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Report No: RES00405

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF

Improving the Performance of Non-Criminal Justice Services

APPROVED ON 05-Jun-2019

TO
Republic of Peru

Governance
Latin America And Caribbean

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ABBREVIATIONS AND ACRONYMS

ALEGRA	Free Legal Assistance Centers (<i>Centros de Asistencia Legal Gratuita</i>)
AMAG	Judicial Training Academy (<i>Academia de la Magistratura</i>)
DA	Designated Account
EJE	Judicial Electronic File (<i>Expediente Judicial Electrónico</i>)
EBA	Enterprise Business Architecture
FM	Financial Management
GoP	Government of Peru
IBRD	International Bank of Reconstruction and Development
ISR	Implementation Status and Results Report
IFR	Interim Financial Report
IT	Information Technology
JNJ	National Justice Board (<i>Junta Nacional de Justicia</i>)
LAC	Latin America and the Caribbean
MEF	Ministry of Economy and Finance (<i>Ministerio de Economía y Finanzas</i>)
MINJUSDH	Ministry of Justice and Human Rights (<i>Ministerio de Justicia y Derechos Humanos</i>)
PDO	Project Development Objective
PIU	Project Implementation Unit
PJ	Judiciary (<i>Poder Judicial</i>)
SCD	Systematic Country Diagnostic
SIGE	Integrated Case Management System (<i>Sistema Integrado de Gestión de Expedientes</i>)
STEP	Systematic Tracking of Exchanges in Procurement
TC	Constitutional Tribunal (<i>Tribunal Constitucional</i>)
UE	Executing Unit (<i>Unidad Ejecutora</i>)
WB	World Bank



BASIC DATA

Product Information

Operation ID P162833	Operation Name Improving the Performance of Non-Criminal Justice Services
Product/Financing Instrument Investment Project Financing (IPF)	Geographical Identifier Peru
Approval Date 05-Jun-2019	Current Closing Date 30-Sep-2024
Original EA Category Partial Assessment (B) (PAD Approval Package-05 Jun 2019)	

Organizations

Borrower Republic of Peru	Responsible Agency Judiciary of Peru, Ministry of Justice and Human Rights
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OPERATION STATUS

Project Development Objective (DO)

Original Development Objective

The Project's development objective is to improve efficiency, access, transparency, and user satisfaction, in the delivery of adequate non-criminal justice services.

Disbursement Summary (in USD million)

Source of Funds	Net Commitment	Disbursed	Balance	% Disbursed
IBRD	85.00	20.81	64.19	24.48
IDA	--	--	--	0



Grants	--	--	--	0
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Policy Waivers

Does this restructuring trigger the need for any policy waiver(s)?

No



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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. **This Restructuring Paper (RP) seeks the Country Director's approval for a Level 2 restructuring.** The objectives of the restructuring are to: (a) extend the closing date by 11 months to August 31st, 2025, (b) make minor revisions to the results framework, and (c) update the disbursement schedule.

A. Project Status

2. **The project was approved by the Board of Executive Directors on June 5, 2019. The Loan Agreement (Loan No. 8975-PE) was signed on November 27, 2019, and became effective on December 12, 2019.** The estimated cost of the project is US\$158 million, with the Bank providing US\$85 million in financing and the Government of Peru contributing the remaining US\$73 million. To date, disbursements have reached US\$20.81 million, representing 24.5% of the US\$85 million loan. The project was significantly impacted by the COVID-19 pandemic, political instability, and administrative bottlenecks, which slowed down funding and disrupted the normal operations of the project implementation units (PIUs), particularly during the first two years of implementation. Consequently, the project has shown uneven progress across its various components, as documented during the Mid-Term Review (MTR) conducted in April 2024. The summary of the progress is as follows:

- a. **Component 1 and 2: Strengthening the institutionality of the non-criminal justice administration system and improving the production, analysis, and use of information of the justice administration.** The Judiciary (PJ) revised its judicial and administrative processes to enhance efficiency and performance and conducted an enterprise architecture assessment to inform the development of the new case management platform (EJE No Penal). The WB recently granted a No Objection to the bid evaluation for the EJE No Penal platform, concluding an 18-month period from defining the terms of reference (TOR) to finalizing the procurement process. This period faced challenges such as delays in deciding on a Commercial Off-The-Shelf (COTS) solution over in-house development and completing extensive technical work to inform TORs. The EJE platform's implementation is expected to take an additional 30 months. The PJ's digital ecosystem, including a statistical information system and judicial portal, remains mostly conceptual due to dependencies on the EJE Platform and limited technical capacity. Nationwide integration of non-criminal specialties into the EJE platform is prioritized. The Constitutional Tribunal (TC) has made significant strides in digitizing case management and enhancing infrastructure, with future efforts focusing on performance monitoring and integrating with the EJE Platform. The National Board of Justice (JNJ) has published standards for judge evaluation but has made limited progress in other areas.
- b. **Component 3: Reducing socio-economic, cultural, and geographic barriers to access to justice for vulnerable populations.** Steady progress has been made on the Free Legal Assistance Centers (ALEGRAS) program, with 17 out of 45 centers refurbished and user satisfaction exceeding 80%. Digitalization is slower, with a business process review expected in 2024 to inform the new information management system, requiring additional time for full implementation. The Mobile Justice program has expanded from 8 to 34 Superior Courts, providing IT kits and training. The program's holistic benefits are recognized, Congress institutionalized the Mobile Justice initiative with legislation, and the project will support implementing regulation.
- c. **Component 4: Improving efficiency and efficacy of the justice administration system institutions.** Judicial Training Academy (AMAG) has faced challenges due to constant leadership changes and limited technical capacity, leading to a revised work program focused on curriculum review, remote learning platform improvement, and classroom rehabilitation. The change management program has seen mixed success, with effective engagement at ALEGRAS, TC, and Mobile Justice, but challenges at PJ, JNJ, and AMAG. Future efforts will enhance strategies to engage all project beneficiaries effectively.



3. **As of September 2024, the project’s development objective (PDO) is rated as Moderately Unsatisfactory (MU), mainly due to delays in achieving key results by the current closing date.** Implementation Progress, however, is rated Moderately Satisfactory (MS), with gradual improvement observed after initial setbacks in the first two years of implementation. With the awarding of the contract for the development of the EJE No penal and the proposed extension, achievement of the PDO would be back on track and the PDO rating would be upgraded.

4. **Additionally, the project is rated Moderately Satisfactory (MS) in financial management, Moderately Satisfactory (MS) in procurement, and Satisfactory (S) in compliance with social and environmental safeguards.** The latest ISR confirms that financial management arrangements are in place, with no outstanding audit reports and satisfactory Interim Financial Reports (IFRs). As of September 2024, disbursements have reached US\$ 20.81 million (24.5% of the US\$ 85 million loan). Both PIUs document expenditures monthly to reflect implementation progress. Financial Management Specialists (FMSs) from PJ and Ministry of Justice and Human Rights (MINJUSDH) receive continuous support from the Bank's FM team and participated in a May 2024 FM workshop. Procurement has maintained a moderately satisfactory rating since inception. Despite delays due to complex institutional arrangements and technical input requirements, PJ, with close support from the Bank through HEIS (Hands-on Expanded Implementation Support), is close to awarding a key process for the design and implementation of EJE. HEIS has strengthened capacity and addressed implementation constraints, particularly for international bidding and software solutions. Environmental and social safeguards (OP 4.01 and OP 4.10) are managed through an Environmental and Social Management Framework and an Indigenous Peoples Planning Framework, with E&S Management Plans prepared for civil works and a grievance mechanism in place. These measures remain appropriate as the restructured project does not alter the risk rating or type of E&S impacts.

B. Rationale for Restructuring

5. **In a letter dated September 20th, 2024, the Ministry of Economy and Finance (MEF) requested a first extension of the closing date for 11 months to August 31st, 2025.** The PIUs, in collaboration with the Multiannual Investment Programming Directorate (DGPMI) of MEF, have pre-agreed on a revised plan to complete the work program by September 30, 2026. Considering that the loan’s first repayment is scheduled for September 15, 2025, the MEF has requested an extension to August 31, 2025. It is also important to note that the loan is set to be fully amortized by September 15, 2027, making any extension beyond December 31, 2026, unfeasible.

6. **The extension will provide the necessary time to overcome challenge encountered during the first years of project implementation and advance core activities.** While progress has been made, additional time is required to assess whether incremental advancements can evolve into sustainable momentum towards achieving the project development objectives. A two-phase extension strategy addresses this need. During the extended period, project counterparts must fulfill several conditions, including maintaining moderately satisfactory project performance, ensuring that there are no overdue audits or financial reports, and completing agreed-upon actions essential for the project's success.

II. DESCRIPTION OF PROPOSED CHANGES

7. **This is the first project restructuring. The restructuring includes: (i) an extension of the closing date by 11 months to august 31st 2025, (ii) minor revisions to the results framework, and (iii) a revision of the disbursement schedule to align with the new implementation plan.** Extending the closing date to August 31, 2025, will help bring the project to a critical juncture before evaluating the need for a longer extension to complete the work program. Minor revisions to the intermediate indicators will better align the project benefits with its monitoring framework and correct errors and miscalculations in the original baseline and target values. The updated disbursement schedule will be aligned with the revised plan presented by the PIUs.



III. PROPOSED CHANGES

Operation Information	Proposed Changes	Operation Information	Proposed Changes
Results	Yes	Loan Closing Date Extension	Yes
Disbursements Estimates	Yes	Implementation Schedule	Yes
Development Objective	No	Loan Cancellations	No
Safeguard Policies Triggered	No	Reallocations	No
ISDS	No	Financial Management	No
MFD/PCE	No	Procurement	No
Risks	No	Institutional Arrangement	No
Legal Covenants	No		
Conditions	No		
Implementation Modalities	No		
Disbursements Arrangements	No		
DDO	No		
Clients	No		
Appraisal Summary	No		
Components	No		

IV. DETAILED CHANGE(S)

COSTS & FINANCING

Private Capital Facilitation

Is this an MFD-Enabling Project (MFD-EP)?

Is this project Private Capital Enabling (PCE)?



LOANS

Loan Closing

Loan/Credit/Trust Fund	Status	Original Closing	Revised Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IBRD-89750-001	Effective	30-Sep-2024	30-Sep-2024	31-Aug-2025	31-Dec-2025

DISBURSEMENTS

Operation Dates & Projection Details

Reasons to change the full Disbursement date and/or the projection

Restructuring, Change in Pace of Implementation

Implementation Start Date	Operation Closing Date
05-Jun-2019	30-Sep-2024

Projected Date for Full Disbursement

30-Jan-2026

Expected Disbursements (in US \$) (Absolute)

Year	Original Estimation at Preparation (Approval Package – 05 Jun 2019)	Revised Estimation	Actual
FY2019	0.00	0.00	0.00
FY2020	8,500,000.00	0.00	0.00
FY2021	12,120,000.00	364,814.00	364,814.00
FY2022	20,000,000.00	6,236,082.00	6,236,082.11
FY2023	25,000,000.00	5,661,246.00	5,661,246.00
FY2024	19,380,000.00	8,547,765.00	8,547,765.00
FY2025	0.00	28,028,757.00	0.00
FY2026	0.00	36,161,336.00	0.00



RESULTS

COUNTRY: Peru

Improving the Performance of Non-Criminal Justice Services

PDO Indicators by PDO Outcomes

Improved efficiency in the resolution of non-criminal cases								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
Processing time between the presentation of a claim and the decision that resolves the case (not including the enforcement period) in courts where EJE will be implemented (Months)	21.10	Jun/2018	24.85	30-Jun-2024	24.85	30-Jun-2024	17.50	Sep/2024
	Comments on achieving targets		No major improvements are expected before the adoption of the To-Be processes supported by the deployment of the EJE platform. The UE proposes that the target be revisited during project restructuring to account for the unknown source of the base and delays in the implementation of the EJE					
Increased access to justice								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
Percentage of female users satisfied with the services provided at the ALEGRAs (Text)	66	Apr/2021	71	31-Jan-2024	71	31-Jan-2024	81	Jun/2024
	Comments on achieving targets		A new satisfaction survey has been recently finalized with preliminary results reported by the UE; The development and implementation of a new system, including a feature for allowing a two-way communication with the ALEGRAs will start development in 2024					
Increased transparency of non-criminal justice services								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year



Percentage of users who access their case file and case status online (Text)	Not available	Jun/2018	37	31-Jan-2024	37	31-Jan-2024	70	Sep/2024
	Comments on achieving targets		Baseline survey was completed in May 2023, which revealed that 37% of court users reported having online access to their cases. However, this percentage varies by type of user. While 92% of surveyed lawyers indicated that they could access some information about their cases online, only 25% of citizens/justice users have some online access to their cases, and only 13.6% of indigenous people access information about their cases online. Once the deployment of the EJE commences in the second half of 2024, one of the first functions to be made available in selected jurisdictions (civil, labor, and family courts) is the online access to case files and case status. EJE will be able to keep track and report on the number and percentage of users accessing their case files online and provide these statistics with options of visualization of the data for dissemination purposes					

increased user satisfaction with the delivery of non-criminal justice services

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
Percentage of users satisfied with the service provided in a representative sample of non-criminal courts (Text)	Not available	Jan/2023	47.40	31-Jan-2024	47.40	31-Jan-2024	65	Sep/2024
Comments on achieving targets		The findings of the baseline survey were presented in May 2023. Based on the initial findings and as the development and deployment of the platform for the EJE advance new data will be collected to update this indicator and track progress every six months.						

Intermediate Results Indicators by Components

Component 1: Strengthening the institutionality of the non-criminal justice administration system

Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
Percentage of non-criminal jurisdictional units where EJE has been implemented (Percentage)	5.00	Dec/2018	0	30-Jun-2024	0	30-Jun-2024	100.00	Aug/2024
Comments on achieving targets		No progress as EJE Platform implementation is expected to start in Q4-2024. Revising the target value of this indicator should be considered for project restructuring. As per the implementing agency latest calculation, new possible target could be 75% of Jurisdictional units						
Creation of a portal where all the judgements are published and indexed in an easily searchable manner (Text)	Currently only judgements of the Supreme Court and a few Superior Courts are	Dec/2018	The new judiciary portal is still in the conceptualization stage	30-Jun-2024	The new judiciary portal is still in the conceptualization stage	30-Jun-2024	All judgements are published and indexed in a portal which allows citizens	Jun/2024



	published. The search functions are limited.						to search information easily.	
	Comments on achieving targets		The PJ currently has this service, but it needs to be updated. The new portal is part of the Judiciary Digital ecosystem that is being designed to support and extend the services of the EJE					
Gender gap analyses inform policy decisions that aim to enhance women's experience in courts (Text)	Currently the PJ does not have enough information for identifying gender gaps and making policy decisions	Dec/2018	ToRs are finalized and the procurement of the consultancy firm to conduct this work will be launched end of January 2024. The field work and the presentation of the final report is expected by July 2024	31-Jan-2024	ToRs are finalized and the procurement of the consultancy firm to conduct this work will be launched end of January 2024. The field work and the presentation of the final report is expected by July 2024	31-Jan-2024	Regular conduct of gender gap analyses informs policy decisions that aim to enhance women's experience in courts	Jun/2024
	Comments on achieving targets		Reports using administrative and court user survey data to synthesize differences in the treatment of women and men					
Time elapsed between the receipt of the case from PJ and the issuance of the final decision at TC (Days)	761.00	Dec/2018	340	30-Jun-2024	340	30-Jun-2024	404.00	Jun/2024
	Comments on achieving targets		The TC continues to improve the time elapsed from when the cases are received from the PJ and resolved by the TC. While some of the initial reduction in the time to resolve cases was due to changes in procedures and criteria used for reviewing cases, the subsequent reduction in time recorded is partially attributed to the IT and system improvements supported by the project. The indicator will continue be monitored to trace a full attribution to the project to confirm the achievement					
Component 2: Improving the production, analysis and use of information of the justice administration system								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
An optimal statistical system designed and implemented which contributes to the monitoring and control of processes of the PJ (Text)	The PJ does not have an adequate statistical system for the monitoring and control of processes	Dec/2018	The statistical system is part of the PJ digital ecosystem that is currently in the	30-Jun-2024	The statistical system is part of the PJ digital ecosystem that is currently in the	30-Jun-2024	Statistical system contribute to the monitoring and control of processes	Dec/2023



			conceptualization stage.		conceptualization stage.			
	Comments on achieving targets		Scaling down or dropping the statistical system from the project scope should be considered for project restructuring.					
Indicators for monitoring performance of the TC designed and implemented (Text)	The TC does not have proper instruments for performance management	Dec/2018	To Be business processes have been finalized. ToR for information system upgrade will start soon	30-Jun-2024	To Be business processes have been finalized. ToR for information system upgrade will start soon	30-Jun-2024	A dashboard designed for performance monitoring	Mar/2022
	Comments on achieving targets		Next steps is to define indicators based on to-be processes and consider them for the ToR for the new SIGE					
Standards and processes for periodic evaluation of judges published and implemented (Text)	The JNJ has not been formally established.	Dec/2018	The JNJ has been formed and has published the processes for evaluation of judge performance.	30-Jun-2024	The JNJ has been formed and has published the processes for evaluation of judge performance.	30-Jun-2024	Standards and processes for periodic evaluation of judges published and implemented by the JNJ	Dec/2022
	Comments on achieving targets		The public and judges are aware performance standards and the system is applied fairly					
Component 3: Reducing socio-economic, cultural and geographic barriers to access to justice for vulnerable populations.								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
Revise Number of ALEGRAs with the new management model implemented (Number)	0.00	Dec/2018	0.00	30-Jun-2024	0.00	30-Jun-2024	49	Sep/2026
	Comments on achieving targets		The process review is on-going and expected to be completed during the remainder of 2024.					
Revise Number of requests received at the ALEGRAs (Number)	155,905	Dec/2020	191,233	30-Jun-2024	191,233	30-Jun-2024	204,133	Sep/2026
	Comments on achieving targets		Data received by the PIU based on the annual report of the ALEGRAs. 2021: 187,642 (127,342 consultations, 25,600 legal sponsorships and 34,700 conciliations) 2022: 168,427 (127,455 consultations, 32,400 legal sponsorships and 8,572 conciliations) 2023; 191,233 (138,186 (consultations, 40,571 sponsorships and 12,476 conciliations)					
	20.00	Dec/2018	83.70	30-Jun-2024	83.70	30-Jun-2024	50.00	Jun/2024



Percentage of conciliations concluded at the ALEGRAs (Percentage)	Comments on achieving targets		<p>Year 2021: Consultations that ended in reconciliations: 34,700 (1,211 started and 1,105 concluded)</p> <p>Year 2022: Consultations that ended in reconciliations: 8,572 (5,113 started and 4,935 concluded)</p> <p>Year 2023: Consultations that ended in reconciliations: 10,773 (2,332 started and 1,952 concluded)</p>					
New Number of beneficiaries exercising civil rights and accessing government services through itinerant justice mechanisms (Number)	7,527	Dec/2020			42,893	31-Dec-2023	79,034	Sep/2026
Component 4: Improving efficiency and efficacy of the justice administration system institutions.								
Indicator Name	Baseline		Actual (Previous)		Actual (Current)		Closing Period	
	Result	Month/Year	Result	Date	Result	Date	Result	Month/Year
	6,117	Feb/2019	6,117	30-Jun-2024	6,117	30-Jun-2024	10,195	Jun/2024
Revise Number of people who have completed courses through AMAG's e-learning platform per year (Number)	Comments on achieving targets		<p>Due to COVID-19, AMAG moved all 2020-2022 (first semester);training online, resulting in a large increase in the number of people trained via e-learning (prior to the implementation of project activities). This number was adjusted and show a reduction since July 2022 until now; face to face clinics have been reinstated The base and target of this indicator should be review during project restructuring because of the distortions in the number of people who complete courses online due to the pandemic.</p>					