

PD-001-096
52027

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET		1. TRANSACTION CODE <input type="checkbox"/> A = Add <input checked="" type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number Two	DOCUMENT CODE 3
2. COUNTRY/ENTITY PERU		3. PROJECT NUMBER 527-0303		
4. BUREAU/OFFICE Latin America & Caribbean		5. PROJECT TITLE (maximum 40 characters) Administration of Justice		
6. PROJECT ASSISTANCE COMPLETION DATE (P/CD) MM DD YY 1 2 3 1 9 1		7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4) A. Initial FY 86 B. Quarter 4 C. Final FY 89		

8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 86			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	150.0	850.0	1,000.0	827.0	2,023.0	2,850.0
(Grant)	(150.0)	(850.0)	(1,000.0)	(827.0)	(2,023.0)	(2,850.0)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country		1,000.0	1,000.0		2,500.0	2,500.0
Other Donor(s)						
TOTALS	150.0	1,850.0	2,000.0	827.0	4,523.0	5,350.0

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)	901	901		1,850.0		1,000.0		2,850.0	
(2)									
(3)									
(4)									
TOTALS				1,850.0		1,000.0		2,850.0	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)				11. SECONDARY PURPOSE CODE			
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)							
A. Code							
B. Amount							

13. PROJECT PURPOSE (maximum 480 characters)

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.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 0 1 8 9 1 0 9 1				15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify)			
--	--	--	--	---	--	--	--

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

Controller Methods of Financing. Clearance:

CONT:PKramer

The purpose of the amendment is to increase the LOP funding by \$1,000,000 for a total of \$2,850,000 and to extend the PACD to 12/31/91.

17. APPROVED BY	Signature Donor M. Lion	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
	Title Mission Director	
Date Signed MM DD YY 0 8 2 2 8 8		MM DD YY

PROJECT AUTHORIZATION
AMENDMENT TWO

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 and amended on August 31, 1987 (as amended the, "Authorization"). The Authorization is hereby amended as follows:

1. Section 1 of the Authorization is deleted in its entirety and the following is substituted in lieu thereof:

"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 Two Million Eight Hundred and Fifty Thousand United States Dollars (US\$2,850,000) in grant funds ("Grant") over a four year 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 sixty six months from the date of initial obligation."

2. Section C, Special Covenants, of the Authorization is hereby amended to require two project evaluation and audits at the end of 36 months of the project instead of after 18 months and at the end of the project.
3. Except as modified herein, the Authorization remains in full force and effect.

Date: 26 Aug. 88



Donor M. Lion
Mission Director
USAID/Peru

DR:LHammergren:icp
Clearances:

DR:BBlackman (ID)
PROG:EVarillas (ID)
PROG:WRhoads (ID)
RLA:ANewton (ID)
RCO:JDunlap (ID)
CONT:PKramer 
DD:ASilva (ID)

TABLE OF CONTENTS

Title Page

Project Authorization Amendment Two

Project Data Sheet

Table of Contents

List of Tables

List of Abbreviations and Acronyms

I.	SUMMARY AND RECOMMENDATIONS	1
	A. Recommendations	1
	B. Summary	1
II.	BACKGROUND AND CURRENT STATUS OF PROJECT	2
	a. Project Setting/Description	2
	b. Current Status and Accomplishments of the AID Project	3
III.	RATIONALE AND NEED	5
IV.	DESCRIPTION OF THE PP AMENDMENT ACTIVITIES	6
V.	FINANCIAL PLAN	10
VI.	IMPLEMENTING AGENCY AND ADMINISTRATIVE FEASIBILITY	15
VII.	PROCUREMENT PLAN	15
VIII.	ADDITIONAL CONSIDERATIONS	16
ANNEX I:	COUNTRY CHECKLIST	
ANNEX II:	AID/W Concurrence	
ANNEX III:	IEE APPROVAL	
ANNEX IV:	Request for Assistance	

LIST OF TABLES

Table I	Description of Subprojects, Initial Goals, Current Status, and Impact of FY 88, 89 Funding Increments	8
Table II	Illustrative Budget Consolidated Use of AID Grant and GOP Counterpart Increments for FY 88 and FY 89 by Project Component	11
Table III	Illustrative Budget AID Grant Funds by Fiscal Year or Obligation and by Project Component	12
Table IV	Summary Budget for Life of Project by Project Components	13
Table V	Summary of Total AID Project Costs for FY 88 and FY 89 by Local Costs (LC), Foreign Exchange (FX) and Project Inputs	14

LIST OF ABBREVIATIONS AND ACRONYMS

ABS	Annual Budget Submission
CPS	Contions Precedent
ESF	Economic Support Funds
FY	Fiscal Year
GOP	Government of Peru
INAP	National Institute of Public Administration
INP	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

NOTE: These are taken from the Project Paper and as a result include some abbreviations and acronyms not included in the PP Supplement.

I. Summary and Recommendations

A. Recommendations

Beginning in mid 1986, the Administration of Justice Project has provided support to the Government of Peru in developing programs to improve the performance of the principal institutions in its justice system. Based on this initial experience it is recommended that \$1,000,000 of grant funding be added to the Project and that the PACD be extended by two years to December 31, 1991.

B. Summary

The Authorization for the Administration of Justice Project Paper equivalent was approved on June 24, 1986 and on June 25, 1986 US\$1,000,000 ESF grant funds were obligated through a Limited Scope Grant Agreement. On August 31, 1987, an amendment to the Project Authorization and a PP were approved. These two actions brought about two changes to the Project. First, the amendment to the authorization provided for an increase in ESF grant funding of \$850,000 and extended the PACD for an additional two years through December 31, 1989. The Project Paper documented changes in Project design and laid out the expanded and/or modified set of components to achieve the purpose of the Project. The proposed amendment to the Authorization and PP supplement provide for an additional increase to the AID life of project contribution of \$1,000,000 and an extension of Project activities through December 31, 1991.

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 are channeled through three GOP institutions: the Judicial Power or Court System, the Public Ministry (Public Prosecutor's Office), and the Ministry of Justice. To encourage coordination among the three, a National Commission composed of the heads of the three agencies and a Project Coordinating Office (to provide technical assistance to the Commission and the three implementing agencies) have been created. Project activities (consisting of institutional and common subprojects) are 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.

Given the size and complexity of the problem addressed, the Project is envisioned as the beginning of a longer term effort to improve the justice system and so strengthen Peruvian democracy. Funding over the longer term will necessarily come from other sources, including an increasing share from the GOP. Project activities to date have been either studies or pilot efforts, mounted with the dual purpose of exploring specific problem areas and designing and initiating programs to produce improvements while simultaneously

strengthening the ability of the sector institutions to plan and implement reform. The underlying strategy is experimental and is intended to produce constant readjustments and modifications in the organizations and activities created and/or supported under the Project. The purpose of the PP supplement is thus to add funding (\$500,000 in FY88 and \$500,000 in FY89) and extend the life of project to December 31, 1991 to allow the continuation and amplification of the most critical and most promising activities, so expanding their impact and further institutionalizing these key elements of the reform process.

II. Background and Current Status of Project

a. Project Setting/Description

Following twelve years of military rule (1968-1980) and over a century and a half of independent history characterized by frequent military interventions, civilian as well as military dictatorships, and only a handful of constitutionally elected governments able to complete their term of office, Peru is now in its eighth year and second term of uninterrupted civilian rule. The survival, let alone effectiveness, of democratic government in Peru is far from guaranteed. An increasingly difficult economic situation and active threats from terrorists and drug traffickers pose tremendous obstacles to the maintenance and further development of a stable democracy. Their impact is magnified by the weaknesses of and lack of popular faith in basic democratic institutions. Institutional weaknesses directly inhibit government's ability to design and implement effective policy. They also create and reinforce popular cynicism about democratic government, putting a premium on problem solving as the central criterion for evaluating governmental performance. Unlike more stable democracies, where popular faith in and preference for democratic institutions (legitimacy) allows a certain margin for error, the survival of Peru's fragile democracy and democratic institutions is more directly conditioned on performance in this narrower sense.

Given this situation the strengthening of basic democratic institutions serves a twofold purpose. First, to a greater or lesser degree, depending on the institution in question, it may directly increase the effectiveness of the government in developing and implementing policy to resolve critical socioeconomic problems. Second, by improving standards of behavior and so creating institutions more worthy of public confidence, it can provide a cushion of legitimacy to help carry a government through the inevitable difficult times. In short, governmental stability is enhanced by institutions which are valued for the way they perform as well as for what they deliver. It is weakened when institutions are valued only for their output since output normally varies and in any case will never meet everyone's expectations.

Institutional strengthening is a long term theme in AID development assistance in Peru. However, for the most part efforts have focused on executive branch institutions, and to a lesser extent on departmental and municipal government, private voluntary organizations, and other private and public institutions as they directly relate to on-going assistance programs. To the extent that the emphasis has been on performance as defined by program output, democratic strengthening has not been an explicit goal of these efforts. It is however, a direct and indirect result of specific improvements in socioeconomic conditions, and of the perceived improvements in institutions' ability to achieve them. However, this emphasis on output touches only one side of institutional development. Its link to specific project assistance also leaves a wide variety of basic institutions virtually untouched.

Among these neglected institutions the entire Peruvian judicial system stands out as most in need of reform. While arguably less critical to the immediate needs of development policy making, the inadequate performance and general backwardness of the sector undermines overall government effectiveness and credibility. The popular perception that the sector's institutions function as captives of the executive, works against the diffusion of democratic values and calls into question the overall commitment to reinforcing them. The equally widespread and largely accurate belief that sector institutions are poorly organized, governed by personalistic and partisan concerns, wasteful of public resources, and accessible on a highly inequitable basis to different sections of the population both reduces faith in them and encourages reliance on antidemocratic traditions of autocratic, centralized and clientilistic politics. The weakness of the judicial sector is a long term problem in Peru, arising in part from a failure to adapt institutions to rapidly changing conditions over the last half century. The situation, now approaching crisis proportions, has generated concern and efforts to induce indigenous reform. However, scarce resources and the backwardness of the institutions themselves have limited the impact of these efforts. While they may eventually produce the needed change, the concern is that they may not do so rapidly enough. Hence, there is a need for outside technical and financial assistance to accelerate the reform process.

b. Current Status and Accomplishments of the AID Project

The initial project agreement was signed on June 25, 1986. Funding was based on a Congressional earmark for the creation of an Administration of Justice Project in Peru FY 86. Thus, although the wider purpose of the project can be defined as democratic strengthening, the earmark limited activities to the judicial sector and required obligation in 1986. Selection of the specific activities (subprojects) to be supported under the Project was based on a list of suggestions provided by each of the three implementing agencies and subsequently negotiated with AID. The resulting list was and continues to be viewed as preliminary. It has already been modified and will continue to be readjusted as Project activities generate a better

understanding of the underlying problems of the sector and the most promising means of improvement.

Since the three implementing agencies had little or no experience with international assistance, project implementation, or cooperation among themselves, the first year's activities were almost exclusively organizational and educational. A basic structure - including a National Commission, a Coordinating Office, and project teams within each institution - was created. Through a lengthy exercise in designing operational plans for proposed activities, these teams learned the basic elements of project design and implementation, as well as AID's financial and administrative management requirements. Although the Agreement included 23* subprojects (16 "institutional" and 7 "common") only 15 institutional and 1 common subproject began activities, in 1987. Since in all cases activities began in May or later and continued to suffer delays due to continuing problems in coordination**, very few of the subprojects realized their financial and physical goals programmed for that year. Still concrete advances were made. New training programs for fiscales (public prosecutors) and judges were introduced with a total of 8 short courses and 300 participants. Basic equipment was provided for 8 provincial prosecutors offices and 4 provincial courts, 2 professional journals were prepared for publication, the Public Ministry and the Ministry of Justice began their institutional assessments. The latter entity also expanded its program of legal information offices and a series of popular educational campaigns in basic legal and human rights. Late in 1987 the first common subproject, a feasibility study for a common system of judicial statistics, began implementation.

By early 1988 and the beginning of the new planning cycle, the understanding and the capabilities of the institutional project teams had visibly improved. The second set of institutional plans were produced more rapidly and demonstrated a firmer grasp of planning and programming techniques as compared with their predecessors. While the emergence of comprehensive institutional or sectoral reform plans to guide selection of subprojects remains a longer term goal, institutions have responded positively to the suggestion that they simplify and prioritize activities under the Project.

*As noted in Table I, several of these subprojects were intended as short-term activities and will be completed before PACD (for the most part in FY 89). The total number of subprojects will also be reduced through the consolidation or elimination of several of them. Thus total number of functioning subprojects should reach a maximum of 20 in FY 1989 and decline further after that.

**Coordination problems were aggravated by periodic changes in the heads of each of the Implementing Agencies. Since mid 1986, the Project has worked with four Ministers of Justice, three Presidents of the Supreme Court, and two Fiscales de la Nación (Attorney Generals).

They have also moved to strengthen the financial management teams assigned to the Project, an example holding promise for on overall management. These improvements have already accelerated the rate of implementation and expenditure and encouraged the expansion of existing work plans.

Finally, with the completion in 1988 of the three institutional assessments and the three major studies organized as common subprojects, the base will be set for a further consolidation of Project activities and a serious consideration of overall institutional and sector reform. Although this consolidation is largely aimed at simplifying and reducing the number of discrete activities sponsored under the Project, it also may introduce new efforts, most notably activities in court management so far neglected under the Project but generally critical to any such reform.

III. Rationale and Need

Reaching the overall objective of the Project was, from the start, envisioned as requiring more than the initial 18 months and then 3 and 1/2 years allotted to it. The nature of funding, in yearly ESF earmarks, dictated an incremental approach, but from the beginning (and as stated in the Project Paper) it has been argued that at least a five-year effort (with commensurate funding increases) will be required to institutionalize the reform efforts and provide a base for their continuation beyond the PACD. The first two years experience has confirmed this estimate. As is commonly the case with organizations new to international technical assistance and project implementation, a good part of that time had to be spent on teaching the fundamentals of both subjects and on creating structures to channel project activities. This initial work, and especially the identification and further training of groups interested in reform has laid the base for a more rapid implementation of the initial plan and for expanding areas of activity identified as most critical to achieving real reform.

The first two years' experience also underscored the need for greater emphasis on research and overall planning and on the creation and/or strengthening of groups to do both. Ideally, the Project would have started the implementation of substantive activities (the subprojects) based on an overall sector assessment with definition of problems and recommendations for overall reform. (Even more ideally, the GOP would have had such a plan in hand while the initial agreement was being negotiated). GOP resistance to such delays led to a compromise in which: the sector assessment would be implemented simultaneously with a series of substantive activities; strengthening of planning capabilities would be undertaken as discrete subprojects; and the emergence of a comprehensive reform program became a long-term goal, an output rather than an input for the Project. While the compromise may have deviated from an ideal scenario for undertaking the project, subsequent experience working with the sector institutions indicates that it was an appropriate way to make progress toward introducing significant reform. The basic weaknesses of these institutions and the substantial conflicts within and among them as to the nature of necessary changes suggest

that an initial effort to diagnose problems and produce an overall program for change would most probably have exacerbated existing divisions without the benefit of any immediate incentive (e.g. the pilot activities) for sticking with the program.

Thus, while the purpose and the basic rationale of the Project have not changed, experience working with the sector has produced some shifts in emphasis and expectations. As stated in the introduction to the Project Paper, the concrete outputs of the subprojects are expected to produce some incremental changes in overall system performance over the current life of project (til December 31, 1989). "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 current proposal to extend the life of project by two more years (to December 31, 1991) and add \$1,000,000 in grant funding thus seeks to build on this base, taking advantage of improved capabilities and attitudes and extending the most promising pilot activities whose concrete and visible accomplishments can also provide the necessary incentive to institutionalize the reform process.

The additional funding recommended is less than previous increments but, given the slow rate of implementation over the first two years, it should be adequate to cover the entire five and a half year period, even with the anticipated increase in expenditure rate. Additional funding is needed not only to sustain existing activities but to upgrade their quality, especially through high quality technical assistance in such areas as automation of systems and court management, and through short and medium term international training of selected participants. To date, little has been spent in these areas because it was believed that returns could not be optimized until the problems and indigenous resources were better identified and defined. Sufficient progress has now been made to allow a selective targetting of both training and technical assistance, both are essential to accelerating overall progress. While the Project strategy emphasizes indigenous solutions, it is apparent that much time can be saved by adapting rather than inventing techniques, especially in highly technical areas.

IV. Description of the PP Amendment Activities

The Project goal and purposes remain the same. Activities will continue to be channeled through the five major components listed above (Section I) but three of these (Training and Professional Development, Studies, Planning, and Modernization, and Outreach) are now defined as the principal dimensions of reform while the remaining two (Organization, and Goods and Services) are subsidiary, supportive activities. Subproject efforts are being readjusted

and coordinated in accord with this reprioritization, both within and across institutions. Table I summarizes the modifications to date and those anticipated over the life of Project. Further adjustments will be made in accord with the evaluation recommendations (from an evaluation to be conducted in early FY 89) to assure that Project purposes and goals will be realized as fully and completely as possible.

TABLE I

Description of Subprojects, Initial Goals, Current Status, and Impact of
FY 88, 89 Funding Increments

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
<u>I. Common Subprojects</u>			
Casas de Justicia	Aid in development of decentralized courthouses in Lima-Callao.	No progress. <u>To be eliminated.</u>	None.
Information Management System (Study)	To develop an integrated computerized data system for tracking criminal cases, a data base on existing legislation, and to provide technical assistance to the three implementing agencies on their individual automation needs.	Study to be completed 9/88 as first step in case tracking system. Institutions preparing their own studies and plans for additional internal automation programs.	Funding added for implementation of case tracking system in Lima judicial district (hardware and software purchases), and to provide additional T.A. to help design additional institutional systems. Subproject will be used to coordinate all informatics activities in project, although funds for implementing institutional plans will be managed by institutional Goods and Services subproject.
Sector Assessment	Realize baseline study of entire judicial system, featuring identification, analysis of problems, constraints to and recommendations for solution.	Study underway to be completed 12/88. <u>Activity ends.</u>	No direct effect. Recommendations to be incorporated as appropriate throughout Project, and base-line data to be used in both evaluations.

NS

TABLE I (Cont. Page 2)

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
Special Assessment	Realize study on current state of procedures and mechanisms for formulation of legislation and coordination of judicial procedures.	Study begun. To be completed 12/88. <u>Activity ends.</u>	No direct effect. Recommendations of study to be incorporated in other activities (especially "Center for Juridical Research").
Special Training	To develop course in investigation techniques for judges and <u>fiscales</u> .	First course given.	\$20,000 added to purchase T.A. from ICITAP (Justice Department program offering regional course in investigative techniques).
Crime Prevention	Studies leading to national crime prevention program.	Studies begin by MP, but but progress halted for lack of MOJ cooperation. Efforts to transfer entire responsibility to MP.	None. Funding and activities remain same.
Public Defender	Studies leading to PM's implementation of ombudsman role.	Transferred to PM. Shift from study to specific proposal for implementing ombudsman function, focusing on T.A. and training.	\$10,000 added to continue implementation and improvement of office.
Administrative Training	Pilot program to train administrative staff in 3 Implementing Agencies, which will include administrative personnel.	Never begun. Funds to be transferred to other training programs.	None.

TABLE I (Cont. Page 3)

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
<u>II. Judicial Power</u>			
Judicial Academy	Development and implementation of program for training judges and administrative personnel.	Three national forums in 1987. 1988 plan expands to 10 courses for judges and administrative personnel.	\$20,000 added to support continued development of Academy.
Judicial Research Center	Study(ies) to produce a plan for integrated reform of Judicial Power.	Activity temporarily suspended for redesign.	None. Funding remains same for redesigned activities.
Planning	Training, T.A. and purchase of goods to strengthen JP planning system.	Temporarily suspended for redesign.	\$5,000 added for redesigned activities.
Dissemination of Professional Publications.	Publication and distribution of professional journals and purchase of official daily "El Peruano" for all judges.	Publication of first set of <u>Anales Judiciales</u> (1978-1980) Project to focus on updating <u>Anales</u> (collection of new legislation, Supreme Court rulings). <u>El Peruano</u> purchase shifted to "Goods and Services".	\$10,000 added to continue publication of <u>Anales</u> through 1990.
Goods and Services	Purchase of basic office equipment, legal texts, and technical assistance.	After initial purchase of office equipment, subproject to focus on equipment and T.A. purchases for other JP activities under the Project.	\$60,000 added for purchase of computer hardware in conjunction with overall informatics activities (common subproject and related institutional needs).

49

TABLE I (Cont. Page 4)

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
Court Management	Not included.	Discussions with PJ on new sub-project.	Total of \$100,000 in reserve for subproject design and implementation and provision of T.A.
<u>III. Ministry of Justice</u>			
Legal Information Offices	Help implement and improve national network of legal information offices to provide services to limited resource population. Focus on helping target population to deal with system and familiarize them with basic legal and human rights.	18 offices functioning. 1988-89 activities focus on evaluation and improvement of services, development of training program.	Program to "graduate" to full GOP support in CY 90. No additional grant funds requested. Counterpart requested to maintain existing offices and implement up to 12 more.
Training for Access to Legal System	Short courses for professional and administrative personnel in legal and human rights.	Merged with "Legislative Outreach" with emphasis on popular education programs through schools, media, and legal information offices.	No new funding. Merged subprojects will consolidate activities under initial funding for both.
Legislative Outreach	Public-education campaign in basic human and legal rights (including special focus on women's rights) through basic legal documents and short courses.	Merged with "Training for Access"	See above.

738

TABLE I (Cont. Page 5)

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
Support to Victims of Crime	Study to set up assistance to victim program.	<u>Suspended</u> - funds to be reassigned to other activities.	None.
Center for Juridical Research and Documentation	Program of law revision to develop legislative data base and methodology for reviewing and revising existing legislation.	Reference center for MOJ being established. Study to develop legislative data base underway.	\$30,000 added to advance initial goals.
Planning	T.A., training and supplies to upgrade MOJ Planning Office.	Training and supplies provided. Planning office begins institutional assessment to complement Sector Assessment.	\$10,000 added to finance continuing institutional assessment and continue training and T.A.
Goods and Services	Purchase of basic resources, T.A. to improve Ministry operation.	5 microcomputers and software, equipment for legal services offices purchased.	\$30,000 added to purchase hardware and software for MOJ's part in common and institutional informatics programs.
<u>IV. Public Ministry</u>			
Academy of the Public Ministry	Establish training program for <u>fiscales</u> and administrative and support personnel.	Training program in second year with 10 courses scheduled.	\$35,000 added to continue program.

88

TABLE I (Cont. Page 6)

<u>Activity</u>	<u>Initial Goals</u>	<u>Status</u>	<u>Effect of FY 88 and FY89 Obligations</u>
Professional Publications	For upgrading and support of Professional journal "El Fiscal".	Publication of new professional journal "Defensor del Pueblo", substitutes for "El Fiscal".	\$10,000 added to continue, upgrade publication program.
Planning	T.A., training, purchase of goods for planning office.	Training programs begin, basic equipment purchase, institutional assessment under way to complement sector assessment.	\$10,000 added to continue and amplify existing program.
Goods and Services	Purchase of basic supplies and T.A.	Purchase of office equipment for provincial fiscalias.	\$35,000 added for computer equipment to complement common and institutional informatics project.
<u>V. Overall Organizational</u>			
Coordinating Office and National Commission.	Provide coordinated policy and technical guidance to Project.	Coordinating Office implemented and functioning to coordinate and provide technical guidance to institutions. National Commission operating at minimal level.	\$100,000 added to support Coordinating Office activities through LOP. Coordinating Office's charge from FY 88 on, is to place more emphasis on global reform planning and to help orient National Commission in this direction.

The following activities will be supported by the additional grant assistance under this amendment:

1. Introduction and expansion of a "Court Management" subproject (introduced as a small pilot project in the PP). This includes provision of technical assistance to work with court system personnel in selected courts in Lima and in one provincial judicial district to recommend and introduce changes in basic organizations and procedure for criminal case management. This will be linked to the "Information Management System" subproject and institutional automation efforts (pts. 2 and 3 below), but will also emphasize non-automated procedures (scheduling of cases, management of files, etc.).

2. Expanded implementation of the "Information Management System" subproject to introduce a unified partially computerized system for tracking criminal cases. The exact nature of the expansion will depend on recommendations of the study and systems design still underway but the goal is to implement a computerized system for the Lima/Callao courts and so standardize data collection (manual and automated) on a national base as to allow eventual extension of the computerized system to the provinces. The emphasis will be on provision of technical assistance and training, and software design, purchase or adaptation. While additional hardware purchases will be made, efforts are aimed at upgrading existing systems (2 minicomputers already in place) and on implementing the first stage of what will eventually be a nation-wide system.

3. Partial implementation of institutional automation plans (now being developed for areas not covered by the "Information Management System" subproject - for example, administrative functions) with emphasis on technical assistance for systems and software design or adaptation. Technical assistance in conjunction with these plans will also focus on rationalization of procedures in preparation for eventual automation.

4. Technical assistance and basic support for other subproject activities, especially training, training of trainers, legal outreach, human rights and ombudsman functions. Although the general policy is to phase out grant funds for operational support, it is felt that in certain key areas (e.g. training programs), the phase out should come later. Even in areas where the phase out can begin earlier, these are critical needs for further technical assistance and training that are best met with additional grant support.

5. A program of medium term US and third-country training for selected judges and fiscales. Funds for this program will be handled directly by AID. Transactional waivers will be required for any third-country sites, to be justified in terms of the overall logic of AID's regional Administration of Justice activities which include strengthening regional resources.

6. Funding of the Project Coordinating Office for an additional two

years. The office will be reduced in size and/or a larger portion of its expenses will be funded with counterpart.

7. Administrative expenses for CYs 89-91, (i.e. salary for project manager).

V. Financial Plan

Tables II - V summarize the revised financial plan for the Project. Use of additional grant funds is also discussed in section IV above. The additional counterpart requested as part of the FY 88 and FY 89 grant amendments will be used (as shown in Table II) to support an increasing share of the operating expenses of basic activities (especially training programs and outreach) intended as permanent elements of the reform process. Some counterpart will also be used to support purchase of equipment to encourage the GOP's taking over this function.

Under this amendment additional AID grant funds of \$1,000,000 will be provided in two tranches, \$500,000 in FY 88 and \$500,000 in FY 89. Additional counterpart funds of \$1,000,000 will also be provided in the same increments. Project life will be extended by two years to December 31, 1991.

TABLE II

Illustrative Budget
Consolidated Use of AID Grant and GOP Counterpart Increments
for FY 88 and FY 89 by Project Component

Based on the above description, it is anticipated that AID and GOP resources will be allocated to the Project approximately as follows:

PROJECT COMPONENT	AID	GOP
<u>I. ORGANIZATIONAL COMPONENT</u>	<u>100,000</u>	<u>10,000</u>
<u>A. Coordinating Office</u>	<u>100,000</u>	<u>10,000</u>
1. TA/Training	5,000	---
2. Operating Expenses	95,000	10,000
a. Salaries	(95,000)	
b. Others		(10,000)
<u>II. TRAINING AND PROFESSIONAL DEVELOPMENT</u>	<u>95,000</u>	<u>125,000</u>
<u>A. Special Training⁴ (JP, PM)</u>	<u>20,000</u>	<u>---</u>
1. TA/Training	20,000	
<u>B. Academic Institute (JP)</u>	<u>20,000</u>	<u>40,000</u>
1. Other	20,000	40,000
<u>C. School for Fiscales (PM)</u>	<u>35,000</u>	<u>45,000</u>
1. Operating Expenses	10,000	15,000
a. Salaries	(5,000)	(10,000)
b. Other	(5,000)	(5,000)
2. Other	25,000	30,000
<u>E. Professional Publications (PM)</u>	<u>10,000</u>	<u>20,000</u>
1. Commodities	5,000	5,000
2. Operating Expenses		5,000
a. Salaries		(5,000)
b. Other		
3. Other	5,000	10,000
<u>F. Professional Publications (JP)</u>	<u>10,000</u>	<u>20,000</u>
1. Commodities	5,000	5,000
2. Operating Expenses		5,000
a. Salaries		(5,000)
b. Other		
3. Other	5,000	10,000
<u>III. PLANNING, STUDIES AND MODERNIZATION OF SYSTEMS</u>	<u>240,000</u>	<u>150,000</u>
<u>A. Studies</u>	<u>10,000</u>	<u>30,000</u>
1. People's Defender (PM)	<u>10,000</u>	<u>30,000</u>
a. TA/Training	5,000	
b. Operating Expenses	5,000	20,000
- Salaries		(10,000)
- Other	(5,000)	(10,000)
c. Commodities		10,000

TABLE II. (Cont. page 2)

PROJECT COMPONENT	AID	GOP
B. <u>Planning Systems</u>	<u>25,000</u>	<u>30,000</u>
1. Judicial Power	<u>5,000</u>	<u>5,000</u>
a. TA/Training	3,000	
b. Other	2,000	5,000
2. Public Ministry	<u>10,000</u>	<u>10,000</u>
a. TA/Training	5,000	
b. Commodities	5,000	
c. Operating Expenses		5,000
d. Other		5,000
3. Ministry of Justice	<u>10,000</u>	<u>15,000</u>
a. TA/Training	5,000	
b. Commodities	5,000	5,000
c. Operating Expenses		5,000
d. Other		5,000
C. <u>Modernization of Systems</u>	<u>205,000</u>	<u>90,000</u>
1. Center for Juridical Research and Documentation (MOJ)	<u>30,000</u>	<u>50,000</u>
a. TA/Training		
- Long Term		
- Short Term		
b. Commodities	30,000	(20,000)
- Computer	(30,000)	
- Software		(20,000)
- Other		
c. Operating Expenses		30,000
- Salaries		(20,000)
- Other		(10,000)
d. Other		
2. Information Management System (JP, PM, MOJ)	<u>100,000</u>	<u>---</u>
a. TA/Training	<u>30,000</u>	
- Long Term		
- Short Term	(30,000)	
b. Commodities	70,000	
- Computer	(40,000)	
- Software	(30,000)	
- Other		
c. Operating Expenses		
- Salaries		
- Other		
d. Other		
3. Court Management (JP)	<u>75,000</u>	<u>40,000</u>
a. TA/Training	<u>50,000</u>	<u>10,000</u>
- Long Term		
- Short Term	(50,000)	(10,000)

116

TABLE II. (Cont. page 3)

PROJECT COMPONENT	AIP	GOP
b. Commodities	25,000	20,000
- Computer	(25,000)	
- Software	---	(20,000)
c. Operating Expenses		10,000
- Salaries		(10,000)
- Other		
d. Other		
IV. <u>BASIC EQUIPMENT</u>	<u>125,000</u>	<u>90,000</u>
A. <u>Judicial Power</u>	<u>60,000</u>	<u>30,000</u>
1. <u>Commodities</u>	<u>60,000</u>	<u>30,000</u>
- Computers	(60,000)	
- Other		(30,000)
B. <u>Public Ministry</u>	<u>35,000</u>	<u>30,000</u>
1. <u>Commodities</u>	<u>35,000</u>	<u>30,000</u>
- Computer	(35,000)	
- Other		(30,000)
C. <u>Ministry of Justice</u>	<u>30,000</u>	<u>30,000</u>
1. <u>Commodities</u>	<u>30,000</u>	<u>30,000</u>
- Computers	(30,000)	
- Other		(30,000)
V. <u>OUTREACH</u>	<u>0</u>	<u>600,000</u>
A. <u>Legal Information Offices (MOJ)</u>	<u>---</u>	<u>600,000</u>
1. <u>Operating Expenses</u>		<u>600,000</u>
- Salaries		(600,000)
- Other		---
VI. <u>EVALUATION AUDIT</u>	<u>---</u>	<u>---</u>
VII. <u>ADMINISTRATIVES COST</u>		
1. <u>Project Coordinator</u>	<u>240,000</u>	
VIII. <u>LONG TERM TRAINING</u>	<u>100,000</u>	<u>---</u>
IX. <u>CONTINGENCIES/MISCELLANEOUS</u>	<u>100,000</u>	<u>25,000</u>
TOTAL	<u>1,000,000</u>	<u>1,000,000</u>

116

TABLE III

Illustrative Budget
AID Grant Funds by Fiscal Year of Obligation
and by Project Component

PROJECT COMPONENT	FY 88	FY 89
I. <u>ORGANIZATIONAL COMPONENT</u>	<u>40,000</u>	<u>60,000</u>
A. Coordinating Office	40,000	60,000
II. <u>TRAINING AND PROFESSIONAL DEVELOPMENT</u>	<u>55,000</u>	<u>40,000</u>
A. Special Training (JP, PM)	20,000	---
B. Academic Institute (JP)	---	20,000
C. School for Fiscales (PM)	25,000	10,000
D. Professional Publications (PM)	5,000	5,000
E. Professional Publications (JP)	5,000	5,000
III. <u>PLANNING, STUDIES AND MODERNIZATION OF SYSTEMS</u>	<u>105,000</u>	<u>135,000</u>
A. <u>Studies</u>	<u>5,000</u>	<u>5,000</u>
1. People's Defender (PM)	5,000	5,000
B. <u>Planning Systems</u>	<u>15,000</u>	<u>10,000</u>
1. Judicial Power	5,000	---
2. Public Ministry	5,000	5,000
3. Ministry of Justice	5,000	5,000
C. <u>Modernization of Systems</u>	<u>85,000</u>	<u>120,000</u>
1. Center for Juridical Research and Documentation (MOJ)	10,000	20,000
2. Information Management Systems (JP, PM, MOJ)	50,000	50,000
3. Court Management (JP)	25,000	50,000
IV. <u>BASIC EQUIPMENT</u>	<u>95,000</u>	<u>30,000</u>
A. Judicial Power	30,000	30,000
B. Public Ministry	35,000	---
C. Ministry of Justice	30,000	---
V. <u>OUTREACH</u>	<u>---</u>	<u>---</u>
VI. <u>EVALUATION/AUDIT</u>	<u>---</u>	<u>---</u>
VII. <u>ADMINISTRATIVE COSTS</u>	<u>100,000</u>	<u>140,000</u>
VIII. <u>LONG TERM TRAINING</u>	<u>50,000</u>	<u>50,000</u>
IX. <u>CONTINGENCIES/MISCELLANEOUS</u>	<u>55,000</u>	<u>45,000</u>
TOTAL	<u>500,000</u> =====	<u>500,000</u> =====

TABLE IV

Summary Budget for Life of Project by Project Components

PROJECT COMPONENT	Amount Obligated 5/88	Amount Expended 5/88	New Obligation Proposed	Total Obligated and Proposed
I. <u>ORGANIZATIONAL COMPONENT</u>				
A. Coordinating Office	<u>313,000</u>	<u>160,000</u>	<u>100,000</u>	<u>413,000</u>
II. <u>TRAINING AND PROFESSIONAL DEVELOPMENT</u>	<u>232,500</u>	<u>65,139</u>	<u>95,000</u>	<u>327,500</u>
A. Special Training (JP, PM)	40,000	11,000	20,000	60,000
B. Academic Institute (JP)	95,000	12,116	20,000	115,000
C. School for Fiscales (PM)	50,000	11,914	35,000	85,000
D. Administrative Training (JP, PM)	[20,000]*	---	---	[20,000]*
E. Professional Publications, (PM)	10,000	7,788	10,000	20,000
F. Professional Publications, (JP)	17,500	22,321**	10,000	27,500
III. <u>PLANNING, STUDIES AND MODERNIZATION OF SYSTEMS</u>	<u>441,000</u>	<u>23,299</u>	<u>240,000</u>	<u>681,000</u>
A. <u>Studies</u>	<u>145,000</u>	<u>4,421</u>	<u>10,000</u>	<u>155,000</u>
1. People's Defender (PM)	5,000	---	10,000	15,000
2. Crime Prevention (PM, MOJ)	5,000	---	---	5,000
3. Special Diagnostic (JP, PM, MOJ)	10,000	---	---	10,000
4. Sector Assessment (JP, PM, MOJ)	60,000	---	---	60,000
5. Aid to Victims (MOJ)	15,000	3,206	---	15,000
6. Center of Judicial Research (JP)	50,000	1,215	---	50,000
B. <u>Planning Systems</u>	<u>30,000</u>	<u>3,128</u>	<u>25,000</u>	<u>55,000</u>
1. Judicial Power	10,000	---	5,000	15,000
2. Public Ministry	10,000	760	10,000	20,000
3. Ministry of Justice	10,000	2,368	10,000	20,000
C. <u>Modernization of Systems</u>	<u>266,000</u>	<u>15,750</u>	<u>205,000</u>	<u>471,000</u>
1. Center for Juridical Research and Documentation (MOJ)	70,000	3,765	30,000	100,000
2. Information Management Systems (JP, PM, MOJ)	171,000	11,985	100,000	271,000
3. Court Management* (JP)	[25,000]*	---	75,000	100,000

*Proposed project, funds set aside in PP not assigned to this Project in Agreement.

**Overexpenditure credited for AID bookkeeping (will be regularized in subsequent PIL).

TABLE IV. (Cont. Page 2)

PROJECT COMPONENT		Amount Obligated 5/88	Amount Expended 5/88	New Obligation Proposed	Total Obligated and Proposed
IV.	<u>BASIC EQUIPMENT</u>	<u>350,000</u>	<u>102,100</u>	<u>125,000</u>	<u>475,000</u>
	A. Judicial Power	140,000	35,700	50,000	190,000
	B. Public Ministry	150,000	30,200	35,000	185,000
	C. Ministry of Justice	60,000	36,200	40,000	100,000
V.	<u>OUTREACH</u>	<u>250,000</u>	<u>51,787</u>	---	<u>250,000</u>
	A. Legal Information Offices (MOJ)	100,000	33,798	---	100,000
	B. Training for Access to Legal Systems (MOJ)	35,000	6,664	---	35,000
	C. Legislative Outreach (MOJ)	55,000	11,325	---	55,000
	D. "Casas de Justicia" (JP, PM, MOJ)	60,000	---	---	60,000
VI.	<u>EVALUATION/AUDIT</u>	<u>60,000</u>	---	---	<u>60,000</u>
VII.	<u>ADMINISTRATIVE COSTS</u>	<u>80,000</u>	<u>30,000</u>	<u>240,000</u>	<u>320,000</u>
VIII.	<u>CONTINGENCIES/MISCELLANEOUS</u>	<u>123,500</u>	---	<u>100,000</u>	<u>223,500</u>
IX.	<u>LONG TERM TRAINING</u>	---	---	<u>100,000</u>	<u>100,000</u>
TOTAL		<u>1,850,000</u>	<u>432,328</u>	<u>1,000,000</u>	<u>2,850,000</u>

13/11

TABLE V

Summary of Total AID Project Costs
for FY 88 and FY 89
by Local Costs (LC), Foreign Exchange (FX)
and Project Inputs (US\$)

PROJECT INPUTS	FY88		FY89	
	LC	FX	LC	FX
I. Project Administration	0	100,000	0	140,000
II. Training and TA	35,000	80,000	23,000	85,000
III. Commodities	35,000	140,000	65,000	30,000
IV. Other Costs	55,000	---	112,000	
	<hr/>	<hr/>	<hr/>	<hr/>
SUBTOTAL Project Costs	125,000	320,000	200,000	255,000
Contingencies	50,000	5,000	40,000	5,000
	<hr/>	<hr/>	<hr/>	<hr/>
AID TOTAL PROJECT COSTS	175,000	325,000	240,000	260,000
	=====	=====	=====	=====

VI. Implementing Agency and Administrative Feasibility

The project is implemented by three GOP institutions, the Judicial Power (Court System), the Public Ministry (Public Prosecutor's Office and Ombudsman), and the Ministry of Justice (executive branch entity responsible for liaison with the justice system, oversight of legislation, family welfare, and prison management). Since these entities, and especially the first two are weak administrators and planners, a good portion of early efforts under the project has gone into strengthening their internal management and planning capabilities as regards the project and into encouraging cooperation among the three. The initial effort has produced visible improvements in project planning and implementation as well as in their ability to deal with AID's financial and administrative management requirements. As noted one component of the project involves strengthening of institutional planning systems, but apart from this, day-to-day contact with the institutions incorporates constant pressures to produce improvements in overall project management.

VII. Procurement Plan

The procurement plan includes some revisions from that originally outlined in the PP. Since the amount to be spent on computer related purchases will exceed \$100,000, IRM/W approval is required. Conversations have been initiated with IRM, which will review the plan(s) resulting from the series of feasibility studies on institutional and common automation needs. One of these studies, to design a common criminal case tracking system for the three implementing agencies, is nearing completion. Three additional studies, to produce automation plans for each institution, are also underway. It has been stressed to the implementing agencies that any further purchase of computer related equipment (beyond an initial purchase of 5 microcomputers and peripherals for the Ministry of Justice) will be contingent on the development and approval of an overall plan for the life of project. While we are encouraging that purchase of hardware and some software be made locally and in part with counterpart funding, once the overall plan is developed it may prove more economical to do a bulk direct purchase by AID with grant funds. Hence funds are tentatively earmarked for this in the PP--the amount is an estimate, given that precise specifications depend on the studies' recommendation, subject to IRM approval.

A second revision in the initial procurement plan is the addition of medium and long term technical assistance to be contracted directly by AID. This includes the contracting of the services of ICITAP (Justice Department program) to give technical assistance in or provide a course on criminal investigative techniques. It is also anticipated that AID will contract directly for technical assistance in court management and judicial information systems, bringing in US or third country experts (with a transactional waiver required for the latter). The decision to go to direct contracting is based on several factors including the judgment that non-Peruvian experts will be needed in these specific areas and the conclusion that for a variety of

reasons such contracting of non-national TA would overtax the abilities of the implementing agencies.

Finally, owing to delays in finishing the judicial statistics feasibility study ("Information Management System") and the decision to require three separate institutional automation plans the schedule for the purchase of computer hardware and software has also been delayed. Such purchases will now, as noted above, require prior approval by IRM, meaning that they will not be begun until FY 89.

VIII. Additional Considerations

Although the Project does not have a specific WID component, its principal objective, an improved justice system, will bring equal benefits to men and women. At least one project activity, the legal information offices, has a majority of female beneficiaries. The "Legislative Outreach" subproject, also run by the Ministry of Justice, is currently being redesigned to include a special focus popular educational campaigns in women's rights. Although the legal profession in Peruvian remains dominated by men, efforts are also being made to include women in the design of project activities and as recipients of training programs. Since the in-country professional training programs aim at reaching all judges and fiscales, "overrepresentation of women makes no sense here, but both in training programs outside of Peru, and in the event of an expansion of professional training to include candidates to judgeships, an increase in the proportion of female participants is a goal.

The specialized nature of the technical assistance required for this Project, places some limits on possible sources. Nonetheless, where feasible, we will take into account Gray Amendment considerations. In the case of US procurements of computer equipment, the only large procurements to be made outside Peru, we will attempt to use 8-A firms.

An environmental examination was made in June 1987, resulting in the determination that the Project would have negligible environmental impacts. The Project activities proposed under this supplement do not differ in substance from those examined - hence the impact remains negligible. AID/W was consulted on this and concurred with the determination (State 272203).

SC(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

- | | |
|--|---|
| <p>1. <u>FY 1968 Continuing Resolution Sec. 526.</u></p> <p>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?</p> | <p>No.</p> |
| <p>2. <u>FAA Sec. 481(h).</u> (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</p> | <p>Yes, President certified in 1988 INCSR, that Peru complied with Subsections (a) and (b) and Congress has not disapproved such certification.</p> |

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. ENRON, owner of Belco's assets, and the GOP continue to work cooperatively to resolve the problem of compensation for expropriate assets. We are unaware that any U.S. citizen or entities have interests in those banks which may be affected by the GOP's law to nationalize the financial system.
6. FAA Secs. 620(a), 620(f), 620D; FY 1988 Continuing Resolution Sec. 512. Is recipient country a Communist country? If so, has the President determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism? Will assistance be provided directly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification? No.
7. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property? No.
8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC? 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 settlement 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. 9

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.
10. FAA Sec. 620(q); FY 1988 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 1988 Continuing Resolution appropriates funds? (a) No.
(b) No.
The GOP had been in default in both categories but it updated its payment and emerged from sanctions effective August 19, 1988. (State 271448).
11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage 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 Administrator at the time of approval of OYB. "Implementation of Section 620 (S)..." Report to Congress for 1986/87 March, 1988.
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.

20

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. Operational Year Budget? (Reference may be made to the Taking into Consideration memo.)

The GOP is not in arrears in its obligatory payments of UN dues which must be paid in order to participate (vote) in the UN. Payments to the development assistance programs are voluntary; and thru 1985, the GOP paid \$250,000 per year. Since President Garcia was elected in mid-85, these voluntary payments have not been made. However, the GOP plans to pay a symbolic amount for 1986 and 1987.

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

No.

15. FY 1988 Continuing Resolution Sec. 576. Has the country been placed on the list provided for in Section 6(j) of the Export Administration Act of 1979 (currently Libya, Iran, South Yemen, Syria, Cuba, or North Korea)?

No.

16. IGDCA of 1985 Sec. 552(E). 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.

17. 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.

18. 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.

21

19. 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.
20. 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 did it fail 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 1988. Taking Into Consideration Memorandum.
21. FY 1988 Continuing Resolution Sec. 528. Has the recipient country been determined by the President to have engaged in a consistent pattern of opposition to the foreign policy of the United States? No.
22. FY 1988 Continuing Resolution Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? No.
23. FY 1988 Continuing Resolution Sec. 543. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? Not applicable.

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

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

No.

FY 1988 Continuing Resolution Sec. 538. Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

No.

2. Economic Support Fund Country Criteria

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

No.

FY 1988 Continuing Resolution Sec. 549. Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

Yes.

23

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 with 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 1988 Continuing Resolution Sec. 523; FAA Sec. 634A. If money is sought to obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?
2. FAA Sec. 611(a)(1). Prior to an 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 the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?

A Congressional Notification was sent on June 23, 1988 and expired on July 7, 1988.

- (a) Yes
- (b) Yes

No further legislative action by Peru is required.

24

4. FAA Sec. 611(b); FY 1988 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.) Not applicable.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively? Not applicable.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. 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 enterprise). 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), 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The GOP will contribute the equivalent of at least U.S. \$2,000,000.00 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 1988 Continuing Resolution Sec. 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? Not applicable.
12. FY 1988 Continuing Resolution Sec. 553. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel? Not applicable.
13. FAA Sec. 119(q)(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.

14. 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.
15. FY 1988 Continuing Resolution. If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? Not applicable.
16. FY Continuing Resolution Sec. 541. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? Not applicable.
17. FY 1988 Continuing Resolution Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has prior approval of the Appropriations Committees of Congress been obtained? Not applicable.
18. FY Continuing Resolution Sec. 515. If deob/reob authority is sought to be exercised in the provision of assistance, are the funds being obligated for the same general purpose, and for countries within the same general region as originally obligated, and have the Appropriations Committees of both Houses of Congress been properly notified? Not applicable.
19. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision). After the Project Agreement is signed these actions will be taken.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

- a. FY 1988 Continuing Resolution Sec. 552 (as interpreted by conference report). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities (a) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (b) in support of research that is intended primarily to benefit U.S. producers?
- b. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will (a) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment from cities to small towns and rural areas, and

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 a 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.

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

g. FDA 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.

h. FY 1988 Continuing Resolution Sec. 538. 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?

i. FY 1988 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?

- j. FAA Sec. 601(a). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?
- k. FY 1988 Continuing Resolution. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 20 percent of the students are Hispanic Americans, 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)?
- l. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (a) stress the importance of conserving and sustainably managing forest resources; (b) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (c) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (d) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (e) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared

or degraded; (f) conserve forested watersheds and rehabilitate those which have been deforested; (g) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (h) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (i) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (j) seek to increase the awareness of 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?

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

- n. 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 will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas?
- o. 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?
- p. FY 1988 Continuing Resolution If assistance will come from the Sub-Saharan Africa DA account, is it (a) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (b) being provided in

accordance with the policies contained in section 102 of the FAA; (c) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (d) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take into account, in assisted policy reforms, the need to protect vulnerable groups; (e) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

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 1988 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?

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. 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 1988 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 1988 Continuing Resolution Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)? Yes.

B. CONSTRUCTION

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? 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.

A.

4. Will arrangements preclude use of financing:

- a. FAA Sec. 104(f); FY 1987 Continuing Resolution Secs. 525, 538. (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.

40

- g. FY 1988 Continuing Resolution Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes.
- h. FY 1988 Continuing Resolution Sec. 505. To pay U.N. assessments, arrearages or dues? Yes.
- i. FY 1988 Continuing Resolution Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes.
- j. FY 1988 Continuing Resolution Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes.
- k. FY 1988 Continuing Resolution Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.
- l. FY 1988 Continuing Resolution Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? Yes.

91

ACTION: AID-2 INFO AMB DCM ECON
MAIL ROOM
68 AUG 16 AM 11:05

VZCZCPEU765
PP RUEHPE
DE RUEHC #4929 2282126
ZNR UUUUU ZZH
P 152125Z AUG 88
FM SECSTATE WASHDC
TO AMEMBASSY LIMA PRIORITY 0986
BT
UNCLAS STATE 264929

USAID/LIMA

15-AUG-88 TOR: 21:27
CN: 43295
CHRG: AID
DIST: AID
ADD:

AIDAC

ACTION: DR (FIELDS)
INFO: PROG
D
DD

E.O. 12356: N/A

TAGS:

SUBJECT: ADMINISTRATION OF JUSTICE PROJECT (527-0303)

1. SUMMARY: AID/W CONCURS IN PACD EXTENSION FROM DECEMBER 31, 1989 TO DECEMBER 31, 1991 IF USAID APPROVES AND AUTHORIZES AMENDMENT NO. 2 TO THE PROJECT AND GIVES PROGRAM CONCURRENCE FOR THE MISSION TO AUTHORIZE AND OBLIGATE THIS AMENDMENT. HOWEVER, AID/W REQUESTS THAT THE MISSION INCORPORATE INTO THE LOGFRAME FOR THE PP SUPPLEMENT APPROPRIATE STANDARD LAC BUREAU ADMINISTRATION OF JUSTICE OBJECTIVES. END SUMMARY.

2. AMENDMENT NO. 2 EXTENDS THE PERU AOJ PROJECT TO DECEMBER 31, 1991, FOR A TOTAL OF FIVE AND ONE-HALF YEARS. AID/W SEEKS TO BE SURE THAT AT THE END OF THIS PERIOD THE MISSION IS IN A POSITION TO GAUGE THE SUCCESS OF THE PROJECT AGAINST QUANTIFIABLE INDICATORS, CONSISTENT WITH INDICATORS USED TO JUDGE THE RELATIVE SUCCESS OF OTHER BILATERAL AOJ PROJECTS IN THE REGION. TO THAT END, THE ORIGINAL PP ANTICIPATED TWO EVALUATIONS OF THE PROJECT, ONE WITHIN 30 MONTHS AND ONE WITHIN 66 MONTHS OF PROJECT INITIATION. AID/W UNDERSTANDS THAT GIVEN THE DELAYS IN THE INITIATION OF IMPORTANT

SUBPROJECTS, AN EVALUATION MAY NOT BE APPROPRIATE BY DECEMBER 31, 1988 (30 MONTHS FROM THE JUNE 1986 INITIATION DATE); HOWEVER, PLANS FOR A MID-TERM EVALUATION OUGHT TO BE COMMENCED FOR SUCH LATER DATE AS THE MISSION DETERMINES APPROPRIATE. PLEASE ADVISE THIS DATE WHEN DETERMINED. THIS EVALUATION EFFORT SHOULD INCLUDE DEVELOPMENT OF QUANTIFIABLE INDICATORS FOR THE PROJECT WHICH ARE CONSISTENT WITH INDICATORS FOR OTHER AOJ BILATERAL EFFORTS. WE RECOGNIZE THAT, AS DISCUSSED IN THE ORIGINAL PP, SYSTEMATIC IMPROVEMENTS WILL BE DIFFICULT TO MEASURE WITHIN A SHORT TIME FRAME; NONETHELESS, THE PP ANTICIPATED IMPROVEMENTS IN QUOTE ATTITUDES AND INSTITUTIONAL PROCEDURES RELATING TO PLANNING AND INTRODUCING CHANGES, AND IN THE ELABORATION OF STRATEGIES AND METHODOLOGIES TO ACHIEVE IMPROVEMENTS IN SPECIFIC AREAS UNQUOTE. WE URGE THE MISSION TO ATTEMPT TO QUANTIFY AND SPECIFY JUST WHAT THESE IMPROVEMENTS ARE LIKELY TO BE OVER THE NOW FIVE AND ONE-HALF YEAR LIFE OF THIS PROJECT.

See date 8/22
ACTION COPY
ACTION TAKEN: *Included*
PP Substantive Logframe done
DATE: *8/16/88*
INITIALS: *LDW*

3. THE BUREAU HAS DEVELOPED ELEVEN AOJ INDICATORS WHICH HAVE BEEN PANAFAXED TO YOU. THEY REPRESENT A FIRST CUT AT POSSIBLE AOJ INDICATORS FOR BILATERAL PROJECTS.

ALTHOUGH NOT ALL THESE INDICATORS MAY BE APPROPRIATE IN THE CONTEXT OF PERU, THE MISSION IS URGED TO DEVELOP THOSE THAT SEEM APPLICABLE TO THE SUBPROJECTS WITHIN PERU'S PROJECT AND INCORPORATE THEM INTO THE LOGFRAME FOR THE PP SUPPLEMENT.

4. FOR EXAMPLE, THE MISSION SHOULD CONSIDER DEVELOPING THE CASE MANAGEMENT TRACKING SYSTEM INDICATOR SINCE THIS IS ONE OF THE PROMINENT SUBPROJECTS IN AMENDMENT NO. 2. AT THE END OF FIVE YEARS, WHAT CAPABILITY TO TRACK CASES DOES THE MISSION EXPECT THE PROJECT TO HAVE CREATED? IN WHAT PERUVIAN COURTS? WILL THE TRACKING SYSTEM QUANTIFIABLY IMPROVE THE AVERAGE TIME TO PROCESS A CRIMINAL CASE IN THE RELEVANT COURTS? CAN THIS BE MEASURED IN ANY RELIABLE WAY? IS IMPLEMENTATION OF THE CASE TRACKING SYSTEM LIKELY TO HAVE OTHER BENEFICIAL EFFECTS? IF SO, CAN THESE BE MEASURED?

5. THE PROJECT ALSO INCLUDES TRAINING FOR JUDGES AND PROSECUTORS. BEYOND QUANTIFYING THE NUMBERS OF PERSONS SO TRAINED, THE MISSION SHOULD CONSIDER WHETHER THE PROJECT WILL HAVE AN IMPACT ON THE INSTITUTIONALIZATION OF IN-SERVICE TRAINING FOR JUDGES AND PROSECUTORS IN PERU? DOES THE PROJECT ANTICIPATE ANY FOLLOW-UP TO GAUGE THE SUCCESS OF TRAINING (OR TO DISCOVER WHETHER IN

FACT THE TRAINEE HAS REMAINED IN GOVERNMENT SERVICE)? WILL EITHER THE TRAINING OR OTHER SUBPROJECT INVESTMENTS RELATE IN ANY WAY TO POLICY DIALOGUE TO ENCOURAGE ENHANCED GOVERNMENT FINANCING OF THE JUDICIARY (INDICATOR NUMBER 2 ON THE AOJ LIST)?

6. FOR YOUR INFORMATION, THE ADVICE OF PROGRAM CHANGE WAS SENT TO THE HILL ON JUNE 23, 1988 AND THE WAITING PERIOD EXPIRED ON JULY 8, 1988.

7. PLEASE PROVIDE A COPY OF THE REVISED LOGFRAME TO LAC/DR/SA WHEN COMPLETED. WHITEHEAD

BT

#4929

NNNN

ACTION: AID-2 INFO AMB DCM ECON

VZCZCP0943
PP RUEHPE
DE RUEHC #2203 2330921
ZNR UUUUU ZZH
P 200921Z AUG 88
FM SECSTATE WASHDC
TO AMEMBASSY LIMA PRIORITY 1107
BT
UNCLAS STATE 272203

RECEIVED
MAIL ROOM

22-AUG-88

TOR: 09:21
CN: 44473
CHRG: AID
DIST: AID
ADD:

03 AUG 23 AM 0:05
USAID/LIMA

ACTION: DR (FIELDS)
INFO: RD
REMS
PROG
D
DD

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: IEE APPROVAL 527-0303

REF: LIMA 10883

1. LAC CHIEF ENVIRONMENTAL OFFICER APPROVED IEE FOR ADMINISTRATION OF JUSTICE PROJECT AMENDMENT, PROJECT NUMBER 527-0303, ON AUGUST 19, 1988. IEE NUMBER IS LAC-IEE-88-38. COPY IS BEING POUCHED TO MISSION FOR INCLUSION IN OFFICIAL PROJECT FILE. WHITEHEAD
BT
#2203

NNNN

Over date 8/29

ACTION COPY	
ACTION TAKEN:	<i>Done</i>
	<i>PPC</i>
DATE:	<i>8/22</i>
INITIALS:	<i>J/BU</i>

44



PODER JUDICIAL

El Presidente de la Corte Suprema de la República,
Y Presidente de la Comisión Nacional del Proyecto
"Administración de Justicia"

Lima, 19 de Agosto de 1988

Señor
DONOR M. LION
Director de la A.I.D.
USAID
PRESENTE.-

Estimado señor Lion:

Tengo el agrado de dirigirle la presente en mi calidad de Presidente de la Corte Suprema y Presidente de la Comisión Nacional para el Fortalecimiento del Sistema Judicial en el Perú, a fin de confirmar nuestro interés en continuar vuestra 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\$1'850,000 de donación y \$1'500,000 de Contrapartida Peruana, tiene vigencia hasta el 31 de diciembre de 1989.

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.





PODER JUDICIAL

El Presidente de la Corte Suprema de la República
Y Presidente de la Comisión Nacional del Proyecto
"Administración de Justicia"

//..

Por estas razones, a la vez que le agradecemos por su apoyo en dar este primer -
paso, solicitamos a la Agencia para el Desarrollo Internacional, la extensión -
del Proyecto por dos años más (hasta el 31 de diciembre de 1991) y la donación -
de un monto adicional de \$1'000,000.00, el cual sería complementado por otro mon-
to de Contrapartida. El propósito de la extensión y la donación adicional sería
permitir la continuación de las actividades ya iniciadas, siempre con los reajus-
tes y modificaciones que se consideren necesarios según las experiencias obteni-
das 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.

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

Atentamente,



JUAN MANUEL MENDEZ OSBORN
Presidente

lib

Ministerio Público
Fiscalía de la Nación

Lima, 19 de Agosto de 1988.

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 calidad de Fiscal de la Nación y miembro de la Comisión Nacional para el Fortalecimiento del Sistema Judicial en el Perú, a fin de confirmar nuestro interés en continuar vuestra 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\$ 1'850,000 de donación y \$ 1'500,000 de Contrapartida Peruana, tiene vigencia hasta el 31 de diciembre de 1989.



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.

1.

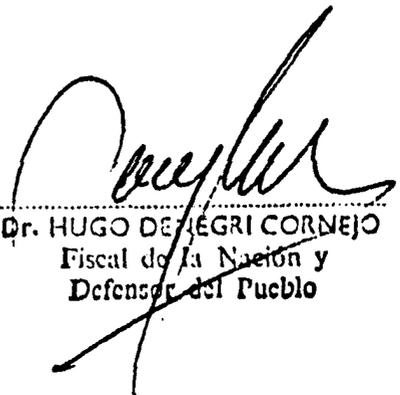
47

Ministerio Público
Fiscalía de la Nación

1.

Por estas razones, a la vez que le agradecemos por su apoyo en dar este primer paso, solicitamos a la Agencia para el Desarrollo Internacional, la extensión del Proyecto por dos años más (hasta el 31 de diciembre de 1991) y la donación de un monto adicional de \$1'000,000.00, 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.

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


Dr. HUGO DE GRI CORNEJO
Fiscal de la Nación y
Defensor del Pueblo

45

Ministerio de Justicia

Lima, 19 de Agosto de 1988.

Oficio N° 0439 /88-JUS-LM.

Señor
DONOR M. LION
Director
USAID
Lima

Estimado señor Lion :

Tengo el agrado de dirigirle la presente en mi condición de Ministro de Justicia y como miembro de la Comisión Nacional para el Fortalecimiento del Sistema Judicial en el Perú, a fin de confirmar nuestro interés en continuar vuestra 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\$ 1'850,000 de donación y \$ 1'500,000 de Contrapartida Peruana, tiene vigencia hasta el 31 de diciembre de 1989.

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 para el Desarrollo Internacional, la extensión del Proyecto por dos años más (hasta el 31 de diciembre de 1991) y la donación de un monto adicional de \$ 1'000,000.00, 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 neces-

//..

49

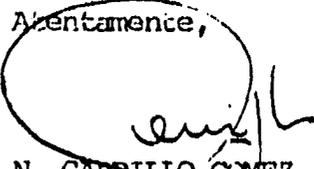
Ministerio de Justicia

OF. N° 0139 /88-JUS-DM.

//.. rios 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.

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

Atentamente,


CAMILO N. CARRILLO GOMEZ
Ministro de Justicia

30