identification of problems or constraints which may inhibit such attainment;

(iii) assessment of how the evaluation may be used to resolve problems or constraints;

(iv) recommendations concerning readjustments of existing Project and/or future projects or activities; and

(v) independent audit to be done in conjunction with each evaluation.

b. The government of Peru agrees to include in its studies for the Project the consideration of the introduction of a judicial career system.

c. The following covenants were added:

(i) Insofar as the organizational structure of the Project is composed of the National Commission, the Coordinating Office, the Institutional Coordinators, and the Subproject Supervisors, the Grantee agrees to maintain these entities (described as conditions precedent) in effective operation for the life of the Project. Failure to do so will be deemed reason to stop grant disbursements partially or for the entire Project.

(ii) The Grantee agrees to establish an effective inventory and control system for equipment provided under any of the project components.

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?

2. FAA Sec. 401(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

No.

Yes; President certified in 1987 INCSR, that Peru complied with Subsection (a) and Congress did not disapprove such certification.

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?

No such report has been submitted to Congress on Peru.

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? No.
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? No.
6. FAA Secs. 620(a), 620(f), 620D; FY 1987 Continuing Resolution Secs. 512, 550. 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? No.
7. FAA Sec. 620(i). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? No.
8. FAA Sec. 620(1). Has the country failed to enter into an investment guaranty agreement with OPIC? No.
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.

Yes. However, the GOP is officially discussing signing the agreement. The GOP had two issues with signing it which are now resolved; one with the location of general dispute settlements and the other concerned the Andean Pact. The GOP has made known its willingness to sign it now; however, the USG requires the Belco Co. expropriation matter be resolved first.

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?
- (a) No.
(b) 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 AID Administrator at 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.)
- Yes, the payments to the UN are in arrears. It was taken into account by the AID Administrator in determining the AID Operating Year Budget.
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.
- 70

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.) Yes, however this has been taken into account in the Administrator's 1986 Taking Into Consideration Memorandum.

20. FY 1987 Continuing Resolution Sec. 520. No.
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?
21. FY 1987 Continuing Resolution Sec. 513. No.
Has the duly elected Head of Government of the country been deposed by military coup or decree?

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria Not applicable

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?

2. Economic Support Fund Country Criteria No such determination has been made.

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?

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.)

A Congressional Notification for the Project was sent on April 30, 1987 and expired on May 14, 1987.

(a) Yes.
(b) Yes.

No further legislative action by Peru is required.

Not applicable.

5. FAA Sec. 611(c). 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? Not applicable
6. FAA Sec. 202. 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. The Project is not susceptible to execution as part of a regional or multilateral project.
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. The Project is not designed to, nor will it, affect any of these areas (a) through (f).
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 enterprises). The Project will encourage private U.S. participation in the foreign assistance program by utilizing U.S. technical assistance and procurement of specific commodities.
9. FAA Secs. 612(b), 626(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 GOP will contribute the equivalent of at least U.S.\$1,000,000.00 to meet the costs of carrying out the Project.
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. 321
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? Not applicable
12. FY 1987 Continuing Resolution Sec. 559
(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 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? Not applicable
13. FY 1987 Continuing Resolution Sec. 559.
Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 607," 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? No.

14. FAA Sec. 110(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.

Not applicable.

The environmental threshold decision was a negative determination for this Project, and therefore the Project does not deal with points (a) (k).

84

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? Not applicable.
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)? Not applicable.
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, 291(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 Not applicable.

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?
- 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)?
- 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)?
- 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?
- 8/6

f. FAA Sec. 201(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.

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?

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?

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?

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?

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?

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

467

- 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)?
- 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?
- 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?
- 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

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)

Not applicable.

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

21

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.
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? Not applicable.

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? Peru does not discriminate against marine insurance companies.
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.) Not applicable.
5. FAA Sec. 604(q). 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 Not applicable.

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.
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, all U.S. direct contracts will contain a termination for convenience clause.
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.

11

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? Not applicable.
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? Not applicable.
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? Not applicable.

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? This project is wholly grant funded.
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? Not applicable.
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? (1) Yes.
(2) Yes.
(3) Yes.
(4) 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(q). 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, the project does not provide support to police prisons or other law enforcement forces.
- 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. Yes.
To pay U.N. assessments, arreatages or dues?
- i. FY 1987 Continuing Resolution Sec. 506. Yes.
To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)?
- j. FY 1987 Continuing Resolution Sec. 510. Yes.
To finance the export of nuclear equipment, fuel, or technology?
- k. FY 1987 Continuing Resolution Sec. 511. Yes.
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?
- l. FY 1986 Continuing Resolution Sec. 516. Yes.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

3(A)2 - NONPROJECT ASSISTANCE CHECKLIST

Not applicable

The criteria listed in Part A are applicable generally to FAA funds, and should be used irrespective of the program's funding source. In Part B a distinction is made between the criteria applicable to Economic Support Fund assistance and the criteria applicable to Development Assistance. Selection of the criteria will depend on the funding source for the program.

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

A. GENERAL CRITERIA FOR NONPROJECT ASSISTANCE

Not applicable.

1. FY 1987 Continuing Resolution Sec. 523; FAA Sec. 631A. Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project.
2. FAA Sec. 611(a)(2). If further 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?
3. FAA Sec. 209. Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.

4. FAA Sec. 601(a). Information and conclusions on whether assistance 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.
5. FAA Sec. 601(f). Information and conclusions on how assistance 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).
6. FAA Secs. 612(b), 636(b); FY 1987 Continuing Resolution Secs. 507, 508. Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.
7. 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?
8. FAA Sec. 601(e). Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
9. FAA 121(d). If assistance is being furnished under the Sahel Development Program, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of A.I.D. funds?
10. FY 1987 Continuing Resolution Sec. 512. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

B. FUNDING CRITERIA FOR NONPROJECT ASSISTANCE

Not applicable.

1. Nonproject Criteria for Economic Support Fund

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?

b. FAA Sec. 531(e). Will assistance under this chapter be used for military or paramilitary activities?

c. FAA Sec. 531(d). Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106?

d. ISDCA of 1985 Sec. 205. Will ESF funds made available for commodity import programs be used for the purchase of agricultural commodities of United States-origin? If so, what percentage of the funds will be so used?

e. ISDCA of 1985 Sec. 801. If ESF funds will be used to finance imports by an African country (under a commodity import program or sector program), will the agreement require that those imports be used to meet long-term development needs in those countries in accordance with the following criteria?

(i) spare parts and other imports shall be allocated on the basis of evaluations, by A.I.D., of the ability of likely recipients to use such spare parts and imports in a maximally productive, employment generating, and cost-effective way;

(ii) imports shall be coordinated with investments in accordance with the recipient country's plans for promoting economic development. A.I.D. shall assess such plans to determine whether they will effectively promote economic development;

(iii) emphasis shall be placed on imports for agricultural activities which will expand agricultural production, particularly activities which expand production for export or production to reduce reliance on imported agricultural products;

(iv) emphasis shall also be placed on a distribution of imports having a broad development impact in terms of economic sectors and geographic regions;

(v) in order to maximize the likelihood that the imports financed by the United States under the ESF chapter are in addition to imports which would otherwise occur, consideration shall be given to historical patterns of foreign exchange uses;

(vi)(A) 75 percent of the foreign currencies generated by the sale of such imports by the government of the country shall be deposited in a special account established by that government and, except as provided in subparagraph (B), shall be available only for use in accordance with the agreement for economic development activities which are consistent with the policy directions of section 102 of the FAA and which are the types of activities for which assistance may be provided under sections 103 through 106 of the FAA;

(B) the agreement shall require that the government of the country make available to the United States Government such portion of the amount deposited in the special account as may be determined by the President to be necessary for requirements of the United States Government.

f. ISDCA of 1985 Sec. 207. Will ESF funds be used to finance the construction of, or the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such country (1) is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin American (the "Treaty of Tlatelolco"), (2) cooperates fully with the IAEA, and (3) pursues nonproliferation policies consistent with those of the United States?

g. 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?

h. FY 1987 Continuing Resolution. If assistance is in the form of a cash transfer to any country which receives in excess of a total of \$5 million as cash transfer assistance in the current fiscal year: (a) are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds? (b) will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account to be used in accordance with FAA Section 609 (which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available)?

1000

2. Nonproject Criteria for Development Assistance

a. FAA Secs. 102(a), 111, 113, 281(a).

Extent to which activity will (a) effectively involve the poor in development, by expanding access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the 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. Is assistance being made available (include only applicable paragraph which corresponds to source of funds used; if more than one fund source is used for assistance, include relevant paragraph for each fund source):

(1) [103] for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with efforts carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value;

improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under Sec. 104(b) or health under Sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

(3) [105] for education, public administration, or human resources development; if so, (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:

(i)(a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

(ii) concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development organizations;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster and programs of disaster preparedness;

(v) for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

(vi) for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

(5) [120-21] for the Sahelian region; if so, (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multi-donor development plan which calls for equitable burden-sharing with other donors; (b) has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom)?

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

d. FAA Sec. 281(b). Describe extent to which the activity 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 civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

e. FAA Sec. 101(a). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

PROJECT AUTHORIZATION
AMENDMENT ONE

Name of Country: Peru
Name of Project: Administration of Justice
Number of Project: 527--0303

A. Pursuant to Section 534 of the Foreign Assistance Act of 1961, as amended, the Administration of Justice Project for Peru was authorized on June 24, 1986. That authorization is hereby amended as follows:

1. Section 1 is revised as follows:
 - a. The life-of-project funding is increased by \$850,000, from \$1,000,000 to \$1,850,000.
 - b. The Project Assistance Completion Date is extended by two years, from December 31, 1987 to December 31, 1989.
2. Section 3.B, Conditions Precedent to Disbursement, of the Authorization is amended as follows:
 - a. Item 2(c) is deleted and the following, in substance, substituted in lieu thereof:

"A Plan of Action and detailed budget for that subproject, approved by AID, the INP, and the Coordinating Office to cover the period ending December 31, 1987."
 - b. Item 3 is deleted, and the following, in substance, substituted in lieu thereof:

"Prior to any disbursement or issuance of commitment documents under the Grant for each subproject after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish an annual Plan of Action and detailed budget for such subproject, meeting the conditions specified in Section IV.C.3 of the Project Grant Agreement."
3. Add the following Condition Precedent, in substance, to the Project Grant Agreement dated June 25, 1986, replacing the Condition Precedent of Section VIII, B, therein:

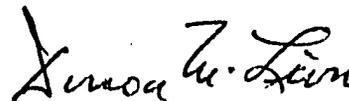
Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office, prior to December 31, 1987 except for the purposes of establishing the plan and control system described below, the Grantee will provide in form and substance satisfactory to AID, an operating Plan and financial

123

control system for the Office, which will also be remitted to the INP for its information. Prior to any disbursement or issuance of commitment documents under the Grant for the Coordinating Office after December 31, 1987, the Grantee will, unless AID may otherwise agree in writing, furnish in form and substance satisfactory to AID an annual Plan of Action and detailed budget for the Office, which will also be remitted to the INP for its information. Any proposed modification to approved Plans of Action and budgets of the Coordinating Office must be submitted to AID for its approval.

4. Section C, Special Covenants, of the Authorization is hereby amended to require two project evaluation and audits at the end of 18 months of the project instead of after the first year and at the end of the project.
5. Add the following Covenants, in substance, to the Project Grant Agreement dated June 25, 1986:
 - (1) Insofar as the organizational structure of the Project is composed of the National Commission, the Coordinating Office, the Institutional Coordinators, and the Subproject Supervisors, the Grantee agrees to maintain these entities (described as conditions precedent) in effective operation for the life of the Project. Failure to do so will be deemed reason to stop grant disbursements partially or for the entire Project.
 - (2) The Grantee agrees to establish an effective inventory and control system for equipment provided under any of the project components.

Date: 31 AUGUST 1987



Donor M. Lion
Mission Director
USAID/Peru

UNCLASSIFIED

STATE 193738

ANNEX I
Exhibit C
Page 1 of 5

TIGN: AID-2 INFO AMB DCM ECON (5)

CZCPFO798
RUEHPE
RUEHC #3738 1750120
R UUUUU ZZH
240120Z JUN 87
SECSTATE WASHDC
AMEMBASSY LIMA IMMEDIATE 3856

24 JUN 1987
RECEIVED

LOC: DISK 349 550
24 JUN 87 2314
CN: 20122
CHRG: AID
DIST: AID

CLAS STATE 193738

ACTION: PROG (FIES)
INFO: DR
D
DD

DAC

C. 12356: N/A

GS:

EJECT: IEE FOR ADMINISTRATION OF JUSTICE (527-0303)

LAC CHIEF ENVIRONMENTAL OFFICER APPROVED SUBJECT IEE
JUNE 22, 1987, SAME DAY AS CABLED IEE RECEIVED. IEE
NUMBER IS LAC-IEE-87-24. COPY BEING POUCHED TO MISSION
PROJECT FILE. ARMACOST

738

NN

UNCLASSIFIED

STATE 193738

Our date 6/24
ACTION COPY
ACTION TAKEN: _____
DATE: _____
INITIALS: _____

ENVIRONMENTAL THRESHOLD DECISION

Project Location : Peru

Project Title
and Number : Administration of Justice
: 527-0303

Funding : \$1,850,000 Grant (ESF)
\$1,500,000 GOP Counterpart

Life of Project : Three 1/2 Years

IEE Prepared by : Linn Hammergren
USAID/Peru

Recommended Threshold Decision : Negative Determination

Bureau Threshold Decision :

Comments :

Copy to : Donor M. Lion, Director
USAID/Peru

Copy to : Howard L. Clark, REMS/SA
USAID/Peru

_____ Date _____

James S. Hester
Chief Environmental Officer
Bureau for Latin America
and the Caribbean

INITIAL ENVIRONMENTAL EXAMINATION

I. BASIC PROJECT DATA

Project Location : Peru
Project Title : Administration of Justice
Project Number : 527-0303
Funding : \$1,850,000 Grant (ESF)
Life of Project : FY 1986 - 1989
IEE Prepared by : Linn Hamnergren
Project Coordinator
USAID/Peru

II. DESCRIPTION OF PROJECT

This project will provide commodities, technical assistance, operational support and training to assist the Government of Peru to implement a program of reform of its justice system. It is essentially an institution building effort focusing on improving the performance of the three main institutions in the judicial sector: the Judicial Power or Court system, the Ministry of Justice, and the Public Ministry.

The current project builds on a pilot program begun in June, 1986 and involves activities in five areas: organization (creation of a National Commission and Coordinating Office to direct the project); training and professional development (training programs for judges and public prosecutors and administrative personnel, as well as related activities to strengthen professional performance); studies, planning and modernization of systems (including the introduction of computerized information systems); goods and services (to purchase basic office equipment for the three implementing agencies); and outreach (creation of legal information offices in the urban shantytowns and other activities aimed at broadening access to the justice system). The only construction - related costs programmed are studies for the construction of two court houses, one in northern and one in southern metropolitan Lima. Should these court houses later be constructed, this will not entail project funds and they will be constructed within heavily populated areas - i.e. the urban shantytowns.

III. IMPACT IDENTIFICATION AND EVALUATION

Impact Areas and Sub-Areas

Impact Identification and Evaluation 1/

1/ The following symbols have been used:

N	<u>No</u> environmental impact	U	<u>Unknown</u> environmental impact
L	<u>Little</u> environmental impact	+	<u>Beneficial</u> impact
M	<u>Moderate</u> environmental impact	-	<u>Negative</u> impact
H	<u>High</u> environmental impact		

A. LAND USE

1. Changing the character of the land through:

- | | |
|---------------------------------|----------|
| a. Increasing the population | <u>N</u> |
| b. Extracting natural resources | <u>N</u> |
| c. Land clearing | <u>N</u> |
| d. Changing soil character | <u>N</u> |

- | | |
|---------------------------------|----------|
| 2. Altering natural defenses | <u>N</u> |
| 3. Foreclosing important uses | <u>N</u> |
| 4. Jeopardizing man or his work | <u>N</u> |
| 5. Other factors | <u>N</u> |

B. WATER QUALITY

- | | |
|-----------------------------------|----------|
| 1. Physical state of water | <u>N</u> |
| 2. Chemical and biological states | <u>N</u> |
| 3. Ecological balance | <u>M</u> |
| 4. Other factors | <u>N</u> |

C. ATMOSPHERIC

- | | |
|--------------------|----------|
| 1. Air additives | <u>N</u> |
| 2. Air pollution | <u>N</u> |
| 3. Noise pollution | <u>N</u> |
| 4. Other factors | <u>N</u> |

D. NATURAL RESOURCES

- | | |
|--|----------|
| 1. Diversion, altered use of water | <u>N</u> |
| 2. Irreversible, inefficient commitments | <u>N</u> |
| 3. Other factors | <u>N</u> |

E. CULTURAL

- | | |
|-----------------------------------|----------|
| 1. Altering physical symbols | <u>N</u> |
| 2. Erosion of cultural traditions | <u>N</u> |
| 3. Other factors | <u>N</u> |

F. SOCIOECONOMIC

- | | |
|--|---|
| 1. Changes in economic/employment patterns | N |
| 2. Changes in population | N |
| 3. Changes in cultural patterns | N |
| 4. Other factors | N |

G. HEALTH

- | | |
|-------------------------------------|---|
| 1. Changing a natural environment | N |
| 2. Eliminating an ecosystem element | N |
| 3. Other factors | N |

H. GENERAL

- | | |
|---------------------------|---|
| 1. International impacts | N |
| 2. Controversial impacts | N |
| 3. Larger program impacts | N |
| 4. Other factors | N |

I. OTHER POSSIBLE IMPACTS
(Not listed above)

- | | |
|--------------------------------------|---|
| 1. Introduction of new plant species | N |
| 2. Agricultural chemicals | N |
| 3. Other factors | N |

IV. CONCLUSION

The Administration of Justice Project will have negligible environmental impacts, whether positive or negative.

RECOMMENDATION FOR THRESHOLD DECISION

AID/Peru finds that this project is not a major action which will have a significant effect on the human environment and therefore is an action for which an Environmental Impact Statement or an Environmental Assessment will not be required. A negative determination is recommended.

Donor M. Lion

Donor M. Lion
Director
USAID/Peru

14 JUNE '87

Date

Corte Suprema de Justicia de la República
Presidencia

"AÑO DEL BICENTENARIO DEL NACIMIENTO DE DON JOSE FAUSTINO SANCHEZ CARRION"

Lima, 06 de Julio de 1987.

OFICIO N° 135-87-SP-PJ

Señor
DONAR M. LYON
Director de la AID
Presente .-

Tengo el agrado de dirigirle el presente en mi función de Presidente y como miembro de la Comisión Nacional para el Fortalecimiento del Sistema Judicial en el Perú, a fin de confirmar nuestro interés en continuar su participación en el Proyecto Administración de Justicia tal como viene haciéndose desde la firma del Convenio de dicho Proyecto, el día 25 de Junio de 1986. Este Proyecto apoya uno de los principales objetivos del Gobierno Peruano, como es fortalecer el Sistema Judicial con el objeto de que preste servicios eficaces, eficientes y justos a todos los ciudadanos, como parte del proceso de transformación y descentralización del Estado.

Como es de su conocimiento, el actual Proyecto financiado con US \$ 1'000.00 de donación y \$ 1'000.00 de Contrapartida Peruana, tiene vigencia hasta el 31 de diciembre de 1987.

Por medio de estos recursos, a la fecha el Proyecto ha permitido la iniciación de una serie de actividades de indudable valor para el país y que representan pasos importantes hacia el logro de los objetivos deseados. Sin embargo dada las dimensiones de los problemas por resolverse, las actividades a financiarse, sólo pueden representar el comienzo de una labor que, para lograr los resultados deseados, requiere de mucho más esfuerzo, recursos y tiempo.

Por estas razones, a la vez que le agradecemos por su apoyo en dar este primer paso, solicitamos a la Agencia Internacional para el Desarrollo, la extensión del Proyecto por dos años más (hasta el 31 de diciembre de 1989) y la donación de un monto adicional, el cual sería complementado por otro monto de Contrapartida. El propósito de la extensión y la donación adicional sería permitir la continuación de las actividades ya iniciadas, siempre con los reajustes y modificaciones que se consideren necesarios según las experiencias obtenidas hasta la fecha. Esto también permitirá la implementación de algunas de las recomendaciones desarrolladas dentro de la serie de estudios financiados bajo el Convenio original.

.../

117

Corte Suprema de Justicia de la República
Presidencia

- 2 -

Hemos calculado las necesidades de esta segunda etapa en un monto aproximado de US \$ 850,000.00 provenientes de los fondos de donación de dicha Agencia, la cual sería complementada con US \$500,000.00 de Contrapartida Peruana (PL-480, Título I), ha solicitarse a nuestro Gobierno, como se hizo anteriormente. Estos fondos serían distribuido entre los componentes del Proyecto para continuar - financiando las actividades propias y comunes actualmente en ejecución o para iniciar otras. Los usos específicos de estos fondos serán establecidos según Planes Operativos para cada actividad y serán elaborados por las Entidades Ejecutoras y presentados de acuerdo al Convenio vigente. Cabe recalcar que esta ampliación representaría la continuación de las actividades iniciadas bajo el Convenio original o, en algunos casos, la iniciación de actividades nuevas.

Aprovecho la oportunidad, para agradecerle nuevamente su apoyo en lograr la realización de esta iniciativa - de tanta importancia para nuestro país.



Atentamente,

Juan Vicente Ugarte del Pino
JUAN VICENTE UGARTE DEL PINO
Presidente

*Ministerio Público
Fiscalía de la Nación*

Lima, 22 de Julio de 1987.

Señor
Donor M. Lion
Director
Agencia para el Desarrollo
Internacional (AID)
Av. España 386
Lima.-

Estimado señor Lion:

Tengo el agrado de dirigirle la presente, en mi función como Fiscal de la Nación y como miembro de la Comisión Nacional para el Fortalecimiento del Sistema Judicial en el Perú, a fin de confirmar el interés del Ministerio Público en continuar su participación en el Proyecto Administración de Justicia, tal como viene haciéndolo desde la firma del Convenio, el día 25 de Junio de 1986. Este Proyecto apoya uno de los principales objetivos del Gobierno Peruano que es fortalecer el Sistema Judicial, con el fin de que preste servicios eficaces, eficientes y justos a todos los ciudadanos del país.

Como es de su conocimiento, el actual Proyecto financiado con \$1,000,000 de donación y \$1,000,000 de contrapartida peruana, tiene vigencia únicamente hasta el 31 de diciembre de 1987. Haciendo uso de estos recursos, a la fecha, el Proyecto ha permitido la iniciación de una serie de actividades de indudable valor para el país y que representan pasos importantes hacia los objetivos deseados. Sin embargo, dadas las dimensiones de los problemas a resolverse, las actividades a financiarse sólo pueden representar el comienzo de una labor que, para que pueda lograr los resultados deseados, va a requerir de más esfuerzo, recursos y tiempo.

Por estas razones, a la vez que les agradecemos por su apoyo en tomar este primer paso, los miembros de la Comisión Nacional solicitamos a la AID la extensión del Proyecto por dos años más (hasta el 31 de diciembre de 1989) y la donación de un monto adicional, el cual sería complementado por otra cantidad de contrapartida. El propósito de la extensión y la donación adicional permitirá la continuación de las actividades ya iniciadas, siempre con los reajustes y modificaciones que se consideren necesarios, según las experiencias hasta la fecha. Esto también permitirá la implementación de algunas de las recomendaciones desarrolladas dentro de la serie de estudios financiados bajo el convenio original.



*Ministerio Público
Fiscalía de la Nación*

1.

-2-

Hemos calculado las necesidades de esta segunda etapa en un monto aproximado de \$850,000, proveniente de los fondos de donación de dicha Agencia, lo cual sería complementado por otros \$500,000 de contrapartida peruana (PI-480, Título I) a solicitarse a nuestro Gobierno. Como se hizo anteriormente, estos fondos serán distribuidos entre los componentes del Proyecto para continuar financiando actividades propias y comunes actualmente en ejecución o para iniciar otras. Los usos específicos de estos fondos serían determinados según planes operativos para cada actividad, a ser elaborados por las entidades ejecutoras y presentados, de acuerdo al Convenio, para la aprobación de la Oficina Coordinadora, la AID y del Instituto Nacional de Planificación. Cabe recalcar que estas actividades representarían continuaciones de las iniciadas bajo el Convenio original o, en algunos casos, la iniciación de actividades nuevas.

Aprovecho la oportunidad para agradecerle nuevamente su apoyo en lo gran la realización de esta iniciativa de tanta importancia para nuestro país.



Hugo Venegri Cornejo
HUGO VENEGRI CORNEJO
Fiscal de la Nación

115

Ministerio de Justicia

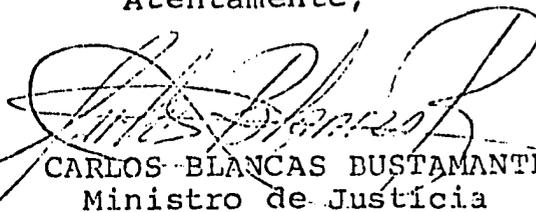
-2-

to de la extensión y la donación adicional sería permitir la continuación de las actividades ya iniciadas, siempre con los reajustes y modificaciones que se consideren necesarios según las experiencias hasta la fecha. Esto también permitiría la implementación de algunas de las recomendaciones desarrolladas dentro de la serie de estudios financiados bajo el convenio original.

Los miembros de la Comisión Nacional hemos calculado las necesidades de esta segunda etapa del Proyecto en un monto aproximado de \$ 850,000.00 proveniente de los fondos de donación de dicha agencia, lo cual sería complementado por otros \$ 500,000. de contrapartida peruana (PL-480, Título I), a solicitarse a nuestro gobierno. Como se hizo anteriormente, estos fondos serán distribuidos entre los componentes del proyecto para continuar financiando actividades propias y comunes actualmente en ejecución o para iniciar otras. Los usos específicos de estos fondos serían determinados según planes operativos para cada actividad a ser elaborados por las entidades ejecutoras y presentados, de acuerdo al convenio, para la aprobación de la Oficina Coordinadora, la AID y del Instituto Nacional de Planificación. Cabe recalcar que estas actividades representarían continuaciones de las iniciadas bajo el convenio original o, en algunos casos, la iniciación de actividades nuevas.

Aprovechamos la oportunidad para agradecerle nuevamente su apoyo en lograr la realización de esta iniciativa de tanta importancia para nuestro país.

Atentamente,



CARLOS BLANCAS BUSTAMANTE
Ministro de Justicia

DESCRIPTION OF SUBPROJECTS

I. INSTITUTIONAL SUBPROJECTS

A. Judicial Power

1. Judicial Academic Institute

Funds to be used for developing and implementing a program for training judges and administrative and support personnel.

2. Judicial Research Center

Funds will be used to finance a study on the integrated reform of the judicial power, addressing the specific problems of limited access, high costs, slow procedures and lack of an adequate control system.

3. Planning

For purchase of equipment, training and contracting personnel for the sector's Budgeting and Planning Office.

4. Dissemination of Professional Publications

For publication of "El Magistrado" and other professional journals and their distribution to judges throughout the nation. The activity will also finance distribution of the official daily, El Peruano, containing new legislation, to all judges.

5. Basic Equipment

For contracting temporary personnel, office rental, purchase of typewriters, photocopiers and other basic office supplies (basic law texts, etc.)

B. Ministry of Justice

1. Legal Information Offices

Technical assistance, human and material resources for a pilot program of legal information offices to be established first in metropolitan Lima and later throughout the country with the end of increasing understanding of and thus access to the justice system, especially for the population with limited resources.

2. Training in Access to the Justice System

Short courses for professional (including public and private sector lawyers, law professors and court clerks) and administrative personnel in basic judicial administrative and legal procedures.

3. Legislative Outreach ("Popular Libraries")

To help finance an ongoing public education campaign via the publication of basic legal documents in low cost editions and to resume publication of an official edition of current Peruvian legislation, as well as other related texts. The subproject will also include activities aimed at the public at large as well as legal professionals to educate them in human rights and legal guarantees.

4. Support to Victims of Crime

Technical assistance, human and material resources to fund a preliminary study on the possibility of setting up a victim assistance program.

5. Center for Juridical Research and Documentation

Support for a program of law revision already begun by the Ministry of Justice. The initial phase will include development of a methodology to review and revise existing legislation and establishment of mechanisms to coordinate and systematize the process by which legislation is formulated.

6. Planning

Technical assistance, material and human resources (including training of existing personnel) to upgrade the performance of the Ministry's Planning Office.

7. Basic Equipment

For contracting of additional personnel and purchase of basic resources, especially office equipment and legal texts.

8. Casas de Justicia

To assist in the decentralization of the judicial apparatus in metropolitan Lima and to increase its accessibility to limited-resource populations by installing judicial centers to the south and north of the city.

C. Public Ministry

1. Academy of the Public Ministry (School for Fiscales)

Training programs for fiscales and for administrative and support personnel in the sector.

2. Dissemination of Professional Publications

For professional upgrading and support of the publication and distribution of the journal "El Fiscal".

3. Planning

For upgrading the Planning and Rationalization Offices of the Ministry. Purchase of supplies, technical assistance and training and contracting of personnel.

4. Basic Equipment
For contracting personnel and purchase of basic supplies.
5. People's Defender
Studies leading to the Public Ministry's implementation of its constitutionally mandated role as "Public Defender".

II. COMMON SUBPROJECTS

A. Jointly Implemented

1. Information Management System (formerly Electronic Data Center)
Support of an Electronic Data Center based on an agreement among the Ministry of Justice, the Public Ministry, the Judicial Power and the General Secretariat for Data Processing, for the creation of an integrated computerized data system and technical assistance to the respective institutions.
2. Sector Assessment
This consists of a baseline study of the entire judicial system. The Study will focus on an analytic description of the system, identification of problems and analysis of their causes, major constraints to their solution and the impact of the Project and other efforts at effecting reform. The study will be coordinated with studies conducted for other subprojects and will also be used in monitoring Project progress. The study may also be used to make requests to potential donors for follow-on activities.
3. Assessment of Coordinating Mechanism for Legislative and Judicial Aspects of the Justice System (also referred to as Special Diagnostic)
This assessment will analyze the current state of the procedures and mechanisms for the formulation of legislation and for coordination of judicial procedures. The objective is simplification of the system and elimination of inconsistent and/or contradictory norms and practices.
4. Special Training in Criminal Investigation for Fiscales and Judges (also referred to as Special Training)
To establish a series of short courses to train fiscales and judges in these areas with the end of improving their ability to carry out their investigative function.
5. Crime Prevention
Studies leading to a national crime prevention program, to be conducted jointly by the Public Ministry and Ministry of Justice.

**TABLE 12. SUMMARY ILLUSTRATIVE PROJECT BUDGET
(PILOT PROJECT AND PHASE TWO)
BY COMPONENT, IMPLEMENTING AGENCY AND SOURCE OF FUNDS. (US\$).**

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	AID	GOP	TOTAL
I. <u>ORGANIZATIONAL COMPONENT</u>		313,000	30,000	343,000
A. <u>Coordinating Office</u>		313,000	30,000	343,000
II. <u>TRAINING & PROFESSIONAL DEVELOPMENT</u>		245,000	175,000	420,000
A. Special Training	PM&JP	47,000	35,000	82,000
B. Academic Institute	JP	103,000	70,000	173,000
C. School for Fiscales	PM	60,000	55,000	115,000
D. Administrative Personnel <u>2/</u>	All 3	20,000	5,000	25,000
E. Professional Publications	PM	10,000	5,000	15,000
F. Professional Publications	JP	5,000	5,000	10,000
III. <u>PLANNING, STUDIES, AND MODERNIZATION OF SYSTEMS</u>		431,000	230,000	661,000
A. Studies				
1. People's Defender	PM	5,000		5,000
2. Crime Prevention	All 3	5,000		5,000
3. Special Diagnostic	All 3	10,000	10,000	20,000
4. Sector Assessment	All 3	60,000	20,000	80,000
5. Support to Victims of Crime	MOJ	15,000	5,000	20,000
6. Center of Judicial Research	JP	50,000	10,000	60,000
B. Planning Systems				
1. Judicial Power	JP	10,000	10,000	20,000
2. Public Ministry	PM	5,000	5,000	10,000
3. Ministry of Justice	MOJ	5,000	5,000	10,000
C. Modernization of Systems				
1. Center for Juridicial Research and Documentation ("Law Revision")	MOJ	70,000	45,000	115,000
2. Information Management System	All 3	171,000	110,000	281,000
3. Court Management <u>2/</u>	JP	25,000	10,000	35,000

1/ Judicial Power (JP), Public Ministry (PM) and Ministry of Justice (MOJ).

2/ Proposed project under discussion; no proposal yet submitted.

TABLE 12. (cont.)

IV.	<u>BASIC EQUIPMENT</u>		355,000	235,000	590,000
	A. Judicial Power	JP	145,000	105,000	250,000
	B. Public Ministry	PM	150,000	90,000	240,000
	C. Ministry of Justice	MOJ	60,000	40,000	100,000
V.	<u>OUTREACH</u>		305,000	725,000	1,030,000
	A. Legal Information Offices	MOJ	140,000	650,000	790,000
	B. Training for Access to Justice System	MOJ	50,000	30,000	80,000
	C. Popular Libraries	MOJ	55,000	25,000	80,000
	D. "Casas de Justicia"	MOJ	60,000	20,000	80,000
VI.	<u>EVALUATION/AUDIT</u>	All 3, USAID	60,000		60,000
VII.	<u>ADMINISTRATIVE COSTS</u>		80,000		80,000
VIII.	<u>CONTINGENCY/MISCELLANEOUS</u>		61,000	105,000	166,000
TOTALS			1,850,000	1,500,000	3,350,000

TABLE 13 TOTAL AID PROJECT COSTS BY
 BY PROJECT INPUTS AND FOREIGN
 EXCHANGE COSTS (FX) AND LOCAL
 COSTS (LC). (US\$).

PROJECT INPUTS	AID SOURCE		TOTAL
	LC	FX	
I. PROJECT ADMINISTRATION			
a) AID PROJECT COORDINATOR		80000	80000
b) COORDINATING OFFICE	281000		281000
SUBTOTAL	281000	80000	361000
II. TRAINING AND TA.			
a. SHORT TERM	246900	30000	276900
b. LONG TERM	103000		103000
SUBTOTAL	349900	30000	379900
III. COMMODITIES			
a. JUDICIAL POWER	176000		176000
b. JUSTICE MINISTRY	225300	80000	305300
c. PUBLIC MINISTRY	163100		163100
d. COORDINATING OFFICE	7000		7000
SUBTOTAL	571400	80000	651400
IV. OTHER COSTS			
a. SUBPROJECTS OPERATING EXPEN.	180600		180600
b. EVALUATION/AUDIT		60000	60000
c. OTHER *	156100		156100
SUBTOTAL	336700	60000	396700
SUBTOTAL PROJECT COSTS	1539000	250000	1789000
CONTINGENCIES	59000	2000	61000
AID TOTAL PROJECT COSTS	1598000	252000	1850000

*Includes travel&perdiem,publishing expenses and other minor expenses

Table 14. TOTAL PROJECT COSTS BY SUBPROJECT
AND SOURCE OF FUNDS
(US\$)

SUBPROJECT	AID	GOP	TOTAL
I. COMMON SUBPROJECTS			
1. SPECIAL TRAINING (JP)	47000	35000	82000
2. ADMINISTRATIVE PERSONNEL (MP) 1/	20000	5000	25000
3. CRIME PREVENTION (MP)	5000		5000
4. SPECIAL DIAGNOSTIC (JP)	10000	10000	20000
5. SECTOR ASSESMENT (MJ)	60000	20000	80000
6. INFORMATION MANAGNT. SYSTEMS (MJ)	171000	110000	281000
TOTAL COMMON SUBPRDJ.	313000	180000	493000
II. PUBLIC MINISTRY			
1. School for Fiscales	60000	55000	115000
2. PROFESSIONAL PUBLICATIONS	10000	5000	15000
3. STUDIES PEOPLE'S DEFENDER	5000		5000
4. PLANNING	5000	5000	10000
5. Basic Equipment	150000	90000	240000
TOTAL PUBLIC MINISTRY	230000	155000	385000
III. JUDICIAL POWER			
1. Academic Institute	103000	70000	173000
2. PROFESSIONAL PUBLICATION	5000	5000	10000
3. JUDICIAL RESEARCH CENTER	50000	10000	60000
4. PLANNING	10000	10000	20000
5. COURT MANAGEMENT 1/	25000	10000	35000
6. Basic Equipment	145000	105000	250000
TOTAL JUDICIAL POWER	338000	210000	548000
IV. MINISTRY OF JUSTICE			
1. AID TO VICTIMS	15000	5000	20000
2. PLANNING	5000	5000	10000
3. CENTER FOR JURIDICAL RESEARCH	70000	45000	115000
4. Basic Equipment	60000	40000	100000
5. LEGAL INFORMATION OFFICE	140000	650000	790000
6. TRAINING FOR ACCESS TO LEGAL SYSTEM	50000	30000	80000
7. POPULAR LIBRARIES	55000	25000	80000
8. CASAS DE JUSTICIA (MJ)	60000	20000	80000
TOTAL MINISTRY OF JUSTICE	455000	820000	1275000
COORDINATING OFFICE	313000	30000	343000
AID PROJECT COORDINATOR	80000		80000
EVALUATION/Audit	60000		60000
CONTINGENCIES	61000	1105000	1166000
TOTAL PROJECT	1050000	1500000	2550000

1/ Proposed project under discussion; no proposal yet submitted.

24

Table 15. AID TOTAL PROJECT COST BY PROJECT INPUTS
AND FY
(US\$)

PROJECT INPUTS	FY87	FY88	FY89	FY90	TOTAL
I. PROJECT ADMINISTRATION					
a) AID PROJECT COORDINATOR		60000	20000		80000
b) COORDINATING OFFICE	85000	89000	74000	33000	281000
SUBTOTAL	85000	149000	94000	33000	361000
II. TRAINING AND TA.					
a. SHORT TERM	52400	187500	26000	11000	276900
b. LONG TERM	5000	39000	46000	13000	103000
SUBTOTAL	57400	226500	72000	24000	379900
III. COMMODITIES					
a. JUDICIAL POWER	25000	89000	61000	1000	176000
b. JUSTICE MINISTRY	109000	107300	74000	15000	305300
c. PUBLIC MINISTRY	23100	68500	51500		163100
d. COORDINATING OFFICE	7000				7000
SUBTOTAL	164100	284800	186500	16000	651400
IV. OTHER COSTS					
a. SUBPROJECTS OPERATING EXPEN.	25300	80800	46000	28500	180600
b. EVALUATION/AUDIT		20000		40000	60000
c. OTHER *	27900	64200	40000	24000	156100
SUBTOTAL	53200	165000	86000	92500	396700
SUBTOTAL PROJECT COSTS	359700	825300	438500	165500	11789000
CONTINGENCIES	5000	5000	30000	21000	61000
AID TOTAL PROJECT COSTS	364700	830300	468500	186500	11850000

*Includes travel&perdiem,publishing expenses and other minor expenses

125

Table 16. AID TOTAL PROJECT COSTS BY PROJECT INPUTS
AND PROJECT COMPONENT
(US\$)

PROJECT INPUTS	PROJECT COMPONENTS					
	ORGANIZATIONAL	PLANNING TRAINING STUDIES PROFESSI. DEVELOPM. OF SYSTEM	MODERNIZ. EQUIP- MENT	BASIC EQUIP- MENT	OUTREACH	TOTAL
I. PROJECT ADMINISTRATION						
a) AID PROJECT COORDINATOR	80000					80000
b) COORDINATING OFFICE	281000					281000
SUBTOTAL	361000					361000
II. TRAINING AND TA.						
a. SHORT TERM	23000	29500	153400	1000	70000	276900
b. LONG TERM			103000			103000
SUBTOTAL	23000	29500	256400	1000	70000	379900
III. COMMODITIES						
a. JUDICIAL POWER		19000	12000	145000		176000
b. JUSTICE MINISTRY			95800	59000	150500	305300
c. PUBLIC MINISTRY		11000	2100	150000		163100
d. COORDINATING OFFICE	7000					7000
SUBTOTAL	7000	30000	109900	354000	150500	651400
IV. OTHER COSTS						
a. SUBPROJECTS OPERATING EXPEN.		87500	32600		60500	180600
b. EVALUATION/AUDIT	60000					60000
c. OTHER *	2000	98000	32100		24000	156100
SUBTOTAL	62000	185500	64700	0	84500	396700
SUBTOTAL PROJECT COSTS	453000	245000	431000	355000	305000	1789000
CONTINGENCIES						61000
AID TOTAL PROJECT COSTS	453000	245000	431000	355000	305000	1850000

* INCLUDES TRAVEL PER DIEM, PUBLISHING EXPENSES AND OTHER MINOR EXPENSES

126

Table 17. TOTAL AID PROJECT COSTS BY PROJECT COMPONENT AND OBLIGATIONS MECHANISM

PROJECT COMPONENT	GRANT AGREEMENT	LONG TERM PERSONAL SERVICES		TOTAL
		CONTRACT EVALUAT.		
I. TRAINING & PROFESS. DEVELOPM.				
1. TRAINING & TA	29500			29500
2. COMMODITIES	30000			30000
3. SUBPROJECT OPERAT. EXPEN.	87500			87500
4. OTHER *	98000			98000
SUBTOTAL I	245000			245000
II. PLANNING STUDIES & MODERNIZAT. OF SYSTEMS				
1. TRAINING & TA	256400			256400
2. COMMODITIES	109900			109900
3. SUBPROJECT OPERAT. EXPEN.	32600			32600
4. OTHER *	32100			32100
SUBTOTAL II	431000			431000
III. BASIC EQUIPMENT				
1. TRAINING AND TA	1000			1000
2. COMMODITIES	354000			354000
SUBTOTAL III	355000			355000
IV. OUTREACH				
1. TRAINING & TA	70000			70000
2. COMMODITIES	150500			150500
3. SUBPROJECT OPERAT. EXPEN.	60500			60500
4. OTHER *	24000			24000
SUBTOTAL IV	305000			305000
V. PROJECT MANAGEMENT COSTS				
1. USAID PROJECT COORDINATOR		80000		80000
2. OPERAT. EXPEN. COORDINAT. OFFICE	281000			281000
3. EVALUATION/Audit			60000	60000
4. COMMODITIES COORD. OFFICE	7000			7000
5. TRAINING & TA COORD. OFFICE	23000			23000
6. OTHER *	2000			2000
SUBTOTAL V	313000	80000	60000	453000
PROJECT COSTS SUBTOTAL	1649000	80000	60000	1789000
CONTINGENCIES	61000			61000
AID TOTAL PROJECT COST	1710000	80000	60000	1850000

TABLE 18. ILLUSTRATIVE PROJECT BUDGET (PILOT PROJECT AND PHASE TWO)
BY COMPONENT, PROJECT YEAR AND IMPLEMENTING AGENCY (US\$).

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
I. ORGANIZATIONAL COMPONENT		77,000	500	98,000	12,000	92,000	12,000	46,000	5,500	313,000	30,000
A. Coordinating Office		77,000	500	98,000	12,000	92,000	12,000	46,000	5,500	313,000	30,000
1. TA/Training		0,000	—	8,000	—	0,000	—	0,000	—	8,000	—
2. Commodities		7,000	500	—	3,000	—	500	—	—	7,500	3,500
3. Operating Expenses		62,000	—	90,000	4,000	86,000	6,000	43,000	4,500	281,000	14,500
a. Salaries		(58,000)	—	(86,000)	—	(86,000)	—	(43,000)	—	(273,000)	—
b. Other		(4,000)	—	(4,000)	(4,000)	—	(6,000)	—	(4,500)	(8,000)	(14,500)
4. Other		2,000	—	—	5,000	—	4,000	—	1,000	2,000	10,000
II. TRAINING & PROFESSIONAL DEVELOPMENT		6,000	500	113,500	65,000	79,500	94,500	46,000	15,000	245,000	175,000
A. Special Training	PM & JP	—	—	22,000	15,000	20,000	16,000	5,000	4,000	47,000	35,000
1. TA/Training		—	—	2,000	—	2,000	—	—	1,500	4,000	1,500
2. Commodities		—	—	4,000	1,000	—	2,000	—	500	4,000	3,500
3. Operating Expenses		—	—	7,000	8,000	8,000	7,000	3,000	2,000	18,000	17,000
a. Salaries		—	—	(6,000)	(5,000)	(7,000)	(5,000)	(3,000)	—	(16,000)	(10,000)
b. Other		—	—	(1,000)	(3,000)	(1,000)	(2,000)	—	(2,000)	(2,000)	(7,000)
4. Other		—	—	9,000	6,000	10,000	7,000	2,000	—	21,000	13,000
B. Academic Institute	JP	5,000	500	48,000	17,500	30,000	47,000	20,000	5,000	103,000	70,000
1. TA/Training		—	—	7,000	5,000	3,000	10,000	—	—	10,000	15,000
2. Commodities		—	—	8,000	—	7,000	—	—	—	15,000	—
3. Operating Expenses		2,000	500	13,000	12,500	10,000	27,000	10,000	5,000	35,000	45,000
a. Salaries		(1,000)	—	(7,000)	(10,000)	(7,000)	(20,000)	(10,000)	—	(25,000)	(30,000)
b. Other		(1,000)	(500)	(6,000)	(2,500)	(3,000)	(7,000)	—	(5,000)	(10,000)	(15,000)
4. Other		3,000	—	20,000	—	10,000	10,000	10,000	—	43,000	10,000

1/ Judicial Power (JP), Public Ministry (PM), Ministry of Justice (MOJ).

TABLE 12. (cont. - page 2)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
C. School for Fiscales	PM	--	--	22,500	20,500	21,500	29,500	16,000	5,000	60,000	55,000
1. TA/Training		--	--	6,000	--	1,000	8,000	--	1,500	7,000	9,500
2. Commodities		--	--	1,500	5,700	2,000	2,000	--	--	3,500	7,700
3. Operating Expenses		--	--	7,000	11,800	7,000	12,500	10,000	1,500	24,000	25,800
a. Salaries		--	--	(7,000)	(9,300)	(7,000)	(10,000)	(10,000)	--	(24,000)	(19,300)
b. Other		--	--	--	(2,500)	--	(2,500)	--	(1,500)	--	(6,500)
4. Other		--	--	8,000	3,000	11,500	7,000	6,000	2,000	25,500	12,000
D. Administrative Personnel 2/ All 3		--	--	7,000	2,000	8,000	2,000	5,000	1,000	20,000	5,000
1. TA/Training		--	--	2,500	--	2,500	--	1,000	--	6,000	--
2. Commodities		--	--	--	2,000	--	--	--	--	--	2,000
3. Operating Expenses		--	--	3,000	--	5,500	--	2,000	1,000	10,500	1,000
a. Salaries		--	--	(2,000)	--	(4,500)	--	(1,000)	(1,000)	(7,500)	(1,000)
b. Other		--	--	(1,000)	--	(1,000)	--	(1,000)	--	(3,000)	--
4. Other		--	--	1,500	--	--	2,000	2,000	--	3,500	2,000
E. Professional Publications	PM	--	--	10,000	5,000	--	--	--	--	10,000	5,000
1. TA/Training		--	--	2,500	--	--	--	--	--	2,500	--
2. Commodities		--	--	7,500	5,000	--	--	--	--	7,500	5,000
3. Operating Expenses		--	--	--	--	--	--	--	--	--	--
a. Salaries		--	--	--	--	--	--	--	--	--	--
b. Other		--	--	--	--	--	--	--	--	--	--
4. Other		--	--	--	--	--	--	--	--	--	--
F. Professional Publications	JP	1,000	--	4,000	5,000	--	--	--	--	5,000	5,000
1. TA/Training		--	--	--	2,000	--	--	--	--	--	2,000
2. Commodities		--	--	--	--	--	--	--	--	--	--
3. Operating Expenses		--	--	--	1,000	--	--	--	--	--	1,000
a. Salaries		--	--	--	(1,000)	--	--	--	--	--	(1,000)
b. Other		--	--	--	--	--	--	--	--	--	--
4. Other		1,000	--	4,000	2,000	--	--	--	--	5,000	2,000

2/ Proposed project under discussion; proposal not yet submitted.

TABLE 18. (cont.- page 3)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
III. PLANNING, STUDIES & MODERNIZATION OF SYSTEMS		<u>6,500</u>	--	<u>281,800</u>	<u>123,000</u>	<u>112,200</u>	<u>74,000</u>	<u>30,500</u>	<u>33,000</u>	<u>431,000</u>	<u>230,000</u>
A. STUDIES		<u>5,000</u>	--	<u>140,000</u>	<u>45,000</u>	--	--	--	--	<u>145,000</u>	<u>45,000</u>
1. <u>People's Defender</u>	MP	--	--	5,000	--	--	--	--	--	5,000	--
a. TA/Training		--	--	1,400	--	--	--	--	--	1,400	--
b. Commodities		--	--	2,100	--	--	--	--	--	2,100	--
c. Other		--	--	1,500	--	--	--	--	--	1,500	--
2. <u>Crime Prevention</u>	All 3	--	--	5,000	--	--	--	--	--	5,000	--
a. TA/Training		--	--	2,000	--	--	--	--	--	2,000	--
b. Operating Expenses		--	--	1,000	--	--	--	--	--	1,000	--
c. Other		--	--	2,000	--	--	--	--	--	2,000	--
3. <u>Special Diagnostic</u>	All 3	--	--	10,000	10,000	--	--	--	--	10,000	10,000
a. TA/Training		--	--	10,000	3,500	--	--	--	--	10,000	3,500
b. Commodities		--	--	--	3,500	--	--	--	--	--	3,500
c. Operating Expenses		--	--	--	3,000	--	--	--	--	--	3,000
4. <u>Sector Assessment</u>	All 3	--	--	60,000	20,000	--	--	--	--	60,000	20,000
a. TA/Training		--	--	51,600	--	--	--	--	--	51,600	--
b. Commodities		--	--	--	14,200	--	--	--	--	--	14,200
c. Operating Expenses		--	--	5,000	4,300	--	--	--	--	5,000	4,300
d. Other		--	--	3,400	1,500	--	--	--	--	3,400	1,500

TABLE 18. cont. page 4)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
5. Aid to Victims	MOJ	5,000	—	10,000	5,000	—	—	—	—	15,000	5,000
a. TA/Training		—	—	5,000	1,000	—	—	—	—	5,000	1,000
b. Commodities		—	—	1,000	—	—	—	—	—	1,000	—
c. Operating Expenses		—	—	4,000	4,000	—	—	—	—	4,000	4,000
Salaries		—	—	—	—	—	—	—	—	—	—
Other		—	—	(4,000)	(2,000)	—	—	—	—	(4,000)	(2,000)
d. Other		5,000	—	—	(2,000)	—	—	—	—	—	(2,000)
6. Center of Judicial Research	JP	—	—	50,000	10,000	—	—	—	—	50,000	10,000
a. TA/Training		—	—	36,000	5,000	—	—	—	—	36,000	5,000
b. Commodities		—	—	5,000	—	—	—	—	—	5,000	—
c. Operating Expenses		—	—	4,000	5,000	—	—	—	—	4,000	5,000
d. Other		—	—	5,000	—	—	—	—	—	5,000	—
B. PLANNING SYSTEMS		1,500	—	18,500	20,000	—	—	—	—	20,000	20,000
1. Judicial Power	JP	—	—	10,000	10,000	—	—	—	—	10,000	10,000
a. TA/Training		—	—	3,000	3,500	—	—	—	—	3,000	3,500
b. Commodities		—	—	5,000	3,000	—	—	—	—	5,000	3,000
c. Operating Expenses		—	—	—	—	—	—	—	—	—	—
d. Other		—	—	2,000	3,500	—	—	—	—	2,000	3,500
2. Public Ministry	PM	600	—	4,400	5,000	—	—	—	—	5,000	5,000
a. TA/Training		—	—	1,600	4,000	—	—	—	—	1,600	4,000
b. Commodities		—	—	—	—	—	—	—	—	—	—
c. Operating Expenses		100	—	300	—	—	—	—	—	400	—
d. Other		500	—	2,500	1,000	—	—	—	—	3,000	1,000
3. Ministry of Justice	MJ	900	—	4,100	5,000	—	—	—	—	5,000	5,000
a. TA/Training		—	—	1,800	900	—	—	—	—	1,800	900
b. Commodities		900	—	1,100	—	—	—	—	—	2,000	—
c. Operating Expenses		—	—	1,000	1,300	—	—	—	—	1,000	1,300
d. Other		—	—	200	2,800	—	—	—	—	200	2,800

TABLE 18 (cont. page 5)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
C. MODERNIZATION OF SYSTEMS		--	--	<u>123,300</u>	<u>58,000</u>	<u>112,200</u>	<u>74,000</u>	<u>30,500</u>	<u>33,000</u>	<u>266,000</u>	<u>165,000</u>
1. Center for Juridical Research and Documentation (“Law revision”)	MOJ	--	--	<u>45,000</u>	<u>10,000</u>	<u>15,000</u>	<u>25,000</u>	<u>10,000</u>	<u>10,000</u>	<u>70,000</u>	<u>45,000</u>
a. TA/Training		--	--	9,500	--	15,000	5,000	5,000	5,000	30,500	17,000
Long Term		--	--	(5,000)	--	(15,000)	--	(5,000)	(2,500)	(26,000)	(10,000)
Short Term		--	--	(4,500)	--	--	(5,000)	--	(2,500)	(4,500)	(7,000)
b. Commodities		--	--	31,500	7,500	--	7,000	--	3,000	31,500	10,500
Computers		--	--	(6,000)	--	--	--	--	--	(6,000)	--
Software		--	--	(22,000)	--	--	--	--	--	(22,000)	--
Other		--	--	(3,500)	(7,500)	--	(7,000)	--	(3,000)	(3,500)	(10,500)
c. Operating Expenses		--	--	4,000	2,500	--	13,000	5,000	2,000	8,000	17,500
Salaries		--	--	(3,000)	--	--	(9,000)	(5,000)	--	(7,000)	(9,000)
Other		--	--	(1,000)	(2,500)	--	(4,000)	--	(2,000)	(1,000)	(8,500)
d. Other		--	--	--	--	--	--	--	--	--	--
2. Information Management System (formerly “Electronic Data System”)	All 3	--	--	<u>70,800</u>	<u>44,500</u>	<u>84,200</u>	<u>45,500</u>	<u>16,000</u>	<u>20,000</u>	<u>171,000</u>	<u>110,000</u>
a. TA/Training		--	--	25,000	12,000	50,000	6,000	16,000	11,000	101,000	29,000
Long Term		--	--	(25,000)	(2,000)	(40,000)	(6,000)	(12,000)	(10,000)	(77,000)	(18,000)
Short Term		--	--	--	(10,000)	(10,000)	--	(4,000)	(1,000)	(24,000)	(11,000)
b. Commodities		--	--	41,300	22,000	30,000	25,000	--	2,000	61,300	49,000
Computers		--	--	(20,000)	--	(10,000)	(10,000)	--	--	(20,000)	(10,000)
Software		--	--	(17,000)	(20,000)	(20,000)	(10,000)	--	--	(37,000)	(30,000)
Other		--	--	(4,300)	(2,000)	--	(5,000)	--	(2,000)	(4,300)	(9,000)
c. Operating Expenses		--	--	3,000	9,000	2,700	13,000	--	6,000	5,700	25,000
Salaries		--	--	(3,000)	(7,000)	(2,700)	(10,000)	--	(5,000)	(5,700)	(22,000)
Other		--	--	--	(2,000)	--	(3,000)	--	(1,000)	--	(6,000)
d. Other		--	--	1,500	1,500	1,500	1,500	--	1,000	3,000	4,000

TABLE 12 (cont.- page 6)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
3. Court Management 2/	JP	--	--	7,500	3,500	13,000	3,500	4,500	3,000	25,000	10,000
a. TA/Training		--	--	5,000	--	7,500	--	--	--	12,500	--
Long Term		--	--	(2,500)	--	(3,000)	--	--	--	(7,500)	--
Short Term		--	--	(2,500)	--	(2,500)	--	--	--	(5,000)	--
b. Commodities		--	--	--	1,000	1,000	--	1,000	3,000	2,000	4,000
c. Operating Expenses		--	--	--	2,500	2,000	3,500	1,500	2,000	3,500	8,000
Salaries		--	--	--	(2,000)	(2,000)	(2,000)	(1,500)	(1,000)	(3,500)	(500)
Other		--	--	--	(500)	--	(1,500)	--	(1,000)	--	(3,000)
d. Other		--	--	2,500	--	2,500	--	2,000	--	7,000	--
IV. BASIC EQUIPMENT		--	--	200,000	80,000	155,000	155,000	--	--	355,000	235,000
A. Judicial Power	JP	--	--	70,000	30,000	75,000	75,000	--	--	145,000	105,000
1. Commodities		--	--	70,000	30,000	75,000	75,000	--	--	145,000	105,000
a. Computers		--	--	--	--	(35,000)	--	--	--	(35,000)	--
b. Other		--	--	(70,000)	(30,000)	(40,000)	(75,000)	--	--	(110,000)	(105,000)
B. Public Ministry	PM	--	--	90,000	30,000	60,000	60,000	--	--	150,000	90,000
1. Commodities		--	--	90,000	8,000	60,000	50,000	--	--	150,000	58,000
a. Computers		--	--	--	--	--	--	--	--	--	--
b. Other		--	--	(90,000)	(8,000)	(60,000)	(50,000)	--	--	(150,000)	(58,000)
2. Operating Expenses		--	--	--	22,000	--	10,000	--	--	--	32,000
a. Salaries		--	--	--	(9,000)	--	(10,000)	--	--	--	(19,000)
b. Other		--	--	--	(13,000)	--	--	--	--	--	(13,000)
C. Ministry of Justice	MOJ	--	--	40,000	20,000	20,000	20,000	--	--	60,000	40,000
1. Commodities		--	--	39,000	15,000	20,000	20,000	--	--	58,000	35,000
a. Computers		--	--	(37,000)	--	--	--	--	--	(30,000)	--
b. other		--	--	(2,000)	(15,000)	(20,000)	(20,000)	--	--	(28,000)	(35,000)
2. Operating Expenses		--	--	--	2,000	--	--	--	--	--	2,000
a. Salaries		--	--	--	--	--	--	--	--	--	--
b. Other		--	--	--	(2,000)	--	--	--	--	--	(2,000)
3. TA/Training		--	--	1,000	3,000	--	--	--	--	2,000	3,000

TABLE 18 (cont. page 7)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	PROJECT YEAR 1		PROJECT YEAR 2		PROJECT YEAR 3		PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
V. OUTREACH		45,000	172,000	164,500	273,000	61,500	274,000	34,000	6,000	305,000	725,000
A. Legal Information Offices (Also "Legal Services")	MOJ	48,888	170,888	45,000	238,000	25,000	258,000	38,888	--	148,888	650,888
1. TA/Training		--	--	5,000	--	--	10,000	5,000	--	10,000	10,000
a. Long Term		--	--	--	--	--	--	--	--	--	--
b. Short Term		--	--	(5,000)	--	--	(10,000)	(5,000)	--	(10,000)	(10,000)
2. Commodities		40,000	40,000	40,000	40,000	25,000	40,000	20,000	--	125,000	120,000
3. Operating Expenses		--	130,000	--	190,000	--	190,000	--	--	--	510,000
a. Salaries		--	(120,000)	--	(160,000)	--	(190,000)	--	--	--	(470,000)
b. Other		--	(10,000)	--	(30,000)	--	--	--	--	--	(40,000)
4. Other		--	--	--	--	--	10,000	5,000	--	5,000	10,000
B. Training for Access to Legal System	MOJ	5,000	2,000	19,500	13,000	21,500	9,000	4,000	6,000	50,000	30,000
1. TA/Training		--	--	--	2,000	--	--	--	--	--	2,000
a. Long Term		--	--	--	--	--	--	--	--	--	--
b. Short Term		--	--	--	(2,000)	--	--	--	--	--	(2,000)
2. Commodities		1,000	1,000	5,000	7,000	6,000	4,000	--	2,000	12,000	14,000
3. Operating Expenses		2,500	1,000	6,500	2,000	6,000	3,000	4,000	--	19,000	6,000
a. Salaries		(2,500)	--	(6,500)	--	(6,000)	--	(3,000)	--	(18,000)	--
b. Other		--	(1,000)	--	(2,000)	--	(3,000)	(1,000)	--	(1,000)	(6,000)
4. Other		1,500	--	8,000	2,000	9,500	2,000	--	4,000	19,000	8,000
C. Popular Libraries	MOJ	--	--	40,000	10,000	15,000	15,000	--	--	55,000	25,000
1. TA/Training		--	--	--	--	--	--	--	--	--	--
2. Commodities		--	--	8,500	1,700	5,000	2,000	--	--	13,500	3,700
3. Operating Expenses		--	--	31,500	4,700	10,000	9,000	--	--	41,500	13,700
a. Salaries		--	--	(6,500)	(2,000)	--	(9,000)	--	--	(6,500)	(11,000)
b. Other		--	--	(25,000)	(2,700)	(10,000)	--	--	--	(35,000)	(2,700)
4. Other		--	--	--	3,600	--	4,000	--	--	--	7,600

134

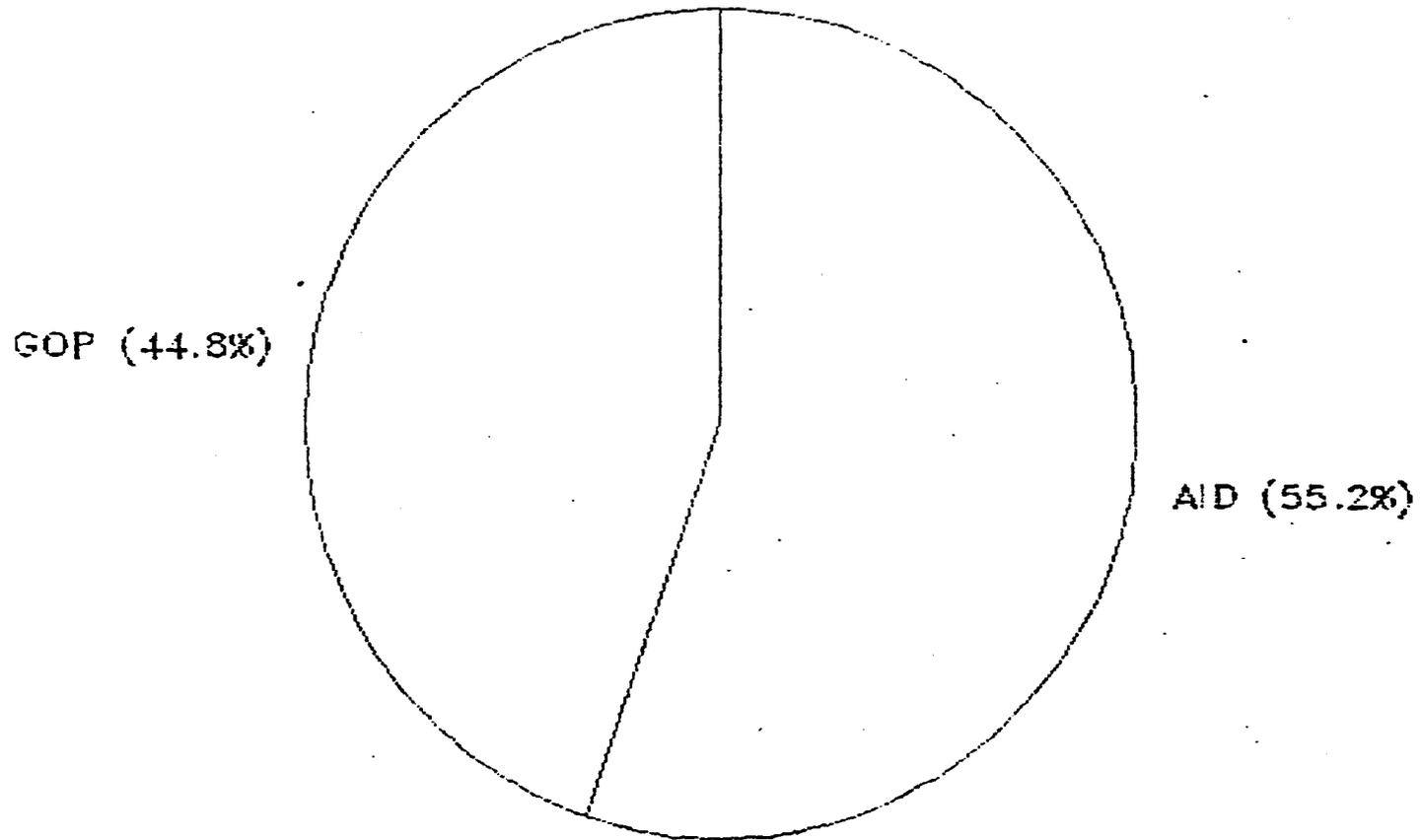
TABLE 18 (cont.- page 8)

PROJECT COMPONENT	IMPLEMENTING INSTITUTION 1/	June-June 87 PROJECT YEAR 1		July-July 88 PROJECT YEAR 2		July 89-July 90 PROJECT YEAR 3		July 90-Dec. 91 PROJECT YEAR 4		TOTAL	
		AID	GOP	AID	GOP	AID	GOP	AID	GOP	AID	GOP
D. "Casas de Justicia"	MOJ	--	--	60,000	20,000	--	--	--	--	60,000	20,000
1. TA/Training		--	--	60,000	--	--	--	--	--	60,000	--
2. Commodities		--	--	--	20,000	--	--	--	--	--	20,000
VI. EVALUATION/AUDIT	USAID	--	--	20,000	--	--	--	40,000	--	60,000	--
A. TA/Training		--	--	--	--	--	--	--	--	--	--
B. Other		--	--	--	--	--	--	--	--	--	--
VII. ADMINISTRATIVE COSTS		--	--	40,000	--	40,000	--	--	--	80,000	--
A. Project Coordinator		--	--	40,000	--	40,000	--	--	--	80,000	--
VIII. CONTINGENCIES/MISCELLANEOUS		--	--	--	20,000	25,000	20,000	16,000	65,000	61,000	105,000
TOTALS		134,500	173,000	937,800	573,000	565,200	629,500	212,500	124,500	1,850,000	1,500,000

125

GRAPH 4.

PROJECT TOTAL BUDGET CONTRIBUTION BY PARTICIPANTS



1/16